



The Board of Directors of WithSecure Corporation ("**WithSecure**") has, on 17 February 2022, unanimously approved a demerger plan concerning the partial demerger of WithSecure (the "**Demerger Plan**"), according to which all assets and liabilities of WithSecure's consumer security business shall be transferred to a company to be incorporated in connection with the partial demerger, F-Secure Corporation ("**F-Secure**" or the "**Company**") (the "**Demerger**"). WithSecure will not be liquidated in connection with the Demerger, and it will retain the assets and liabilities related to its corporate security business. The Board of Directors of WithSecure has on 12 April 2022 proposed that the Extraordinary General Meeting of WithSecure convened to be held on 31 May 2022 would approve the Demerger Plan and resolve upon the Demerger as set forth in the Demerger Plan. The completion of the Demerger is subject to, *inter alia*, approval by the Extraordinary General Meeting of WithSecure. Information on the conditions for the completion of the Demerger included in the Demerger Plan is presented in section "*Summary of the Demerger*" and in the Demerger Plan, which is attached to this offering circular (the "**Offering Circular**") as Appendix A. The Demerger shall be completed on the date of registration of the execution of the Demerger with the Finnish Trade Register (the "**Effective Date**"). The planned Effective Date is 30 June 2022. The planned Effective Date may change, and the actual Effective Date may be earlier or later than the above-mentioned date.

Upon the completion of the Demerger, shareholders of WithSecure will receive as demerger consideration (the "**Demerger Consideration**") one (1) new share in F-Secure (the "**Demerger Consideration Shares**") for each share they hold in WithSecure; that is, the Demerger Consideration will be issued to WithSecure's shareholders in proportion to their existing shareholdings with a ratio of 1:1. Treasury shares held by WithSecure do not entitle to the Demerger Consideration. The total number of Demerger Consideration Shares is expected to be approximately 174,526,944 shares (based on the number of shares in WithSecure on the date of this Offering Circular apart from the treasury shares held by WithSecure), and the total number of the Company's shares would thus be 174,526,944 shares ("**Share**" and collectively the "**Shares**"). The Demerger Consideration shall be distributed in the book-entry securities system maintained by Euroclear Finland Oy ("**Euroclear Finland**"). The Demerger Consideration payable to each shareholder of WithSecure shall be calculated, using the exchange ratio set forth above, based on the number of shares in WithSecure registered in each separate book-entry account of each such shareholder on the Effective Date. The Demerger Consideration shall be distributed automatically, and no actions are required from the shareholders of WithSecure in relation thereto. The Demerger Consideration Shares shall be issued to the shareholders of WithSecure on the first business day after the Effective Date or as soon as possible thereafter.

This Offering Circular has been prepared and published by WithSecure on behalf of F-Secure for the purposes of issuing the Demerger Consideration Shares to the shareholders of WithSecure and of applying shares in F-Secure to be listed for trading on the official list of Nasdaq Helsinki (the "**Listing**"). The Offering Circular is valid until the Listing. For information on WithSecure's obligation to supplement the Offering Circular, see "*Important Information*". WithSecure intends to apply for the Demerger Consideration Shares and shares in F-Secure for Listing. An application for the Listing will be submitted prior to the Effective Date. The trading in the Demerger Consideration Shares and shares in F-Secure on the official list of Nasdaq Helsinki is expected to begin as soon as reasonably possible after the Effective Date.

The Board of Directors of WithSecure is of the opinion that the next phase in the development of WithSecure's operations is best carried out in two separate companies, which gives both companies better financing opportunities and clearer equity stories, as well as a more specialised and distinctive strategy and way of operation. WithSecure's expectation is that the customers and partners of WithSecure and F-Secure would be better served through two independent companies with two strong brands focusing on the separate consumer and corporate security markets, and the Boards of Directors and the management of these two independent companies will help the companies in accelerating strategy execution and increasing brand clarity as well as to reach a stronger competitive position, growth and better profitability. The Demerger is thereby expected to significantly strengthen the preconditions for shareholder value creation in both WithSecure and F-Secure.

This Offering Circular is intended solely to provide information to shareholders of WithSecure, who will receive a distribution of Demerger Consideration Shares through the Demerger. The distribution of this Offering Circular may, in certain jurisdictions, be restricted by law. The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy any shares in WithSecure or F-Secure in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. In particular, no shares in WithSecure or F-Secure are being offered or sold, directly or indirectly, in or into the United States pursuant to this Offering Circular. The distribution of the Demerger Consideration Shares has not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under the securities laws of any state of the United States and, accordingly, the Demerger Consideration Shares may not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S under the Securities Act), unless registered under the U.S. Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and in compliance with any applicable state securities laws of the United States. Neither the U.S. Securities and Exchange Commission ("**SEC**") nor any U.S. state securities commission has approved or disapproved of the distribution of the Demerger Consideration shares or passed upon the accuracy or adequacy of this Offering Circular or any document referred to herein. Any representation to the contrary is a criminal offense under U.S. law. See also "*Important Information*".

Investing in F-Secure involves risks. For risk factors involved, see "*Risk Factors*".

Financial Adviser



IMPORTANT INFORMATION

WithSecure has on behalf of F-Secure prepared and published a Finnish language demerger prospectus (“**Finnish Prospectus**”) in order to issue Demerger Consideration Shares to the shareholders of WithSecure and for Listing. The Finnish Prospectus has been prepared in accordance with the following regulations: the Finnish Securities Markets Act (746/2012, as amended) (the “**Finnish Securities Markets Act**”), Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”), Commission Delegated Regulation (EU) 2019/979 of 14 March 2019, as amended, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 (Annexes 1, 11 and 20), as amended, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as well as the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the “**FIN-FSA**”). The Finnish Prospectus also contains a summary. The FIN-FSA has approved the Finnish Prospectus as the competent authority under the Prospectus Regulation. The FIN-FSA only approves the Finnish Prospectus as meeting the standards of completeness, consistency and comprehensibility imposed by the Prospectus Regulation. Approval by the FIN-FSA of the Finnish Prospectus shall not be considered as an endorsement of the issuer that is the subject of the Finnish Prospectus. Investors should consult their own research, analysis and examination about the suitability of investing in the securities. The journal number of the FIN-FSA’s decision of approval of the Finnish Prospectus is FIVA/2022/52.

This offering circular (“**Offering Circular**”) is an English language translation of the approved Finnish Prospectus, and it contains the same information as the Finnish Prospectus. This Offering Circular has not been approved by the FIN-FSA. In the event of any discrepancies between the Finnish Prospectus and the Offering Circular, the Finnish Prospectus shall prevail. WithSecure and F-Secure are responsible for this Offering Circular and the Finnish Prospectus as set forth under *Certain Additional Information – Parties Responsible for the Offering Circular and the Statement Regarding the Offering Circular* below.

In the Offering Circular, prior to the Effective Date, any reference to “**WithSecure**” or “**Demerging Company**” means WithSecure Corporation prior to the Effective Date and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means WithSecure Corporation or a particular subsidiary or business unit only. Prior to the Effective Date, any reference to “**F-Secure**” or “**Company**” means F-Secure Corporation, which shall be incorporated on the Effective Date as a result of the partial demerger, and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means F-Secure Corporation or a particular subsidiary or business unit only.

Shareholders and investors should rely solely on the information contained in the Offering Circular as well as in the stock exchange releases published by WithSecure. No person has been authorised to provide any information or give any statements other than those provided in the Offering Circular. Delivery of the Offering Circular shall not indicate that the information presented in the Offering Circular will be correct in the future or that there would not have been any adverse changes or events after the date of the Offering Circular, which could have an adverse effect on WithSecure’s or F-Secure’s business, financial position or results of operations. However, if material new information appears or a material mistake or inaccuracy is discovered in this Offering Circular before the validity period of the Offering Circular has expired and such new information, mistake or inaccuracy could affect the evaluation of the securities, the Offering Circular shall be supplemented during its period of validity, i.e. the period between the date of this Offering Circular and the Listing. **The responsibility to supplement the Offering Circular with regard to material new information, mistake or inaccuracy ends after the period of validity. The Offering Circular is valid until Listing.** Information given in the Offering Circular is not a guarantee or grant for future events by WithSecure or for F-Secure and shall not be considered as such. Unless otherwise stated, any estimates with respect to market development relating to WithSecure or its industry are based upon reasonable estimates of the management of the respective company that such information concerns.

In a number of jurisdictions, such as in Australia, Canada, South Africa, Singapore, Japan and in the United States, the distribution of this Offering Circular may be subject to restrictions imposed by law (such as registration, admission, qualification and other regulations). In particular, no Demerger Consideration Shares have been registered or will be registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”) or the securities laws of any state of the United States and as such neither the Demerger Consideration Shares nor any other security referenced in this Offering Circular may be offered or sold in the United States except pursuant to an applicable exemption from registration under the US Securities Act. This Offering Circular is neither an offer to sell nor the solicitation of an offer to buy any securities and shall not constitute an offer, solicitation or sale in the United States or any other jurisdiction in which such offering, solicitation or sale would be unlawful. This Offering Circular must not be released or otherwise forwarded, distributed or sent, directly or indirectly, in whole or in part, in or into the United States or any jurisdiction where the distribution of these materials would breach any applicable law or regulation or would require any registration or licensing within such jurisdiction. Failure to comply with the foregoing limitation may result in a violation of the US Securities Act or other applicable securities regulation.

Neither the Offering Circular, any notification nor any other Demerger material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Neither WithSecure nor the financial adviser of WithSecure accepts any legal responsibility for persons who have obtained the Offering Circular in violation of these restrictions, irrespective of whether these persons are prospective recipients of the Demerger Consideration Shares. No actions have been taken by WithSecure or the financial adviser to register or qualify the Demerger Consideration Shares for public offer in any jurisdiction other than Finland.

Any disputes arising in connection with the Finnish Prospectus or this Offering Circular will be settled exclusively by a court of competent jurisdiction in Finland. Investors must not construe the contents of this Offering Circular as legal, investment or tax advice. Each investor is advised to consult such investor’s own counsel, accountant or business advisor as to legal, investment and tax advice and related matters pertaining to the Demerger.

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SUMMARY

Introduction

*This summary contains all the sections required by Regulation 2017/1129 of the European Parliament and of the Council to be included in a summary for this type of securities and issuer. This summary should be read as an introduction to the offering circular (the “**Offering Circular**”). Any decision to invest in the securities should be based on consideration of this Offering Circular as a whole.*

*An investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Offering Circular is brought before a court, the plaintiff investor might, under applicable legislation, have to bear the costs of translating the Offering Circular before legal proceedings are initiated. F-Secure Corporation (“**WithSecure**”) assumes civil liability in respect of this summary only if the summary is misleading, inaccurate or inconsistent with the other sections of this Offering Circular or if it does not provide, when read together with the other parts of the Offering Circular, key information in order to aid investors when considering whether to invest in the securities issued by F-Secure (as defined below).*

Issuer and issuer’s contact information:

*Since F-Secure Corporation (“**F-Secure**”) will not be incorporated until the effective date (“**Effective Date**”), the following information is based on the demerger plan (“**Demerger Plan**”) and information available as the date of this Offering Circular regarding the consumer security business.*

F-Secure Corporation
Business identity code: 3269349-7
Legal entity identifier (LEI): 9845006BFDJF0375E466
Registered office: Helsinki, Finland
Address: Tammasaarenkatu 7, 00180 Helsinki, Finland
Telephone: +358 9 2520 0700
Website: <https://www.f-secure.com>

The demerging company and the demerging company’s contact information:

Trade name: WithSecure Corporation
Business identity code: 0705579-2
Legal entity identifier (LEI): 743700ATXLT0MFCHXT16
Registered office: Helsinki, Finland
Address: Tammasaarenkatu 7, 00180 Helsinki, Finland
Telephone: +358 9 2520 0700
Website: <https://www.withsecure.com>

Hereinafter, the term “**F-Secure**” refers to F-Secure Corporation as of the date of the registration of the demerger of WithSecure (the “**Effective Date**”). WithSecure intends to carry out a partial demerger whereby all assets and liabilities of WithSecure’s consumer security business shall be transferred to F-Secure.

F-Secure will have one class of shares. F-Secure’s shares will be applied for listing on the official list of Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”) under the trading code FSECURE (ISIN code FI4000519236).

The FIN-FSA has approved the Finnish language demerger prospectus (“**Finnish Prospectus**”) as the competent authority under the Prospectus Regulation on 13 May 2022. The register number of the FIN-FSA’s approval decision of the Finnish language Prospectus is FIVA/2022/52. The FIN-FSA’s address is PO Box 103, 00101 Helsinki, Finland, telephone number +358 9 183 51 and email address kirjaamo@finanssivalvonta.fi.

Key Information on F-Secure

Who is the issuer of the securities?

Since F-Secure will not be incorporated until the Effective Date, the following information is based on the Demerger Plan and information available as the date of this Offering Circular regarding the consumer security business. The following information reflects a number of assumptions and expectations regarding F-Secure's operations based on, among others, the Demerger being completed in the timeframe contemplated in this Offering Circular or at all and the operations of F-Secure being organised as anticipated as the date of this Offering Circular. However, there can be no assurance that the Demerger will be completed in the manner or in the timeframe contemplated in this Offering Circular, or at all, or that F-Secure's operations will be organised as anticipated at the date of this Offering Circular, any of which may cause any of the statements below to not materialise. The Demerger Plan is attached to this Offering Circular as Appendix A.

The legal and commercial name of the issuer is F-Secure Oyj in Finnish and F-Secure Corporation in English. F-Secure will become a public limited liability company incorporated in Finland and subject to the laws of Finland with its registered office in Helsinki and LEI code 9845006BFDJF0375E466.

General

F-Secure is a Finnish and globally operating cybersecurity company. F-Secure designs and offers award-winning security and privacy products and services¹ that help tens of millions of consumers to protect themselves against online threats. F-Secure's offering includes a comprehensive range of security and privacy products and services related to endpoint security, privacy protection, password management and digital identity protection, and router security that protects consumers' entire connected home. The majority of F-Secure's sales come from selling products and services through its extensive and global channel partner network, including approximately 170 channel partners (hereinafter "**Channel Partners**" refers to all F-Secure's service provider channel partners and the term may be singular or plural). Channel Partners include, for example, communication service providers, retailers, banks, and insurance companies. In addition to selling products through Channel Partners, F-Secure makes standalone and all-in-one security solutions available to consumers through various e-commerce channels such as mobile application stores and its own online store. F-Secure operates globally with offices in multiple cities, and its headquarters is located in Helsinki. In the financial year 2021, F-Secure employed 245 employees on average. Following the Effective Date, F-Secure Corporation will be the parent company of the group. There will be 14 subsidiaries in direct or indirect ownership of F-Secure Corporation.

Major shareholders

As at 10 May 2022, WithSecure had 174,598,739 shares. Upon the completion of the Demerger, shareholders of WithSecure will receive as demerger consideration (the "**Demerger Consideration**") one (1) new share in F-Secure (the "**Demerger Consideration Shares**") for each share they hold in WithSecure; that is, the Demerger Consideration will be issued to WithSecure's shareholders in proportion to their existing shareholdings with a ratio of 1:1. The following table sets forth the 5 largest shareholders of WithSecure on 10 May 2022. The following table also sets forth F-Secure's largest shareholders and their share ownership as at the date of registration of the execution of the Demerger with the Finnish Trade Register (the "**Effective Date**") assuming that there are no changes in the ownership of the largest shareholders of WithSecure and the number of WithSecure's treasury shares between 10 May 2022 and the Effective Date:

Shareholder	Total number of shares	Percentage of the Company's shares and votes (%)
1 Risto Siilasmaa	60,017,365	34.4
2 Nordea Nordic Small Cap Fund	11,557,976	6.6
3 Mandatum Life Insurance Company Limited	7,354,057	4.2
4 Ilmarinen Mutual Pension Insurance Company	6,020,000	3.4
5 Elo Mutual Pension Insurance Company	3,998,047	2.3

As far as WithSecure is aware, F-Secure will not be directly or indirectly owned or controlled by any party under chapter 2, section 4 of the Finnish Securities Markets Act. WithSecure is not aware of any of such agreements concluded between its shareholders, which could be meaningful in terms of ownership or using voting rights in the General Meetings, or of any arrangements, the operation of which may at a subsequent date result in a change in control of F-Secure.

¹ Based on awards across product portfolio such as "Best Protection" Award 7 years out of last 11 by AV-Test, "Best Operator Service for Consumers" Award at Broadband World Forum (2020), "Best in Class Marketing Award Winner" Award at BMMA (2020), "Best Consumer IoT Deployment" Award at IoT World (2020), AV-test approved VPN (2021), AV-comparatives (2020), IT Pro Best VPN services, Editor's choice (2020).

Members of the Board of Directors and the Leadership Team

WithSecure has proposed to elect the following members to the Board of Directors of F-Secure: Pertti Ervi (Chairman), Risto Siilasmaa, Petra Teräsaho, Thomas Jul, Madeleine Lassoued and Calvin Gan.

The members of F-Secure's Leadership Team whose appointment will take effect on the Effective Date are Timo Laaksonen (CEO), Antero Norkio, Paul Palmer, Toby White, Sari Somerkallio, Richard Larcombe, Perttu Tynkkynen, Mikko Kestilä, Steven Offerein, Michal Iwan, Dmitri Vellikok and Kitta Virtavuo.

Statutory auditor

The Board of Directors of WithSecure has proposed that the audit firm PricewaterhouseCoopers Oy be elected as the auditor of F-Secure for a term ending at the end of the first Annual General Meeting of F-Secure. PricewaterhouseCoopers Oy has stated that Janne Rajalahti, APA, will act as the responsible auditor.

What is the key financial information regarding the issuer?

The following tables present selected combined carve-out financial information of F-Secure as at and for the years ended 31 December 2021, 2020, 2019, and as at and for the three months period ended 31 March 2022 and 2021. The selected combined carve-out financial information presented below has been derived from the audited carve-out financial statements of F-Secure as at and for the years ended 31 December 2021, 2020, 2019 and the unaudited carve-out financial information of F-Secure as at and for the three months period ended 31 March 2021, including unaudited comparative carve-out financial information as at and for the three months period ended 31 March 2020. The carve-out financial information of F-Secure has been prepared in accordance with the IFRS standards, under consideration of the principles for determining which assets and liabilities, income and expenses and cash flows are to be assigned to F-Secure as described in note 1 to the audited carve-out financial statements of F-Secure as at and for the years ended 31 December 2021, 2020 and 2019.

In EUR million unless otherwise indicated	As at 31 March and 1 January to 31 March		As at and for the financial year ended 31 December		
	2022	2021	2021	2020	2019
	IFRS (unaudited)		IFRS (unaudited, unless otherwise indicated)		
Revenue	27.4	26.3	106.3 ¹⁾	100.1 ¹⁾	94.8 ¹⁾
Revenue growth %	4.1%	-	6.1%	5.5%	-
Adjusted EBITDA	12.7	11.9	47.4	46.7	40.1
% of revenue	46.4%	45.2%	44.6%	46.7%	42.3%
EBITA	11.9	11.8	44.8	46.5	39.1
% of revenue	43.3%	45.0%	42.2%	46.5%	41.2%
Adjusted EBITA	12.7	11.8	47.2	46.5	39.9
% of revenue	46.3%	45.0%	44.4%	46.5%	42.0%
EBIT	11.5	11.6	43.5 ¹⁾	44.7 ¹⁾	37.0 ¹⁾
% of revenue	42.1%	43.9%	40.9%	44.6%	39.0%
Adjusted EBIT	12.3	11.6	45.9	44.7	37.7
% of revenue	45.0%	43.9%	43.2%	44.6%	39.8%
Profit before taxes	11.7	11.5	43.6 ¹⁾	43.7 ¹⁾	36.8 ¹⁾
% of revenue	42.8%	43.9%	41.0%	43.6%	38.8%
Result for the period	9.3	9.1	34.4 ¹⁾	34.2 ¹⁾	28.6 ¹⁾
% of revenue	33.8 %	34.6 %	32.4%	34.1%	30.2%
Total assets	39.2	40.5	38.9 ¹⁾	37.0 ¹⁾	33.2 ¹⁾
Net debt (+) / Net cash (-) ²⁾	0.2	0.2	0.2	0.2	0.3
Total invested equity	9.3	11.7	9.5 ¹⁾	9.1 ¹⁾	2.0 ¹⁾
Equity ratio %	23.7%	28.8%	24.5%	24.5%	5.9%
Operating cash flow	8.3	5.9	36.1 ¹⁾	34.5 ¹⁾	32.0 ¹⁾
Cash flow from investments	-0.6	-0.2	-1.6 ¹⁾	-1.7 ¹⁾	-3.1 ¹⁾
Cash flow from financing activities	-7.8	-5.8	-34.5 ¹⁾	-32.8 ¹⁾	-28.9 ¹⁾

¹⁾ Audited

²⁾ In the Carve-out financial information, no cash or certain lease liabilities, such as lease liabilities related to business premises or lease liabilities related to machinery and equipment, have been allocated to F-Secure. As a result, the Net debt derived from the carve-out financial information does not reflect F-Secure's Net debt after the Demerger when the Company will be operating as a separate entity.

Description of the nature of the emphasis of matter paragraph in the auditor's report concerning the carve-out financial statements of F-Secure

The independent auditor's report on the audit for the carve-out financial statements of F-Secure as at and for the years ended 31 December 2021, 2020 and 2019 includes an emphasis of matter paragraph. In this paragraph, the independent auditor, without qualifying its opinion, draws attention to the note 1 to the carve-out financial statements, which describes their basis of preparation, including the approach to and the purpose of preparing them, and that the separate carve-out financial statements included in the set of carve-out financial statements are not necessarily indicative of the financial position, financial performance and cash flows of F-Secure if it had operated as a separate legal group of entities during the financial years presented, nor future performance.

Unaudited pro forma financial information

This Offering Circular includes unaudited pro forma combined financial information ("**unaudited pro forma financial information**") illustrating the effects of the Demerger to F-Secure's historical carve-out financial information had the Demerger been consummated at an earlier point in time. The unaudited pro forma financial information is for illustrative purposes only.

The unaudited pro forma combined statement of income for the financial year ended 31 December 2021 and the unaudited pro forma combined statement of income for the three months period ended 31 March 2022 gives effect the Demerger as if it had occurred on 1 January 2021. The unaudited pro forma combined statement of financial position as at 31 March 2022 illustrates the impact of the Demerger as if it had occurred on that date.

Because of its nature, the unaudited pro forma financial information illustrates what the hypothetical impact would have been if the Demerger had been consummated at the date assumed in this unaudited pro forma financial information, and, therefore, does not represent the actual results of operations or financial position of F-Secure. The unaudited pro forma financial information is not intended to project the results of operations or financial position of F-Secure as of any future date and does not represent the results of operations or financial position had F-Secure been an independent listed company for the periods presented.

The unaudited pro forma financial information reflects adjustments to the historical carve-out financial information to give pro forma effect to events that are directly attributable to the Demerger and are factually supportable. The pro forma adjustments are based upon available information and certain assumptions, which are described in the accompanying notes to this unaudited pro forma financial information. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma financial information will prove to be correct. Further, the effective tax rate of F-Secure could be different in the future depending on the post Demerger activities, including cash needs, geographical mix of income and tax planning strategies.

The pro forma adjustments made herein are based on F-Secure's unaudited interim carve-out financial information as at and for the three months ended 31 March 2022, audited carve-out financial statements as at and for the financial year ended 31 December 2021 and management's estimate of the assets and liabilities to be transferred to F-Secure and costs related to the Listing, for which F-Secure is responsible in accordance with the Demerger Plan.

The final amounts of assets and liabilities transferred to F-Secure in the Demerger may materially differ from those presented in the unaudited pro forma financial information as such balances will be determined based on the carrying values of the transferring assets and liabilities on the Effective Date. This could result in a significant variation to the results of operations and financial position of F-Secure in the future comparing to the unaudited pro forma financial information.

The unaudited pro forma financial information has been prepared in accordance with Annex 20 to the Commission Delegated Regulation (EC) N:o 2019/980 and on a basis consistent with the IFRS accounting policies applied by F-Secure.

The pro forma financial information is unaudited.

Unaudited pro forma key figures

In EUR million, unless otherwise indicated	1 January to 31 March 2022	For the financial year ended 31 December 2021	As at 31 March 2022
Pro Forma Revenue	27.4	106.3	-
Pro Forma Adjusted EBITDA	13.0	48.6	-
% of revenue	47.5%	45.7%	-
Pro Forma Adjusted EBITA	12.7	47.5	-
% of revenue	46.6%	44.7%	-
Pro Forma Adjusted EBIT	12.4	46.2	-
% of revenue	45.4%	43.5%	-
Pro Forma EBIT	12.4	40.3	-
% of revenue	45.4%	37.9%	-
Pro Forma Net debt (+) / Net cash (-)	-	-	1.7

What are the key risks that are specific to F-Secure?

- There is no certainty that the Demerger will be completed, or the completion may be delayed, and any delay in the completion of the Demerger could result in increased expenses and require increased resources from WithSecure's management and other personnel
- F-Secure may be liable for certain obligations of WithSecure following the Effective Date, and such obligations could have a material adverse effect on F-Secure's business, financial condition and results of operations
- F-Secure may not be able to implement its business organisation and its independent strategy in the manner and timeframe currently anticipated, and it may not be able to realise any or all of the anticipated benefits of the Demerger
- Intensifying competition in the consumer security market could lead to a general decline of the price level and affect F-Secure's ability to maintain or increase its market share, and the intensifying competition could thus have an adverse effect on F-Secure's revenue, profitability and market share
- F-Secure may not be able to keep up with rapid changes in customer demand, technologies and the evolution of malware and cybersecurity threats, which could have an adverse effect on F-Secure's reputation, competitiveness, results of operations and financial position
- The loss of key persons and skilled employees or the increase in personnel expenses can weaken its profitability and the standard of its services or solutions, hinder operations and prevent F-Secure from successfully developing and growing its business
- F-Secure operates internationally, which exposes it to a number of global and regional political, economic, legal, regulatory and operational risks
- Actual, possible or perceived defects, disruptions or vulnerabilities in F-Secure's products or services, including risks from cybersecurity attacks and errors or abuses by F-Secure's employees and business partners, could harm F-Secure's or its customers' reputation, decrease sales, hinder operations, tie up personnel resources and give rise to claims for damages and increase other costs
- If F-Secure's agreement with a significant business partner or Channel Partner ends or is terminated, or if F-Secure is unable to continue cooperating with a business partner or Channel Partner under acceptable terms, or if there is a failure by a Channel Partner to fulfil its duties, this could significantly decrease F-Secure's revenue, increase its costs, hinder its operative business and weaken its ability to offer services or solutions to its customers
- Any malfunctions in technologies, IT systems or network connections used by F-Secure or any security breaches could engender disruptions to F-Secure's service offering. Such malfunctions or breaches could also expose F-Secure and its customers, among other things, to risks of misuse of information or systems, the compromise of confidential information, manipulation and destruction of data, fraudulent actions and operational disruptions
- F-Secure collects and processes personal data as part of its daily business, and the leakage of such data or failure to process the data in accordance with applicable regulation may have a material adverse effect on F-Secure's business and reputation and result in claims for damages as well as fines and orders imposed by the authorities
- F-Secure may not succeed in obtaining financing under favourable terms, which could have an adverse effect on its business operations and financial position

Key Information on the Securities

What are the main features of the securities?

F-Secure's share capital will amount to EUR 80,000. Upon the completion of the Demerger, the shareholders of WithSecure will receive as Demerger Consideration one (1) new share in F-Secure for each share they hold in WithSecure; that is, the Demerger Consideration will be issued to WithSecure's shareholders in proportion to their existing shareholdings with a ratio of 1:1. Treasury shares held by WithSecure do not entitle to the Demerger Consideration. On the date of this Offering Circular, WithSecure holds 71,795 treasury shares. Assuming that no changes in the aggregate number of issued and outstanding shares in WithSecure occur between the date of this Offering Circular and the Effective Date, the aggregate number of shares of F-Secure shares as at the Effective Date will therefore be 174,526,944 shares. F-Secure will have one (1) share class, and the shares of F-Secure shall not have a nominal value. Each share of F-Secure will entitle its holder to one vote in the General Meeting of shareholders and carries equal rights to distribution of funds. F-Secure's shares will be registered in the Finnish book-entry system. F-Secure's shares will be applied for trading on the official list of Nasdaq Helsinki. The trading code of F-Secure's shares on Nasdaq Helsinki will be FSECURE. The ISIN code for F-Secure's shares will be FI4000519236.

According to F-Secure's dividend policy, F-Secure's target is to distribute a dividend of about 50 per cent or more of its net profit.

Where will the securities be traded?

This Offering Circular has been prepared and published by WithSecure on behalf of F-Secure for the purposes of issuing the Demerger Consideration Shares to the shareholders of WithSecure and of applying shares in F-Secure to be listed for trading on the official list of Nasdaq Helsinki. Trading of shares in F-Secure is expected to commence on the official list of the Nasdaq Helsinki as soon as reasonably possible after the Effective Date.

What are the key risks that are specific to the securities?

- The market price of the Shares may be volatile, and an active and liquid trading market may not develop for the Shares
- There can be no assurance of distribution of dividends or repayment of capital to the shareholders in the future

Key Information on the Offer of Securities to the Public and the Admission to Trading on a Regulated Market

Why is this Offering Circular being published?

The Board of Directors of WithSecure has on 17 February 2022 approved the Demerger Plan concerning the partial demerger of WithSecure. Pursuant to the Demerger Plan, WithSecure will demerge so that all the assets, debts and liabilities belonging to WithSecure's consumer security business are transferred without a liquidation procedure to F-Secure. WithSecure will not be liquidated in connection with the Demerger, and it will retain the assets and liabilities related to its corporate security business. In connection with the Demerger, the new incorporated company is proposed to be named as F-Secure Corporation, and the remaining company has been renamed as WithSecure Corporation. The Demerger will be carried out in accordance with the provisions of Chapter 17 of the Finnish Companies Act and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended) ("**Finnish Business Income Tax Act**").

The shareholders of WithSecure shall receive as Demerger Consideration one new share in F-Secure for each share they hold in WithSecure, that is, the Demerger Consideration Shares shall be issued to the shareholders of WithSecure in proportion to their existing shareholding with a ratio of 1:1. There shall be only one share class in F-Secure, and the shares of F-Secure shall not have a nominal value. No other consideration shall be issued to the shareholders of WithSecure in addition to the above-mentioned Demerger Consideration to be issued in the form of shares of F-Secure. In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, treasury shares held by WithSecure do not carry a right to receive Demerger Consideration. The allocation of the Demerger Consideration Shares is based on the shareholding in WithSecure on the Effective Date. On the date of this Offering Circular, there are a total of 174,598,739 shares in WithSecure, of which a total of 71,795 are treasury shares. According to the situation on the date of this Offering Circular, the total number of Demerger Consideration Shares to be issued would therefore be 174,526,944. The final total number of Demerger Consideration Shares to be issued may be affected by, among other things, any changes to the number of outstanding shares in WithSecure, including, for example, if WithSecure issues new shares or acquires its own shares prior to the Effective Date. The Demerger Consideration Shares shall be issued to the shareholders of WithSecure

on the first business day after the Effective Date or as soon as possible thereafter. The Demerger Consideration Shares shall be distributed automatically, and no action is required from the shareholders of WithSecure in relation thereto.

The shares in F-Secure will be applied for to be admitted to trading on the official list of Nasdaq Helsinki. The trading in F-Secure's shares on Nasdaq Helsinki is expected to begin as soon as reasonably possible after the Effective Date. Neither the Demerger nor the Listing will affect the listing of, or trading in, the shares of WithSecure.

Fees and expenses

The total costs related to the Demerger and the Listing are expected to amount to approximately EUR 9 million, of which WithSecure's portion is approximately EUR 5 million and F-Secure's approximately EUR 4 million.

RISK FACTORS

An investment in the Shares of F-Secure involves risks, which may be significant. Potential investors should carefully review the following risk factors in addition to the other information presented in this Offering Circular. The following describes the risks relating to the Demerger, as well as the risks relating to F-Secure and its business and the Shares, including the Demerger Consideration Shares. Many of the risks related to F-Secure will be inherent to its business and typical in F-Secure's industry. Shareholders should carefully review the information contained in this Offering Circular and, in particular, the risk factors described below. More information regarding F-Secure and the rationale and benefits of the Demerger is presented in section "Summary of the Demerger".

Unless a risk factor specifically refers to the Demerger or business operations planned in conjunction with it, the risks presented describe the effects of their materialisation on F-Secure through describing WithSecure's business operations prior to the Demerger. Prior to the completion of the Demerger, the materialisation of the risks presented herein could also have the effect described in the risk factor on WithSecure, its shareholders or the market price of its respective shares, on a stand-alone basis. The description of risk factors below is based on information available and estimates made on the date of this Offering Circular and, therefore, is not necessarily exhaustive. Some of the described risks may or may not materialise, and WithSecure is not able to present an estimate of the probability of such events materialising or failing to materialise.

The risks presented herein have been divided into eight categories based on their nature:

- A. Risks relating to the Demerger
- B. Risks relating to F-Secure's operating environment
- C. Risks relating to F-Secure's business operations and strategy
- D. Risks relating to the technology used by F-Secure and to intellectual property rights
- E. Risks relating to trials, regulation and authority provisions
- F. Risks relating to F-Secure's financial position and financing
- G. Risks relating to F-Secure's Shares
- H. Risks relating to the Listing

Within each category, the risk estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialisation. The order of the categories does not represent any evaluation of the significance of the risks within that category when compared to risks in another category.

A. Risks relating to the Demerger

There is no certainty that the Demerger will be completed, or the completion may be delayed, and any delay in the completion of the Demerger could result in increased expenses and require increased resources from WithSecure's management and other personnel

The Demerger will become effective if:

- the Extraordinary General Meeting of the shareholders of WithSecure approves the Demerger and the Demerger Plan; and
- the completion of the Demerger is subsequently registered in the Finnish Trade Register.

The completion of the Demerger is expected to be registered in the Finnish Trade Register on or about 30 June 2022. The Board of Directors of WithSecure has on 12 April 2022 unanimously proposed the approval of the Demerger and the Demerger Plan to the Extraordinary General Meeting scheduled to be held on 31 May 2022. The Demerger and the Demerger Plan must be approved by shareholders representing at least two-thirds of the votes cast and shares represented at the Extraordinary General Meeting. The Demerger Plan must be approved in the form proposed by the Board of Directors of WithSecure. There can be no assurance that the Extraordinary General Meeting will approve the Demerger and the Demerger Plan, which would result in the lapse of the Demerger.

A demerger pursuant to the Finnish Companies Act (624/2006, as amended, the "**Finnish Companies Act**") includes a creditor hearing process during which creditors of the demerging company (i.e. creditors of WithSecure) may object to

the demerger until the due date of the creditor hearing process. In the Demerger, such due date is 31 May 2022. If any of WithSecure's creditors object to the Demerger in the creditor hearing process and do not revoke such objection, the Finnish Trade Register would register the completion of the Demerger only after a competent district court has issued a confirmatory judgment stating that the opposing creditor has received payment for its receivables or that WithSecure has posted security for the payment of the creditor's receivables. While WithSecure has obtained all required consents and waivers as regards its significant financial arrangements, there can be no assurance that other of WithSecure's creditors will not object to the Demerger in the creditor hearing process, which could delay or prevent the completion of the Demerger. If the completion of the Demerger is delayed, the delay could increase the expenses related to the Demerger and require increased resources from WithSecure's management and other personnel.

A delay in the completion of the Demerger could have a material adverse effect on WithSecure's business, financial position and results of operations and the market price of WithSecure shares. Additionally, even if the Extraordinary General Meeting does not approve the Demerger or the Demerger is otherwise not completed, the contribution of WithSecure's management in the Demerger will be lost, and the significant Demerger and Listing preparation costs will be borne by WithSecure.

F-Secure may be liable for certain obligations of WithSecure following the Effective Date, and such obligations could have a material adverse effect on F-Secure's business, financial condition and results of operations

Pursuant to the Finnish Companies Act, all companies participating in a demerger are jointly liable for the debts of the demerging company that have arisen prior to the registration of the completion of the demerger. The liability of a participating company for debts that have in the Demerger Plan been allocated to another participating company is limited to a total amount equal to the value of the net assets received or retained by the first-mentioned participating company in the demerger ("**Secondary Demerger Liability**"). A demand for payment based on Secondary Demerger Liability can be made only after it has been established that payment will not be received from the participating company to which such debt was allocated in the Demerger Plan or out of the proceeds of security posted for the relevant liability.

In the Demerger, all of the assets, debts and liabilities of WithSecure relating to its consumer security business, which consists of designing and providing a comprehensive range of security and privacy products and services related to data security, as well as privacy protection and digital identity protection of consumers' terminal devices, networks and devices connected to a network, sold, in each case, either directly or indirectly, to consumers, will transfer, without liquidation, from WithSecure to F-Secure. All of the assets, debts and liabilities relating to WithSecure's corporate security business, which consists of designing and providing a comprehensive range of security and privacy products, services and consultation as well as managed services, and designing and manufacturing software products related to data security of terminal devices and devices connected to a network, sold, in each case, either directly or indirectly, to other end users than consumers, will remain with WithSecure. Following the Effective Date, F-Secure may be liable for any debts that arose prior to the Effective Date and that have been allocated to WithSecure in the Demerger Plan if it has been established that payment will not be received from WithSecure or out of the proceeds of security posted for the relevant liability if any. Such liability could have a material adverse effect on F-Secure's business, financial condition and results of operations.

F-Secure may not be able to implement its business organisation and its independent strategy in the manner and timeframe currently anticipated, and it may not be able to realise any or all of the anticipated benefits of the Demerger

One of the main reasons for the Demerger is to allow the different businesses of WithSecure to accelerate the implementation of their independent strategies, which WithSecure's management expects to create the potential for increased value for WithSecure's shareholders and other stakeholders. See section "*Summary of the Demerger — General Description*" F-Secure's ability to achieve the anticipated benefits of the Demerger will depend on its ability to organise its business and effectively implement its independent strategy in a timely manner. The implementation of F-Secure's strategy involves certain risks and uncertainties, some of which are outside of F-Secure's control, and there can be no assurance that F-Secure will be able to implement its strategy as currently expected or to realise any or all of the anticipated benefits of the Demerger.

Risks and challenges for F-Secure relating to the Demerger and implementation of F-Secure's independent strategy include, but are not limited to, the following:

- the implementation of the new organisational model for F-Secure;
- the renegotiation and separation of shared supplier contracts for materials and services, including a transitional services agreement entered into between F-Secure and WithSecure;

- the effectiveness of the F-Secure security and privacy products rely to some extent on threat intelligence held and developed by parts of WithSecure that are not being transferred to F-Secure; if access to this threat intelligence is impeded, then F-Secure's products may become less effective;
- synergies lost between WithSecure and F-Secure as a result of the Demerger, including cost synergies related to general and administrative expenses and people-related costs;
- the implementation of corporate, financial, control and administrative functions and processes, including cash management, internal and external financing, hedging of market risks, insurance, financial control and reporting, information technology infrastructure, shared information technology systems, communications, compliance and other administrative functions and processes;
- higher than expected indirect costs related to operating as a stand-alone entity; and
- the retention of key senior management or key employees and the ability to hire new qualified personnel.

Should F-Secure not be able to organise its business or implement its independent strategy as currently anticipated and in a timely manner and realise the anticipated benefits of the Demerger in the manner or within the timeframe currently anticipated, it could have a material adverse effect on F-Secure's business, financial condition and results of operations.

F-Secure's business operations will be dependent on the certain functions provided by WithSecure under the transitional services agreement, and WithSecure's inability to provide these functions would have a material adverse effect on F-Secure's business operations

WithSecure has agreed to provide certain transitional services to F-Secure for a fixed-term following the implementation of the Demerger (see section “*Business of F-Secure – Material Agreements – Transitional Services Agreement*”). After the Demerger, F-Secure's business operations will be dependent on certain functions provided by WithSecure, such as secure software distribution and security cloud services. Some of the transitional services agreements between F-Secure and WithSecure contain clauses about changing the ownership structure, which, if triggered, could potentially result in an early termination of such transitional service agreements. It is possible that the development of own substitutive technologies during the transitional term may cause F-Secure additional expenses, but the amount of these expenses can not be estimated at the date of this Offering Circular. In addition, some of the services may not be identified before the transitional term and thus some services may be omitted from the transitional services agreements. Furthermore, some of the functions provided by WithSecure are essential for F-Secure to be able to carry out its core business operations, and if WithSecure is not able to provide these functions to F-Secure or if some of the functions or services are not identified before the transitional term, this would cause material disruptions in F-Secure's business operations and have a material adverse effect on F-Secure's results of operations, financial position and future prospects.

The Demerger may have undesirable effects on the uninterrupted continuity of certain functions and processes central to F-Secure's operations, such as IT systems, which may result in interruptions and disturbances in F-Secure's business operations and its financial reporting

The uninterrupted continuity and operational reliability of functions and processes central to F-Secure's business, such as IT systems, may be at risk due to the Demerger. The operational reliability of IT systems used in controlling business operations and creating financial reports, among others, is essential to F-Secure's ability to conduct business. For example, in connection with the Demerger, some of F-Secure's operations will be carved-out from WithSecure's existing IT systems and integrated into F-Secure's IT environment. Any failure in implementing said carve-out or IT systems in F-Secure may result in severe interruptions and operational disturbances in F-Secure's business operations. Problems or disturbances in the implementation of IT infrastructure or IT systems after the Demerger could also have a negative effect on the continuity of F-Secure's business and its financial reporting. Further information on certain transitional arrangements with WithSecure is presented in section “*Summary of the Demerger – Related Arrangements*”.

Certain agreements entered into by WithSecure that relate to F-Secure may be terminated by WithSecure's counterparties as a result of the Demerger, and there can be no assurance that F-Secure and/or WithSecure are able to renegotiate its current agreements or enter into new agreements with terms and conditions as favourable as in the existing contracts

As is customary, some of WithSecure's agreements entered into with third parties include clauses that prevent or impose limitations on transferring the rights and obligations arising from such agreements without the consent of the other party and may give the other party a right to terminate the agreement in the event of a reorganisation or change of control. The applicability of these clauses in a demerger context is often subject to interpretation and uncertainty. Notwithstanding WithSecure's notifications and consent requests sent to a number of its counterparties in relation to the Demerger process, there can be no assurance that one or more of WithSecure's agreements that relate to F-Secure or WithSecure will not be

prematurely terminated due to the Demerger. Agreements ending in consequence of the Demerger may have to be renegotiated, or F-Secure or WithSecure may have to seek new contractual partners to replace the ending agreements, and there can be no assurance that F-Secure and/or WithSecure are able to renegotiate its current agreements or enter into new agreements with terms and conditions as favourable as in its existing contracts. Further, there can be no assurance that the risks related to the premature termination, if realised, would not have a material adverse effect on F-Secure's business, financial condition and results of operations.

The Demerger may negatively affect F-Secure's market position, reliability and negotiating position

As an independent company, F-Secure may not be able to maintain the market position that it enjoyed as part of WithSecure. The Demerger may adversely affect F-Secure's relationships with its customers and its ability to attract new customers if F-Secure is not able to convince the customers with its ability to fulfil their needs. Further, after the Demerger, F-Secure continues to have access to WithSecure's security cloud, and F-Secure will cooperate with WithSecure in developing technologies and cybersecurity solutions. However, F-Secure's brand as a pioneer and expert in the field of cybersecurity may weaken after the Demerger as WithSecure's corporate security business has typically been responsible for developing the technologies and solutions to tackle the most advanced and sophisticated security threats.

Further, as an independent company, F-Secure may not have the same negotiating power with its Channel Partners (as defined below) or regarding the procurement of certain services that it had through WithSecure. In addition, F-Secure may not be able to obtain terms or prices similar to those obtained prior to the Effective Date. The materialisation of any of the risks mentioned above, if realised, could have a material adverse effect on F-Secure's business operations, results of operations, financial position and future prospects.

F-Secure's carve-out financial information may not give an accurate view of F-Secure's business, the result of operations or financial position

F-Secure has not in the past formed a separate group of legal entities, and the financial result of its operations has been consolidated with the result of operations, financial position and cash flows of WithSecure. The carve-out financial information for F-Secure included in this Offering Circular has been prepared on a carve-out basis from WithSecure's consolidated financial statements using the historical results of operations, assets, liabilities and cash flows attributable to F-Secure and certain assumptions and estimates were made which affected the recognition and the amount of the assets, liabilities, income and expenses. Additional information is presented in F-Secure's carve-out financial information included in the Offering Circular. See also "Presentation of Financial Information – Carve-out Financial Information of F-Secure" and "Selected Combined Carve-out Financial Information".

F-Secure's historical carve-out financial information included in this Offering Circular may not necessarily reflect what F-Secure's actual operations, financial position and result of operations would have been had F-Secure and its subsidiaries operated as an independent consolidated group and had it presented stand-alone financial statements during the periods presented, and they may not be indicative of F-Secure's future operations, financial position or result of operations. In addition, it should be noted that the corporate function related costs allocated to F-Secure for the purpose of presenting the historical carve-out financial information may not necessarily represent what these costs would have been if F-Secure had operated as an independent legal entity.

The liquidity and financial stability, result of operations or financial position presented in F-Secure's unaudited pro forma financial information may differ from F-Secure's actual result of operations or financial position

This unaudited pro forma financial information is prepared for illustrative purposes only. Because of its nature, the unaudited pro forma financial information illustrates what the hypothetical impact would have been if the Demerger had been consummated at the date assumed in this unaudited pro forma financial information, and therefore, does not represent the actual liquidity and financial stability, results of operations or financial position of F-Secure. The unaudited pro forma financial information is not intended to project liquidity and financial stability, the results of operations or financial position of F-Secure as of any future date and does not represent the liquidity and financial stability, results of operations, or financial position had F-Secure been an independent listed company for the periods presented. The unaudited pro forma financial information reflects adjustments to the historical carve-out financial information to give pro forma effect to events that are directly attributable to the Demerger and are factually supportable. The pro forma adjustments are based upon available information and certain assumptions, which are described in the accompanying notes to this unaudited pro forma financial information. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma financial information will prove to be correct.

B. Risks relating to F-Secure's operating environment

Intensifying competition in the consumer security market could lead to a general decline of the price level and affect F-Secure's ability to maintain or increase its market share, and the intensifying competition could thus have an adverse effect on F-Secure's revenue, profitability and market share

Competition in the consumer security market and especially in the endpoint protection market is intense, and F-Secure is exposed to competition in its activities by various existing and potential new actors. Competition in the consumer security market could relate to, for example, the brand awareness, characteristics, scale of protection and price level of the products and services that are being offered. In particular, F-Secure's competitors may make acquisitions or enter into agreements or other strategic relationships to offer more comprehensive products or services, and new competitors may enter the market through acquisitions, agreements or strategic or other relationships. In addition, competitors of F-Secure could also launch products or services that outperform or are more widely accepted on the market than F-Secure's or service concepts that F-Secure does not currently offer.

WithSecure's management's understanding is that F-Secure's competitors include, among others, Norton, McAfee, BitDefender, Kaspersky and Trend Micro in the endpoint protection product category, ExpressVPN and NordVPN in the VPN product category, Norton, McAfee and LastPass in the password and identity management product category and SAM Seamless Network, Cujo AI, Allot and McAfee in the router security product category. Some competitors have more extensive financial resources than F-Secure, which enable them to make larger investments in product development and marketing than F-Secure. Smaller agile competitors, on the other hand, may be able to customise their products or services to meet the customers' needs more flexibly than F-Secure does. Competitors of F-Secure may price their products or services more competitively than F-Secure does or be able to react more quickly to new technologies and changes in the customers' needs and preferences. New competitors or amalgamations of F-Secure's competitors with larger financial, technical, marketing or other resources than F-Secure could also enter the market.

Competitors of F-Secure could also develop or already have in place solutions, services or service concepts that could compete with or substitute F-Secure's offering and that, for their part, could have an effect on the demand for F-Secure's services. For example, platform vendors, such as those with operating systems or browsers, may limit the types of security features than can be developed on their platform or integrate their own security solutions into their platforms, and F-Secure may face growing competition from large hardware and operating system software vendors that increasingly incorporate cybersecurity functionalities into their products and services. Similarly, communication service providers, of which some are F-Secure's service provider channel partners (hereinafter "**Channel Partners**" refers to all F-Secure's service provider channel partners and the term may be singular or plural), are increasingly investing in the enhancement of their cybersecurity services offered on network level. The level of security of the aforementioned cybersecurity solutions offered by platform vendors or network level can be limited compared to F-Secure's offering. However, these solutions are typically extremely scalable and can be offered at lower prices than F-Secure's products or, in some cases, free of charge, which may intensify the price competition in the consumer security market. For further information on F-Secure's markets, see "*Market Overview*".

If the competitiveness of F-Secure's services or solutions is weakened, F-Secure could lose its market share, and its revenue could decline. Price competition in F-Secure's markets could also lead to a decline in the price level and profitability in the industry and have an adverse effect on the profitability of F-Secure. Changes in the competitive environment, as well as a potential failure of F-Secure to adapt to and manage such changes, could have a material adverse effect on F-Secure's business operations, results of operations, financial position and future prospects.

F-Secure may not be able to keep up with rapid changes in customer demand, technologies and the evolution of malware and cybersecurity threats, which could have an adverse effect on F-Secure's reputation, competitiveness, results of operations and financial position

The consumer cybersecurity industry is characterised by rapid technological change. The needs of F-Secure's customers and the threats they face evolve constantly. Hackers and cybercriminals continuously develop and employ increasingly sophisticated techniques to penetrate systems and networks as well as access information, and the explosion of remote working and boost in digitalisation due to the COVID-19 pandemic has increased cyberattacks in general, and particularly attacks that look for ways to exploit vulnerabilities brought on by this shift. In addition, the risk of cyberattacks has further increased after Russia's invasion of Ukraine. Further, the nature of future threats is not always known, which is also a challenge to the development of these solutions. F-Secure needs to introduce new products and services to new threats quickly. However, F-Secure may experience delays in the introduction of new solutions, updates, enhancements and features. If F-Secure fails or is perceived to fail to respond to the rapidly changing needs of users by developing and introducing security and privacy products and services that effectively protect its customers against cybersecurity attacks or new security threats quickly enough, F-Secure's competitive position, reputation and business prospects could be

harmed. Further, if F-Secure's products and services fail to protect customers against cybersecurity attacks, such attacks may result in disruption or damage to customers' computers or other devices, theft of confidential information and other negative consequences, which in turn could have a material adverse effect on F-Secure's reputation and result in the loss of customers and market position.

F-Secure has developed and will continue to develop security and privacy products and services of its own. The development of existing products and services as well as of potential new products and services could require significant resources from F-Secure, and the earnings from customers may not be sufficient to cover the costs of development, which would lead to unprofitable development investments. It is also possible that F-Secure will fail to develop and innovate services or solutions or that F-Secure's new services or solutions will not meet the needs of its customers. In addition, many of the factors that have an effect on the success of the commercialisation of F-Secure's new services or solutions, such as any cooperation agreements to be made with potential third parties in the future, are at least partially beyond F-Secure's control. Launching new products or services will also require investments from F-Secure in, among other things, advertising, skilled sales personnel and direct customer contacts, and the resulting costs could be surprisingly high.

If F-Secure fails to meet the requirements arising from changes in the operational environment, it could lose customers and market share, which could have a material adverse effect on F-Secure's reputation, business operations, results of operations, financial position and future prospects.

Uncertainty on F-Secure's key markets, financial markets and general economic situation could have an adverse effect on F-Secure's business and growth opportunities, hinder the availability of financing and reduce the demand for the products and services offered by F-Secure

Unfavourable changes in the macroeconomy and uncertainty on the financial markets in F-Secure's main market areas in the Nordic countries, the other European countries and North America may increase unemployment, have an adverse effect on Company's business and growth opportunities, hinder the availability of financing and reduce consumption of and/or demand for consumer security and privacy products and services. Unfavourable macroeconomic fluctuations in F-Secure's main markets could be caused by numerous different factors, such as a low level of investments as well as a decrease in business and consumer confidence, inflation and increased public sector indebtedness. In addition to the uncertainty in the economy and financial markets, geopolitical uncertainties and tensions, such as the war in Ukraine, sanctions imposed against Russia and countersanctions imposed by Russia, as well as pandemics, the threat of trade wars and terrorism, as well as other potential external disruptive factors, could have a material effect on F-Secure's business, growth prospects and availability of financing.

In addition, rapid changes in the market situation could also make it more difficult to plan F-Secure's business operations and to make forecasts, and any potential lay-offs and terminations could have an adverse effect on F-Secure's future development work or its ability to offer products and services and result in negative publicity.

The factors described above could alone or together have a material adverse effect on the demand for F-Secure's products and services and on its financial position as well as on its business operations, results of operations and future prospects.

The COVID-19 pandemic could have an adverse effect on the development of both the Finnish and international economy and on the operating environment of F-Secure

The spread of the COVID-19 pandemic has led, in Finland and elsewhere in the world, to several restrictions and other measures laid down by the authorities to prevent the spread of COVID-19, which have resulted in a significant decline in the national and global economy and in the uncertainty of future prospects. Should the COVID-19 pandemic continue, it could also lead to large-scale absences of personnel due to sick leave or other reasons.

In the view of WithSecure's management, the COVID-19 pandemic has contributed to accelerating digitalisation and the demand for consumer security and privacy products and services. Despite the fact that the COVID-19 pandemic has boosted the demand for consumer security and privacy products, the COVID-19 pandemic has also prolonged sales cycles and launch timelines of F-Secure's SENSE and ID PROTECTION (for additional information on SENSE and ID PROTECTION, see section "Business of F-Secure – Services, Products and Solutions of F-Secure"). If the spread of the COVID-19 pandemic and the resulting restriction measures continue, this could have a material adverse effect on F-Secure's business, result of operations and/or financial position, as well as on the value of the Shares.

C. Risks relating to F-Secure's strategy and business operations

The loss of key persons and skilled employees or the increase in personnel expenses can weaken its profitability and the standard of its services or solutions, hinder operations and prevent F-Secure from successfully developing and growing its business

The business operations of F-Secure require an increasingly versatile skill set that may be challenging or expensive to obtain, and F-Secure's competitiveness is largely based on the high professional skill of its employees in the field of cybersecurity. Thus, F-Secure's future success depends on the continuing ability to identify, hire, develop, motivate, and retain highly skilled personnel for all areas of the organisation. There is competition in F-Secure's industry for qualified cybersecurity experts, and the availability of skilled personnel is a challenge for the wider IT industry. Further, the intensifying competition for talent affects all areas of F-Secure's organisation, and hiring professionals has become harder while F-Secure's employee attrition rate has increased during the COVID-19 pandemic. The competition for talent has also increased salary levels, and due to the increased wages and limited availability of employees, replacing the employees who quit has become more difficult and expensive than before.

Further, the key person risk relates to F-Secure's Leadership Team members and to experts working for F-Secure who have extensive experience in the industry. In particular, it may be challenging to recruit experienced specialists who have a comprehensive understanding of customers' needs. The loss of key persons of F-Secure may hinder F-Secure's operations, at least momentarily, as certain persons may play a significant role in F-Secure's business and have significant skills and knowledge that are difficult to replace quickly or that have not been recognised or otherwise shared within F-Secure. Recruiting new personnel with equivalent skills could prove challenging and expensive and require time and resources.

Personnel expenses is the largest cost item of F-Secure together with centrally provided shared services costs allocated to the carve-out financial statements. The intensifying competition for qualified employees and key persons has increased salary levels and may also increase personnel expenses in general. F-Secure may not be able to nullify the impact of the increase in personnel expenses on its profitability by increasing its sales, improving its productivity, passing these costs to customers by increasing its prices or by other measures. Additionally, F-Secure may not be able to react at a sufficient speed or to a sufficient extent to the reduction of its revenue by adjusting its number of employees or by otherwise reducing its personnel expenses or its service expenses. If F-Secure's personnel expenses and service expenses increase in proportion to its revenue, this could have a material adverse effect on F-Secure's profitability and financial position.

The factors described above could have a material adverse effect on F-Secure's business operations, results of operations, financial position and future prospects.

F-Secure operates internationally, which exposes it to a number of global and regional political, economic, legal, regulatory and operational risks

F-Secure is a globally operating business with people and operations in multiple countries, including a number of emerging markets, such as India and certain South American countries. In addition, F-Secure may expand its geographical footprint through acquisitions. As a result, F-Secure is subject to a number of risks inherent in international business operations, including, but not limited to:

- political and economic instability, such as the war in Ukraine and possible future wars in the countries where F-Secure operates, sanctions imposed against Russia and countersanctions imposed by Russia, and exposure to potentially undeveloped or underdeveloped legal systems;
- the effect of tariffs and trade barriers (resulting from, for example, trade wars or the withdrawal or renegotiation of multilateral trade agreements);
- the need to adapt F-Secure's solutions and services for specific countries;
- unexpected or unfavourable changes in foreign laws, regulatory requirements and related interpretations;
- challenges relating to works councils, labour unions and immigration laws;
- difficulties in managing a business in new markets with diverse cultures, languages, customs and regulatory systems;
- power losses, telecommunications failures and external interference with F-Secure's IT systems;
- limited protection of intellectual property rights in certain jurisdictions;
- a variety of regulatory or contractual limitations on F-Secure's ability to operate and reduced protection of intellectual property rights in some countries;

- divergent data protection and privacy laws;
- the complexity of managing competing and overlapping tax regimes;
- foreign currency exchange rate fluctuations and currency controls; and
- costs associated with providing support in many languages.

The Group's overall success as a global business depends to a considerable extent on its ability to anticipate and effectively manage these difficulties associated with its broad geographic footprint. Besides the risks mentioned above, the further internationalisation of business operations could also cause F-Secure to incur unforeseen expenses, including personnel expenses if it is necessary to dispatch personnel across borders to perform maintenance, repair or guarantee tasks relating to the products or services sold by F-Secure. The geographical expansion will also set new challenges for F-Secure's leadership, personnel, internal instructions and supervision and information systems and require the recruiting of new personnel. The materialisation of the risks described above could have a material adverse effect on F-Secure's business operations, financial position, results of operations and future prospects.

Actual, possible or perceived defects, disruptions or vulnerabilities in F-Secure's products or services, including risks from cybersecurity attacks and errors or abuses by F-Secure's employees and business partners, could harm F-Secure's or its customers' reputation, decrease sales, hinder operations, tie up personnel resources and give rise to claims for damages and increase other costs

F-Secure's offering is inherently complex and may contain material defects, errors or vulnerabilities that may cause it to fail to perform in accordance with user expectations. As may happen to any vendor of cybersecurity services and products, end users may find errors, failures and bugs in some new offerings after their initial distribution, particularly given that end users may deploy such products in computing environments with operating systems, software or hardware different than those in which F-Secure tests products before release. In addition, certain of F-Secure's products and services operate in conjunction with third party systems, which may contain vulnerabilities that F-Secure fails to remedy. These defects may cause F-Secure's products or services to be vulnerable to security attacks, cause them to fail to help secure networks, temporarily interrupt users' networking traffic, or fail to detect or prevent viruses, worms or similar threats. The costs incurred in analysing, correcting or eliminating any material defects or errors in software may be substantial. Furthermore, F-Secure may not be able to correct any defects or errors or address vulnerabilities promptly, or at all, causing significant harm to its reputation and competitive position.

F-Secure and its products and services might be targets of various types of cybersecurity attacks in the future. The COVID-19 pandemic has further increased the number of cyberattacks in general and especially attacks that look for ways to exploit vulnerabilities brought on by the shift to remote working and the boost in digitalisation. Cybersecurity attacks threaten the confidentiality, integrity and availability of F-Secure's products and services. Although F-Secure builds cyber resilience by continually improving its products and services and capability to identify, protect, detect and respond to relevant threats, in the future, F-Secure may not be able to prevent or mitigate cybersecurity attacks on its products and services. Cybersecurity companies might be particularly attractive targets for such attacks, and the impact of any attack would be more severe than in other industries, given the negative optics of a security provider being itself insecure. Such attacks may result in security breaches, disruption or damage to customers' computers or networks and theft of confidential information or other negative consequences. This may result in negative publicity, damage to F-Secure's brands, withdrawals from contracts, loss of or delay in market acceptance of F-Secure's products, loss of competitive position or claims by users or others against F-Secure. Even if a security vulnerability and its remedy have been made public, F-Secure may not be able to put the fix in place in advance of the attack. F-Secure may roll out upgrades or take other measures to fix vulnerabilities over an extended period in order to minimise service disruption. However, no system or combination of systems can provide a guarantee of protection, and if these intentionally disruptive efforts are, or the market perceives them to be, successful, F-Secure may face legal liability and these efforts could adversely affect F-Secure's activities or harm its reputation, brand and future sales.

It is also possible that F-Secure's employees and business partners may commit human errors or act dishonestly or criminally when offering F-Secure's services or products. Errors or abuses by employees and business partners cannot always be prevented and may be difficult to detect, and F-Secure's and its customers' precautions may not be sufficient in this respect.

Any material deficiencies or defects in F-Secure's services or products, including deficiencies and defects caused by security attacks, or delays in their development or repair could harm F-Secure's and/or its customers' reputation, decrease sales, hinder operations, tie up personnel resources and give rise to claims for damages and increase other costs.

The materialisation of any of the above factors could have a material adverse effect on F-Secure's business operations, results of operations, financial position and future prospects.

If F-Secure's agreement with a significant business partner or Channel Partner ends or is terminated, or if F-Secure is unable to continue cooperating with a business partner or Channel Partner under acceptable terms, or if there is a failure by a Channel Partner to fulfil its duties, this could significantly decrease F-Secure's revenue, increase its costs, hinder its operative business and weaken its ability to offer services or solutions to its customers

Third-party cloud platform provider Amazon Web Services (AWS) is the main service partner of F-Secure. In addition, and as is customary in the cybersecurity industry, not all of the technology used by F-Secure is developed internally, and F-Secure relies on its technology partners to develop and provide certain client or cloud-based protection technologies. F-Secure's service partners and technology partners are important to its operative business. If an agreement with a significant service partner or technology partner ends or is terminated, or if F-Secure is unable to continue cooperating with its main service partners under acceptable terms, this could increase F-Secure's costs, hinder operative business and weaken F-Secure's ability to offer services or solutions to its customers.

The majority of F-Secure's revenue comes from selling products and services through F-Secure's extensive and global network of approximately 170 Channel Partners, and certain of F-Secure's products and services are offered at physical retail outlets and online marketplaces. Sales via Channel Partners covered 79 per cent of F-Secure's revenue in the financial year 2021. Five of F-Secure's largest Channel Partners accounted for 25 per cent of F-Secure's revenue for the financial year 2021. Further, the majority of F-Secure's Channel Partners are communication service providers (hereinafter the term "CSP Partners" refers to Channel Partners that are communication service providers and the term may be singular or plural), and the telecommunications industry is consolidating rapidly. Thus, there is a heightened possibility that Channel Partners will be acquired or that they will merge with other companies, and Channel Partners might end up changing cybersecurity vendors due to these restructurings. In addition, one or several significant Channel Partners could start replacing F-Secure's services with other services and eventually terminate their agreement with F-Secure. This could result in significant decline in F-Secure's revenue either gradually or with immediate effect. If F-Secure lost some of its significant Channel Partners or if Channel Partners or retailers are ineffective at marketing or promoting F-Secure's products, it could have a material adverse effect on F-Secure's revenue. Additionally, Channel Partners might be slow in, for example, upgrading to the latest product versions, which may have a negative impact on F-Secure's business operations.

In addition, Channel Partners or retailers may fail to fulfil their duties, commit errors or act in a criminal or otherwise blameworthy manner, and potential failures, errors or violations could damage F-Secure's reputation. Furthermore, the use of Channel Partners and retailers exposes F-Secure to credit loss risks, which materialise if Channel Partners or retailers are not able to fulfil their payment obligations towards F-Secure. The materialisation of the aforementioned factors could have a material adverse effect on F-Secure's business operations, results of operations, financial position and prospects.

Failure by F-Secure to retain existing customer relationships, acquire new customers or increase or maintain customer-specific sales could lead to F-Secure losing existing customer relationships or failing to increase customer-specific sales or acquire new customers as expected, which could have a material adverse effect on F-Secure's revenue, results of operations and financial position

There can be no assurance that F-Secure will succeed in retaining existing customer relationships, and if the customers of F-Secure decide not to buy F-Secure's services or solutions or decide to reduce their purchases, this could have a material adverse effect on the results of operations of F-Secure over time as the impact of these actions is not always immediate. The acquisition of new users to replace the lost users could take up F-Secure's time and resources, and there can be no assurance that F-Secure will succeed in replacing lost customer relationships. Underlying reasons for loss of customers could include an increase in competition, any disputes concerning the interpretation of customer agreements, financial difficulties of customers or failure by F-Secure to meet its customers' quality, timeliness or cost level requirements.

In addition to customer retention, F-Secure's revenue is also affected by its success in new customer acquisition and increasing sales to existing customers. In accordance with its strategy, F-Secure seeks to increase the customer-specific sale by offering more extensive service and solution packages to its current customers in addition to acquiring new customers. However, possible weakened competitiveness of F-Secure or other dissatisfaction of F-Secure's current or potential customers with F-Secure's operations, intensifying competition, or general macroeconomic development could lead to F-Secure failing to retain existing customer relationships, increase customer-specific sales or acquire new customers as expected. In addition, gaining new customers may require investments in marketing, which may increase the marketing expenses of F-Secure. Further, F-Secure sells its products and services through its various electronic distribution channels,

including app stores such as Apple App Store and Google Play through direct channel (the “**Direct Channel**”). Therefore, there is a possibility that any upcoming changes in terms and conditions or algorithms of these electronic distribution channels will have a material adverse effect on F-Secure’s marketing impact.

The materialisation of any of the factors mentioned above could have a material adverse effect on F-Secure’s revenue, results of operations, financial position and future prospects.

Damage to F-Secure’s brand and reputation could have an adverse effect on F-Secure’s business operations

As a consumer security business, F-Secure’s ability to retain its current customers and attract new ones may weaken if its reputation, brand, brand recognition or consumers’ trust towards F-Secure is damaged. Any negative change to the perception of F-Secure’s brands among its users could have a material adverse effect on its business. For example, any negative discussions in user forums or online review sites, any negative media attention or any negative comments online regarding customer support or other services could have a significant adverse effect on F-Secure’s brand. In addition, negative reviews of F-Secure’s security software products and services or F-Secure generally could harm F-Secure’s brand. Further, deliberate misinformation or smear campaigns regarding the vulnerability of F-Secure’s products and services may harm its reputation regardless of the accuracy of the claims presented in these campaigns.

In addition to the loss of current and new customer relationships, F-Secure’s ability to recruit and retain key personnel and other personnel may suffer if its reputation is damaged or perceptions of F-Secure become negative. The competition for the best employees is intense in F-Secure’s industry, and an attractive employer image is necessary in order to be able to recruit and retain a skilled workforce. Potential negative publicity, deterioration of reputation or a failure to develop F-Secure’s brand and reputation could have a material adverse effect on F-Secure’s business operations, results of operations, financial position and future prospects.

D. Risks relating to the technology used by F-Secure and to intellectual property rights

Any malfunctions in technologies, IT systems or network connections used by F-Secure or any security breaches could engender disruptions to F-Secure’s service offering. Such malfunctions or breaches could also expose F-Secure and its customers, among other things, to risks of misuse of information or systems, the compromise of confidential information, manipulation and destruction of data, fraudulent actions and operational disruptions

F-Secure offers various consumer security and privacy products and services, which means that its business operations are highly dependent on the usability, reliability, quality, confidentiality and integrity of the IT systems and network connections used in its own business operations and often also on those used by F-Secure’s customers. The administration and maintenance of the technology used by F-Secure and by its customers rely to a great degree on third-party services, such as public cloud, private cloud, data centres and application support, and it may not be possible to remedy disruptions to such services within a reasonable time. In addition, the IT systems used by F-Secure and by its customers process, transfer and store electronic data, some of which is confidential or sensitive, such as personal data concerning employees, customers and other business partners, customer business secrets and certain authority data and data concerning authority activities.

At least the following factors may cause malfunctions or security breaches in F-Secure’s, or its customers’, subcontractors’, business partners’, suppliers’ or other third parties’ relevant information systems:

- criminal hackers, hacktivists, state-sponsored organisations, computer viruses and worms, denial of service, phishing attacks, industrial espionage or other cybersecurity attacks (for more information on cybersecurity attacks, see section “ – C. Risks relating to F-Secure’s strategy and business operations - Actual, possible or perceived defects, disruptions or vulnerabilities in F-Secure’s products or services, including risks from cybersecurity attacks, and errors or abuses by F-Secure’s employees and business partners, could harm F-Secure’s or its customers’ reputation, decrease sales, hinder operations, tie up personnel resources and give rise to claims for damages and increase other costs”);
- advertent or inadvertent human errors or misconduct by current or former employees and subcontractors in producing F-Secure’s products and services, or by customers or third parties in using F-Secure’s products and services;
- technological or operational errors resulting from maintenance and upgrading activities;
- power outages or surges as well as floods, fires or natural disasters; or
- telecommunication outages in wide area network backbone, local last-mile connections or site-local area network.

Any malfunctions in technologies and network connections used or any security breaches could engender disruptions to F-Secure's service offering. Such malfunctions or breaches could also expose F-Secure and its customers, among other things, to risks of misuse of information or systems, the compromise of confidential information, manipulation and destruction of data, fraudulent actions and operational disruptions. In addition, such breaches that target the technology or the data connections used by F-Secure or its customers could result in litigation, regulatory action and potential liability, as well as the costs and operational consequences of implementing further data protection measures. In addition, despite F-Secure's expertise in detecting and responding to security breaches, there can be no assurance that F-Secure or its customers are at all times able to detect such breaches upon their occurrence, which could have an impact on the extent of the damage. Even if F-Secure's customer would have an obligation to protect itself against, for example, data breaches of data networks and information systems, any negative impact that these malfunctions and breaches may have on F-Secure's reputation and on the demand for its products and services cannot be excluded. Any and all information security risks and incidents, particularly in the systems and software developed by F-Secure, may lead to damages and to a loss of market share to competitors and may have an adverse effect on the development of the results of F-Secure's operations, increase projects' overall costs and cause reputational damage.

The materialisation of any of the above factors could have a material adverse effect on F-Secure's business operations, results of operations, financial position and future prospects.

F-Secure may not succeed in registering, protecting, managing, maintaining and enforcing its intellectual property rights, and F-Secure may be targeted by intellectual property right infringement claims which can cause significant costs

F-Secure will seek to protect its intellectual property rights through appropriate measures in the areas in which it operates. F-Secure seeks to protect its intellectual property rights mainly through a combination of copyrights, patents, utility models, trademarks and trade secrets.

The patents and patent applications transferring to F-Secure as a result of the Demerger on the Effective Date are employee inventions. Thus, F-Secure may have a legal obligation to pay compensation to employee inventors for their inventions by virtue of the Act on the Right to Employee Inventions (656/1967, as amended).

WithSecure will also transfer and license certain other intellectual property rights to F-Secure in connection with the Demerger, as described in sections "*Business of F-Secure – Intellectual Property Rights*", "*Business of F-Secure – Material Agreements – Patent License Agreement*" and "*Business of F-Secure – Material Agreements – Technology License Agreement*". Such intellectual property rights have been developed by a vast amount of developers during a long period of time, including both inhouse personnel and external subcontractors. WithSecure may not have obtained sufficient rights to the intellectual property rights from each individual developer, and this may consequently affect F-Secure's right to utilise such intellectual property rights in the future. As a result, F-Secure may also be targeted by claims concerning such intellectual property rights.

In addition to the intellectual property rights transferring to F-Secure from WithSecure as a result of the Demerger, new intellectual property rights may be created in the course of F-Secure engaging in business operations or otherwise. Intellectual property rights may be created, for example, in the form of employee inventions.

There can be no assurance that F-Secure's measures to register, protect, manage, maintain and enforce its intellectual property rights will prove to be sufficient in all situations and in all geographical territories. In addition, the laws of certain countries in which F-Secure operates may not protect F-Secure's intellectual property rights to the same extent as the laws of Europe. Certain pending applications regarding intellectual property rights in various countries will be transferred to F-Secure as a result of the Demerger, and there is no guarantee that the applications will result in successfully granted intellectual property rights. Consequently, third parties, including competitors, may be able to use the technology behind F-Secure's products and services without a license.

Third-party intellectual property rights could also hinder or prevent F-Secure's expansion into new market areas or prevent F-Secure from registering intellectual property rights abroad. F-Secure could also be targeted by intellectual property right infringement claims relating to intellectual property registrations or relating to other issues and claims. Defending against an infringement claim could cause F-Secure significant costs and take resources away from other business operations. In turn, the failure to enforce intellectual property rights in different territories or the failure to defend infringement claims in litigation in different territories could cause F-Secure significant costs, take resources away from other business operations or prevent F-Secure from supplying certain products or services on the market. Furthermore, an unfavourable decision in a trial concerning an infringement or other claim could cause F-Secure to incur reputational damage and liability to pay damages, and any injunctions or other restrictions imposed by the court could prevent or limit F-Secure

from offering certain services or solutions. Undue exploitation of F-Secure's intellectual property by third parties may also reduce or eliminate the competitive advantage F-Secure derives from its own technology or result in litigation incurring costs to F-Secure.

A potential failure to register, protect, manage, maintain and enforce intellectual property rights in different territories or being targeted by intellectual property right infringement claims could have a material adverse effect on F-Secure's business operations, results of operations, financial position and future prospects.

E. Risks relating to trials, regulation and authority provisions

F-Secure collects and processes personal data as part of its daily business, and the leakage of such data or failure to process the data in accordance with applicable regulation may have a material adverse effect on F-Secure's business and reputation and result in claims for damages as well as fines and orders imposed by the authorities

F-Secure collects, stores and processes personal data as part of its operations. In addition, products and services offered by F-Secure may play a highly significant role in the compliance of the collection, storage and processing of F-Secure's customers' personal data. Processing of personal data is subject to legislation that sets the requirements for processing and data security as well as defines the obligations of the data controller and data processor. The EU's General Data Protection Regulation (Regulation (EU) 2016/679, the "GDPR") is a general regulation on the processing of personal data. The GDPR is specified and supplemented by the Finnish Data Protection Act (1050/2018, as amended) as well as a number of specific laws, such as the Finnish Act on Protection of Privacy in Working Life (759/2004, as amended).

If F-Secure fails to comply with provisions applicable to personal data, for example, in such a way that personal data collected, stored or processed by a customer of F-Secure is disclosed or disseminated, F-Secure will be exposed to the risk of reputational damage and damages as well as damages and other potential costs. Under the GDPR, the national data protection authority has the power to impose corrective actions, such as a temporary or definitive ban on personal data processing, and to impose administrative fines for breaches of the GDPR up to EUR 20 million or four (4) per cent of the total worldwide annual turnover of a company. F-Secure or its customers may also need to take corrective actions, change their processes and operations, or revise or change their information systems and related processes to ensure compliance with the GDPR. Additionally, due to non-compliance with the GDPR, F-Secure or its customers may be ordered to delete personal data and be prohibited from processing personal data, or the processing of personal data may be temporarily or permanently restricted. The Data Protection Ombudsman of Finland (in Finnish, tietosuojavaltuutettu) may impose a conditional fine for the purpose of enforcing an order under certain circumstances. Specific legislation also imposes its own sanctions for non-compliance. F-Secure's customers may claim damages from F-Secure, for example, due to administrative fines imposed on the customer or damages claims brought against the customer if such fines or claims against the customer are due to F-Secure's actions. As of the date of this Offering Circular, F-Secure uses cloud services provided by companies located in the United States, in which case these may serve as data processors. The United States may not provide for a similar level of data protection as within the EU. Should authorities deem such processing of personal data to violate the GDPR, F-Secure may become liable as the data controller. F-Secure could also incur contractual liability if sanctions relating to the GDPR were imposed on a party processing personal data on behalf of F-Secure.

F-Secure and its customers could also be exposed to personal data breaches, which could have an adverse effect, among other things, on F-Secure's reputation and lead to F-Secure incurring liability for damages. Possible causes of personal data breaches include hacking, malware, encryption errors in information systems, human errors in the processing of personal data in physical or electronic form, errors in the transfer of large amounts of data from one system to another, or the unlawful viewing, disclosure or use of personal data by employees or third parties. For further information on cybersecurity risks to information systems, see " – D. Risks relating to the technology used by F-Secure and to intellectual property rights – Any malfunctions in technologies, IT systems or network connections used by F-Secure or any security breaches could engender disruptions to F-Secure's service offering. Such malfunctions or breaches could also expose F-Secure and its customers, among other things, to risks of misuse of information or systems, the compromise of confidential information, manipulation and destruction of data, fraudulent actions and operational disruptions".

Due to the paucity of legal praxis related to the GDPR, there is still uncertainty in the interpretation of the legislation. The GDPR may be interpreted and applied inconsistently between the Member States, and data protection regulation may conflict with other legislation. The above increases the risk of unintended regulatory breaches.

The materialisation of any of the above factors could have a material adverse effect on F-Secure's business operations, results of operations, financial position and future prospects.

Regulation and authority provisions, as well as changes thereto, could pose challenges and obstacles to F-Secure's business operations and give rise to significant additional costs

F-Secure must comply in its business operations with regulations relating to, among other things, administration, employment relationships, competition, taxation, data protection, marketing, export control and the securities markets. If F-Secure fails to comply with the applicable regulations or authority provisions or interprets regulations or authority provisions applicable to its operations incorrectly, F-Secure could incur financial losses, reputational damage or challenges to the prerequisites of its business operations.

Circumstances entirely or partially beyond the control of F-Secure include changes to regulation relevant to F-Secure, authority measures and requirements set by authorities, as well as the way in which such laws, regulations and measures are implemented or interpreted, as well as the application and enforcement of new laws and regulations. In addition, the drafting of new regulation could involve significant uncertainty relating to the final form and/or interpretation thereof. Though F-Secure monitors and assesses changes to regulation and authority provisions, F-Secure is not able to comprehensively project the impacts of these factors.

Changes in the marketing legislation, especially concerning online marketing, could prevent F-Secure from effectively marketing its products and services in some countries, which could decrease F-Secure's revenue generated from such countries and hinder F-Secure's expansion into new market areas. In addition, regulatory changes affecting F-Secure's Channel Partners, which operate in telecommunications, insurance or other industries, might also significantly impact F-Secure's business operations as the majority of F-Secure's revenue comes from selling products and services through its Channel Partners. Further, F-Secure's tax burden depends on certain laws and orders concerning taxation as well as on the application and interpretation thereof. Estimating the total amount of income tax at the Group level presupposes thorough consideration, and the amount of the final tax is uncertain for several businesses and calculations, particularly as regards transfer pricing used in trade between Group companies. In addition, changes to tax laws and provisions or to the interpretation and application thereof could increase F-Secure's tax burden significantly.

The materialisation of the aforementioned risks could have a material adverse effect on F-Secure's business operations, results of operations, financial position and future prospects.

Trials or other potential proceedings could have an adverse effect on F-Secure's business operations or cause unexpected costs

F-Secure could become a party to or a target of a trial or arbitration, administrative or other corresponding proceedings, which could relate to, among other things, claims presented by F-Secure's customers, current or former employees, sub-contractors or business partners. F-Secure has been from time to time targeted by intellectual property right infringement claims, and it is possible that similar claims may arise in the future during the course of its business. In addition, disputes between the parties may relate, for example, to the interpretation of contract terms, cooperation proceedings, alleged breaches of contract terms, defects in F-Secure's services or solutions or to negligence by F-Secure's employees. Due to the nature of the products and services offered by F-Secure, its customers may not be able to carry out certain functions at all in the event of defects or interruptions in the services or solutions offered by F-Secure. In such situations, the defects or interruptions may cause significant losses to the customers, in which case the claims for damages that the customers bring against F-Secure may be high.

Trials and other proceedings could result, for example, in F-Secure being liable for damages. Trials and other proceedings or the threat thereof could also give rise to other costs and liabilities, take up F-Secure's leadership's time and give rise to uncertainty, which could affect F-Secure business operations and otherwise have an adverse effect on F-Secure's business operations. Such trials and proceedings could also have a negative effect on F-Secure's reputation among current and future customers and stakeholder groups. Furthermore, F-Secure could incur material adverse consequences if contractual obligations are not enforceable or if they are enforced in a manner that is detrimental to F-Secure. A potential failure to comply with regulation could also lead to trials and legal claims. For further information, see “ – *Regulation and authority provisions, as well as changes thereto, could pose challenges and obstacles to F-Secure's business operations and give rise to significant additional costs*”. Materialisation of the risks described above could have a material adverse effect on F-Secure's business operations, financial position, results of operations and future prospects.

F. Risks relating to F-Secure's financial position and financing

F-Secure may not succeed in obtaining financing under favourable terms, which could have an adverse effect on its business operations and financial position

WithSecure's management believes that the working capital available to F-Secure is sufficient for at least the twelve months following the date of this Offering Circular (for further information, see "*F-Secure's Capitalisation and Indebtedness – Sufficiency of Working Capital*"). In the future, however, financing of F-Secure's business operations or its growth strategy might require new debt or equity financing. Adverse changes, such as a general deterioration of the financial markets or increased regulation of the banking sector, deterioration of F-Secure's financial position or other internal or external issues could reduce the opportunities of banks and other credit institutions to offer F-Secure financing alternatives and lead to stricter terms of financing for F-Secure. Despite F-Secure's strong profitability and cash flow, such adverse changes could have a negative effect on F-Secure's opportunities to secure additional financing. As a result, F-Secure may not necessarily succeed in securing sufficient additional financing in a timely manner and under favourable terms. Changes in the availability of equity financing and debt financing and in terms of available financing could impact F-Secure's ability to invest in developing and growing its business operations in the future.

A failure to acquire financing under favourable financing terms or at all could have a material adverse effect on F-Secure's business operations, future prospects, results of operations and financial position.

Fluctuations in currency exchange rates or interest rates may adversely affect F-Secure's results

The amount of operations and sites outside the Eurozone in different currencies exposes F-Secure to a risk related to currency fluctuations. The majority of sales is invoiced in Euro. The other main currencies for invoicing are the US dollar (USD), the Swedish krona (SEK), the pound sterling (GBP) and the Japanese yen (JPY). Changes in the exchange rates between these currencies could have an adverse effect on F-Secure's revenue, results and financial position. F-Secure is exposed to transaction risks caused by purchasing and selling products and goods in currencies that are not F-Secure's home currencies, investment risks in units abroad and translation risks that arise when investments in subsidiaries in different currencies are converted into F-Secure's operational currency, i.e., the euro. The main foreign currency risk arises from the US dollar (USD) denominated sales invoicing, purchases and intercompany transactions at WithSecure, and in the future F-Secure, parent entity level, creating volatility to the financial income and expenses.

Additionally, fluctuations in interest rates may adversely affect F-Secure's financing expenses, although F-Secure's financing expenses are insignificant as at the date of this Offering Circular. Should F-Secure's indebtedness increase in the future, any increase in interest rates could have an adverse impact on F-Secure's financial position.

The materialisation of the risks described above could have an adverse effect on F-Secure's business operations, financial position, results of operations and future prospects.

F-Secure may not be able to collect its accounts receivable in a timely manner or at all, which could reduce cash flows gained by F-Secure and have an adverse effect on F-Secure's financial position

F-Secure's trade receivables do not include any major concentrations of credit risk by customers. The top three customers accounted for 9.3 per cent, 9.2 per cent and 6.1 per cent in the financial year 2021 (5.0 per cent, 8.4 per cent and 5.4 per cent in the financial year 2020 and 7.8 per cent, 8.6 per cent and 6.3 per cent in the financial year 2019) of F-Secure's trade receivables (on a carve-out basis), and in the Direct Channel, part of F-Secure's billing is received in advance. The amount of F-Secure's trade receivables as at 31 March 2022 was EUR 15.9 million out of which trade receivables past due were EUR 1.1 million. Between the years 2019 to 2021, no material credit losses were realised for F-Secure. However, there can be no assurance that F-Secure's customers are able to fulfil their payment obligations either partially or at all, or payments by customers could be delayed. In addition, F-Secure could not be able to collect its receivables in a timely manner due to, for example, disputes concerning invoicing, solvency problems or bankruptcy of a counterparty particularly, during and after the COVID-19 pandemic, payment terms unfavourable to F-Secure or delays in F-Secure's own invoicing process. This could have a material adverse effect on F-Secure's financial position, which could have an adverse effect on F-Secure's ability to continue and develop its current operations and to make necessary investments.

The materialisation of the risks described above could have a material adverse effect on F-Secure's business operations, financial position, results of operations and future prospects.

G. Risks relating to F-Secure's Shares

The market price of the Shares may be volatile, and an active and liquid trading market may not develop for the Shares

F-Secure's shares have not been previously traded on a regulated market or multilateral trading facility, and there can be no assurance that an active and liquid market will develop for the Shares after the Listing. Therefore, the price and liquidity of the Shares are uncertain.

The market price of the Shares may fluctuate significantly, and such fluctuations could be caused, among other things, by the market's perception, public discussion and news relating to F-Secure's field of business, planned and implemented changes in the legislation applied to F-Secure's operations or changes in F-Secure's results of operations or the development of its business operations. The prices and trading volumes of Shares may fluctuate on the stock markets, and this may impact the prices of securities and may not have any connection to the performance or prospects of F-Secure's business operations. A decline in share prices may have a material adverse effect on the demand for and liquidity of the Shares, and there can be no assurance that the market price of the Shares will not fluctuate or decrease significantly or that investors will be able to sell the Shares they acquire should they so wish.

There can be no assurance of distribution of dividends or repayment of capital to the shareholders in the future

The possible distribution of dividends over a financial period depends on F-Secure's and its subsidiaries' results of operations, financial condition, cash flow, need for working capital, investments, future outlook, terms of its financing agreements, ability to upstream any income to F-Secure from its subsidiaries and other factors. Under the Finnish Companies Act, the distribution of dividends is not permitted if it would jeopardise F-Secure's solvency and the amount distributed as dividends may not exceed the amount of distributable funds shown on its latest audited parent company financial statements adopted by the General Meeting of shareholders. F-Secure has capitalised development costs in its balance sheet, which under Finnish Companies Act restricts the amount of distributable funds to be available for distribution. In April 2022, WithSecure's Board of Directors approved F-Secure's dividend policy, according to which F-Secure's target is to distribute a dividend of approximately 50 per cent or more of its net profit. Notwithstanding this policy, F-Secure will evaluate the preconditions for the distribution of dividends in connection with the dividend distribution resolution so that the distribution does not jeopardise F-Secure's growth objectives, development, or financial position. The amount of any dividends to be potentially paid by F-Secure in any given financial year is thus uncertain. Further, the shareholders of F-Secure should not consider past dividends paid by WithSecure to be an indication of any dividends to be paid by F-Secure in the future.

Certain non-Finnish shareholders may be unable to exercise their right to vote

Shareholders that are not Finnish natural persons or legal entities and that manage their Shares through a nominee register may not necessarily be able to exercise their shareholders' rights through the management chain. Holders of nominee registered Shares are not able to directly exercise their right to vote at a General Meeting unless the holder of nominee registered Shares has been temporarily entered into F-Secure's register of shareholders no later than on the date mentioned in the notice of the General Meeting. Since making such a temporary entry requires actions not only from the shareholder but also from the shareholder's custodian bank and the custodian bank's account operator, it is possible that the entry cannot be registered within the time limit.

Investors with a reference currency other than the euro will be exposed to certain foreign exchange risks when investing in the Shares

The Shares are priced and traded in euro in trading maintained by Nasdaq Helsinki. Any future payments of dividends on the Shares will also be denominated in euro. Furthermore, the market price of the Shares as expressed in other currencies may fluctuate in part due to changes in exchange rates. This could further affect the value of the Shares, any dividends paid on the Shares and other distributions of unrestricted equity, such as capital repayments, for investors whose principal or reference currency is not the euro. In addition, exchanging euros into another currency may cause such investors to incur additional transaction costs.

Future share issues, divestments or other disposals may affect the value of the Shares or dilute the shareholders' relative holdings as well as their voting rights

Any future issues or sales of Shares by F-Secure or an understanding that such issues or sales may occur in the future may have an adverse effect on the market value of the Shares and on F-Secure's ability to acquire equity capital funding in the future. Furthermore, if F-Secure requires equity capital funding, in addition to debt financing, by new share issues or by other means, F-Secure may need to arrange new share issues in which the shareholders hold pre-emptive

subscription rights or directed share issues that deviate from the shareholders' pre-emptive subscription rights if the General Meeting grants F-Secure's board of directors the authorisation to carry out such share issues. Directed share issues can also be arranged in conjunction with incentive programmes for F-Secure's management and employees to implement acquisitions or for other reasons if F-Secure has a weighty financial reason for a directed share issue. Directed share issues and share issues that include subscription rights in which existing shareholders do not participate or participate in only in part will dilute the relative holdings of shareholders in F-Secure.

F-Secure's ownership structure is concentrated, which could reduce the influence of other shareholders in F-Secure, undermine their confidence in F-Secure and reduce the liquidity of the Shares

On 10 May 2022, Risto Siilasmaa is the largest shareholder of WithSecure with ownership of 34.4 per cent of all of WithSecure's shares and votes. After the Demerger and Listing, Risto Siilasmaa will own a total of approximately 34.4 per cent of the issued and outstanding Shares and votes in F-Secure, assuming that there are no changes in the ownership of the largest shareholders of WithSecure and the number of WithSecure's treasury shares between 10 May 2022 and the Effective Date. For further information on F-Secure's ownership structure, see "*Ownership Structure*". Concentrated ownership could reduce the influence of other shareholders in F-Secure, undermine their confidence in F-Secure and reduce the liquidity of the Shares. The above factors could also have an adverse effect on the valuation and price performance of the Shares.

H. Risks relating to the Listing

There can be no assurance that the Listing will be implemented as planned or at all, which could increase the amount of expenses arising from the Listing and cause the Listing to tie up more resources from WithSecure's management and other personnel than anticipated

It is possible that the Listing will be delayed or will not be carried out at all due to reasons relating to the completion of the Listing or Demerger or due to requirements set by Nasdaq Helsinki or other reasons. A delay in the Listing could increase the amount of expenses arising from the Listing and cause the Listing to tie up more resources from WithSecure's management and other personnel than anticipated. It is also possible that the implementation of the Listing will not succeed at all. The implementation of the Listing requires, among other things, the completion of the Demerger, and there can be no assurance that the completion of the Demerger will succeed (for further information, see "*Risk factors – Risks related to the Demerger – There is no certainty that the Demerger will be completed, or the completion may be delayed, and any delay in the completion of the Demerger could result in increased expenses and require increased resources from WithSecure's management and other personnel*").

CERTAIN ADDITIONAL INFORMATION

Parties Responsible for the Offering Circular and the Statement Regarding the Offering Circular

Demerging Company:

Trade name: WithSecure Corporation
Business identity code: 0705579-2
Legal entity identifier (LEI): 743700ATXLT0MFCHXT16
Registered office: Helsinki, Finland
Address: Tammasaarenkatu 7, 00180 Helsinki, Finland
Telephone: +358 9 2520 0700
Website: <https://www.withsecure.com>

Acquiring Company:

The information below concerning F-Secure Corporation is based on the Demerger Plan as F-Secure Corporation will be incorporated on the Effective Date.

Trade name: F-Secure Corporation
Business identity code: 3269349-7
Legal entity identifier (LEI): 9845006BFDJF0375E466
Registered office: Helsinki, Finland
Address: Tammasaarenkatu 7, 00180 Helsinki, Finland
Telephone: +358 9 2520 0700
Website: <https://www.f-secure.com>

WithSecure accepts responsibility for the information included in this Offering Circular and declares that the information contained in this Offering Circular is, to the best of its knowledge, in accordance with the facts and that the Offering Circular contains no omission likely to affect its import.

WithSecure has drafted this Offering Circular on behalf of F-Secure as F-Secure will be incorporated on the Effective Date, which is expected to be on 30 June 2022. F-Secure will be a public limited liability company incorporated in Finland and organised under the laws of Finland. As far as this Offering Circular concerns F-Secure, F-Secure accepts responsibility for the information included in this Offering Circular after its incorporation according to the Demerger Plan.

Forward-Looking Statements

This Offering Circular includes forward-looking statements. Such statements are not necessarily based on historical facts, but they are statements concerning future expectations. Forward-looking statements have been set forth in several parts of this Offering Circular, such as under the headlines “*Summary*”, “*Risk factors*”, “*Market overview*”, “*Business of F-Secure*” and “*Operating and financial review*” as well as in other such parts of this Offering Circular which contain information on WithSecure’s or F-Secure’s business-related future results, plans and expectations, including its strategic plans, plans on future growth and profitability, and general financial situation. Such statements are based on present plans, estimates and forecasts of the management of WithSecure and information currently available for the management of WithSecure, and thus such statements may be considered as forward-looking statements. Among others, statements that include the words “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “assume”, “may”, “aim”, “could” or other similar verbs or expressions may be considered as forward-looking statements. Other forward-looking statements can be identified from the context in which such statements have been made.

These forward-looking statements rest on certain expectations and assumptions that are currently justifiable but may turn out to be incorrect, and they are often associated with known and unknown risks, uncertainties and other important factors. Based on information available and estimates made as at the date of the Offering Circular, the section titled “*Risk Factors*” in this Offering Circular presents risks relating to the Demerger as well as risks relating to F-Secure and its business operations and Shares, including the Demerger Consideration Shares. These risks are partially examples of forward-looking statements. However, the aforesaid list is not exhaustive and new risks may emerge from time to time. Should one or more of these or other risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, F-Secure’s results of operations, financial position, level of performance or achievements of F-Secure, or industry results, may differ even materially from the results of operations, financial position, future results, level of performance

or achievements that are expressly described in or may be concluded from the forward-looking statements. Shareholders should not rely on these forward-looking statements.

Information Derived From Third Party Sources

Where certain information contained in this Offering Circular has been derived from third party sources, such sources have been identified herein. WithSecure confirms that such third-party information has been accurately reproduced in the Offering Circular and that as far as WithSecure is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Market and Industry Information

This Offering Circular contains estimates regarding the markets and industries in which WithSecure operates and where F-Secure will operate as well as their competitive positions therein. Such estimates cannot be gathered from publications by market research institutions or any other independent sources. In many cases, there is no publicly available information on such data, for example from industry associations, public authorities or other organisations and institutions. WithSecure believes that its internal estimates of market data and information derived therefrom and included in this Offering Circular are helpful in order to give investors a better understanding of the industry in which WithSecure operates and in which F-Secure will operate as well as their positions therein. Although WithSecure believes that its internal market estimates are fair, it has not been reviewed or verified by any external experts and WithSecure cannot guarantee that a third-party expert using different methods would obtain or generate the same results.

Information at the Website is Not Part of the Offering Circular and the Availability of the Finnish Prospectus and the Offering Circular

The Finnish Prospectus and the Offering Circular will be available on or about 13 May 2022 in print at the office of WithSecure at Tammasaarekatu 7, 00180 Helsinki, Finland and at the reception of Nasdaq Helsinki at Fabianinkatu 14, FI-00100 Helsinki, Finland.

The Finnish Prospectus and the Offering Circular will also be published online on or about 13 May 2022 at <http://www.withsecure.com/en/about-us/investor-relations/demerger>. Information presented on the website of WithSecure, or on any other website, does not form a part of this Offering Circular (with the exception of supplements to the Offering Circular, if any), and the shareholders of WithSecure should not rely on such information.

Notice to Shareholders in the United States

NEITHER THE DEMERGER CONSIDERATION SHARES NOR ANY OTHER SECURITIES REFERENCED IN THIS OFFERING CIRCULAR HAVE BEEN OR WILL BE REGISTERED UNDER THE US SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND AS SUCH NEITHER THE DEMERGER CONSIDERATION SHARES NOR ANY OTHER SECURITIES REFERENCED IN THIS OFFERING CIRCULAR MAY BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT. THIS OFFERING CIRCULAR IS NEITHER AN OFFER TO SELL NOR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES AND SHALL NOT CONSTITUTE AN OFFER, SOLICITATION OR SALE IN THE UNITED STATES.

This Offering Circular must not be released or otherwise forwarded, distributed or sent, directly or indirectly, in whole or in part, in or into the United States or any jurisdiction where the distribution of these materials would breach any applicable law or regulation or would require any registration or licensing within such jurisdiction. Failure to comply with the foregoing limitation may result in a violation of the US Securities Act or other applicable securities laws.

Any financial statements or other financial information included in this Offering Circular may not be comparable to the financial statements of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

NEITHER THE SEC NOR ANY OTHER US FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE DEMERGER CONSIDERATION SHARES OR PASSED AN OPINION UPON THE FAIRNESS OR MERITS OF SUCH SECURITIES OR UPON THE ACCURACY OR ADEQUACY OF THE DISCLOSURES CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Notice to Shareholders in the United Kingdom

This Offering Circular is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”), (ii) are persons falling within Article 43 of the Financial Promotion Order (for example as shareholders in WithSecure entitled to receive the Demerger Consideration Shares pursuant to the Finnish Companies Act), (iii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iv) are outside the United Kingdom, or (v) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of the Demerger Consideration Shares may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**Relevant Persons**”). This Offering Circular is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Notice to Shareholders in the European Economic Area

This Offering Circular has been prepared on the basis that any offer of the Demerger Consideration Shares in any Member State of the European Economic Area (“**EEA**”) other than offers (the “**Permitted Public Offers**”) which are made prior to the Effective Date, and which are contemplated in the Offering Circular in Finland once the Finnish Prospectus has been approved by the competent authority in Finland and published in accordance with the Prospectus Regulation, and in respect of which WithSecure has consented in writing to the use of the Offering Circular, will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Demerger Consideration Shares. Accordingly, any person making or intending to make an offer in that Member State of the Demerger Consideration Shares which are the subject of the offer contemplated in this Offering Circular, other than the Permitted Public Offers, may only do so in circumstances in which no obligation arises for WithSecure to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. WithSecure has not authorised, nor does it authorise, the making of any offer (other than Permitted Public Offers) of the Demerger Consideration Shares in circumstances in which an obligation arises for WithSecure to publish or supplement a prospectus for such offer.

In relation to each Member State of the EEA with effect from and including 21 July 2019 (the “**Prospectus Regulation Applicability Date**”) no offer has been made and will not be made (other than a Permitted Public Offer) of the Demerger Consideration Shares which are the subject of the offering contemplated by this Offering Circular to the public in that Member State, except that, with effect from and including the Prospectus Regulation Applicability Date, an offer of such Demerger Consideration Shares is made to the public in that Member State:

- a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of WithSecure for any such offer; or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no offer of the Demerger Consideration Shares is made which would require WithSecure to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

In this section, the expression an offer of the Demerger Consideration Shares to the public in relation to any Demerger Consideration Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Demerger Consideration Shares to be offered so as to enable an investor to decide to purchase or subscribe to the Demerger Consideration Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State.

The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 (as amended), and includes any relevant implementing measure in the EEA Member State concerned.

PRESENTATION OF FINANCIAL INFORMATION

Carve-Out Financial Information of F-Secure

The historical financial information of F-Secure included in this Offering Circular has been derived from the audited carve-out financial statements as at and for the years ended 31 December 2021, 2020 and 2019 and the unaudited carve-out financial information of F-Secure as at and for the three months' period ended 31 March 2022, including unaudited carve-out comparative financial information as at and for the three months' period ended 31 March 2021. The historical carve-out financial information of F-Secure and the auditor's reports related to the carve-out financial statements have been included in the F-pages to this Offering Circular.

The carve-out financial statements of F-Secure as at and for the years ended 31 December 2021, 2020 and 2019 have been audited by PricewaterhouseCoopers Oy, Authorised Public Accountants, with Authorised Public Accountant Janne Rajalahti as the auditor with the principal responsibility.

The carve-out financial statements of F-Secure for the financial year ended 31 December 2021, 2020 and 2019 and the carve-out financial information as at and for the three months' period ended 31 March 2022 have been prepared on a carve-out basis from WithSecure's audited consolidated financial statements and unaudited consolidated interim financial information using the historical income and expenses, assets and liabilities and cash flows attributable to F-Secure business. The carve-out financial statements also include the allocation of income, expense, assets, liabilities and cash flows which are based on management judgement, assumptions and estimates as described below in section "*Operating and Financial Review – Carve-out financial information and factors affecting comparability*". The most significant estimates, judgements and assumptions relate to the allocation of the costs of certain centrally provided shared services, leasing arrangements, shared tangible and intangible assets, cash management and financing, determination on current and deferred income taxes and invested equity.

The carve-out financial statements of F-Secure have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union, under consideration of the principles for determining which assets and liabilities, income and expenses as well as cash flows are to be assigned to F-Secure as described in Note 1 under section "*Operating and Financial Review – Carve-out principles applied in the F-Secure carve-out financial statements*" of the audited carve-out financial statements. The unaudited carve-out financial information of F-Secure as at and for the three months period ended 31 March 2022, including unaudited carve-out comparative financial information as at and for the three months period ended 31 March 2021 have been prepared in accordance with "IAS 34 - Interim Financial Reporting" under the same carve-out considerations as described above.

Accordingly, the carve-out financial information of F-Secure does not necessarily reflect what F-Secure's results of operations, financial position or cash flows would have been had F-Secure operated as an independent company and had it presented stand-alone financial information during the periods presented. Moreover, the carve-out financial information of F-Secure may not be indicative of F-Secure's future results of operations, financial position or cash flows. See "*Operating and Financial Review – Carve-out financial information and factors affecting comparability*".

Description of the nature of the emphasis of matter paragraph in the auditor's report concerning the carve-out financial statements of F-Secure

The independent auditor's report on the audit for the carve-out financial statements of F-Secure as at and for the years ended 31 December 2021, 2020 and 2019 includes an emphasis of matter paragraph. In this paragraph, the independent auditor, without qualifying its opinion, draws attention to the note 1 to the carve-out financial statements, which describes their basis of preparation, including the approach to and the purpose of preparing them, and that the separate carve-out financial statements included in the set of carve-out financial statements are not necessarily indicative of the financial position, financial performance and cash flows of F-Secure if it had operated as a separate legal group of entities during the financial years presented, nor future performance.

Unaudited Pro Forma Financial Information of F-Secure

This Offering Circular includes unaudited pro forma financial information illustrating the effect of the Demerger to F-Secure's historical carve-out financial information had the Demerger been consummated at an earlier point in time. The unaudited pro forma financial information is for illustrative purposes only.

The unaudited pro forma combined statement of income for the year ended 31 December 2021 and the unaudited pro forma combined statement of income for the three months period ended 31 March 2022 gives effect the Demerger as if it

had occurred on 1 January 2021. The unaudited pro forma combined statement of financial position as at 31 March 2022 illustrates the impact of the Demerger as if it had occurred on that date.

Because of its nature, the unaudited pro forma financial information illustrates what the hypothetical impact would have been if the Demerger had been consummated at the date assumed in this unaudited pro forma financial information, and, therefore, does not represent the actual results of operations or financial position of F-Secure. The unaudited pro forma financial information is not intended to project the results of operations or financial position of F-Secure as of any future date and does not represent the results of operations or financial position had F-Secure been an independent listed company for the periods presented.

The unaudited pro forma financial information reflects adjustments to the historical carve-out financial information to give pro forma effect to events that are directly attributable to the Demerger and are factually supportable. The pro forma adjustments are based upon available information and certain assumptions, which are described in the accompanying notes to this unaudited pro forma financial information. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma financial information will prove to be correct. Further, the effective tax rate of F-Secure could be different in the future depending on the post Demerger activities, including cash needs, geographical mix of income and tax planning strategies.

The pro forma adjustments made herein are based on F-Secure's unaudited interim carve-out financial information as at and for the three months ended 31 March 2022, audited combined carve-out financial statements as at and for the financial year ended 31 December 2021 and management's estimate of the assets and liabilities to be transferred to F-Secure and costs related to the Listing, for which F-Secure is responsible in accordance with the Demerger Plan.

The final amounts of assets and liabilities transferred to F-Secure in the Demerger may materially differ from those presented in the unaudited pro forma financial information as such balances will be determined based on the carrying values of the transferring assets and liabilities on the Effective Date. This could result in a significant variation to the results of operations and financial position of F-Secure in the future comparing to the unaudited pro forma financial information.

The unaudited pro forma financial information does not include all of the information required for financial statements under IFRS and should be read together with F-Secure's carve-out financial information and any other information included in this Offering Circular. See also "*The result of operations or financial position presented in F-Secure's unaudited pro forma financial information may differ from F-Secure's actual result of operations or financial position*".

Alternative Performance Measures

This Offering Circular includes certain alternative performance measures of F-Secure's historical financial performance, financial position and cash flows, which, in accordance with the "*Alternative Performance Measures*" guidance issued by the European Securities and Markets Authority ("**ESMA**") are not accounting measures defined or specified in IFRS and are therefore considered alternative performance measures. F-Secure present the following alternative performance measures:

- | | |
|-----------------------------|-------------------------------|
| • Revenue growth, % | • EBIT margin, % |
| • EBITDA | • Adjusted EBIT |
| • Adjusted EBITDA | • Adjusted EBIT margin, % |
| • Adjusted EBITDA margin, % | • Investments |
| • EBITA | • Investments margin, % |
| • EBITA margin, % | • Net debt (+) / Net cash (-) |
| • Adjusted EBITA | • Equity ratio, % |
| • Adjusted EBITA margin, % | • Cash conversion |
| • EBIT | |

For the detailed definitions and reasons for the use of these alternative performance measures, see "*Selected Combined Carve-out Financial Information – The Definitions and Reasons for the Use of Financial Key Indicators*". The reconciliation of alternative performance measures is presented in section "*Selected Combined Carve-out Financial Information – Reconciliation of Alternative Performance Measures*".

F-Secure presents the alternative performance measures as additional information to financial measures presented in the combined statement of comprehensive income, combined statement of financial position, combined statement of cash flows and in the notes disclosures prepared in accordance with IFRS. In the view of WithSecure's management,

alternative performance measures provide meaningful supplemental information for F-Secure's management, investors, analysts and other parties on F-Secure's operations, financial position and cash flows.

Alternative performance measures should not be viewed in isolation or as a substitute to the IFRS financial measures. All companies do not calculate alternative performance measures in a uniform way, and therefore, F-Secure's alternative performance measures may not be comparable with similarly named measures presented by other companies.

Alternative performance measures are unaudited except for EBIT and investments for the years ended 31 December 2021, 2020 and 2019, which are audited.

Alternative performance measures – on a pro forma basis

Demerger and the related transactions have an impact on F-Secure's performance and financial position and as such has an impact on comparability of the stand-alone historical carve-out financial information for the periods presented. Consequently, certain key figures on F-Secure's business performance are presented on a pro forma basis for the financial year ended 31 December 2021 and the three months ended 31 March 2022 to information illustrates what the hypothetical impact would have been if the Demerger had been consummated at the date assumed in this unaudited pro forma financial information. The pro forma key figures are presented for illustrative purposes only, and do not represent actual results of operations or financial position of F-Secure. For a detailed basis of presentation and notes disclosure for the additional unaudited pro forma financial information see section "*Unaudited pro forma financial information*".

The unaudited pro forma key figures are considered as alternative performance measures, as they are not accounting measures or specified under IFRS. The alternative performance measures are presented as additional information to the financial measures presented in the historical carve-out financial information prepared in accordance with IFRS. Management believes the unaudited pro forma key figures to be meaningful supplement to management, investors, analysts and other parties on F-Secure's result of operations and financial position.

F-Secure presents the following alternative performance measures on a pro forma basis:

- | | |
|---------------------------------------|---|
| • Pro forma EBITDA | • Pro forma EBIT |
| • Pro forma Adjusted EBITDA | • Pro forma EBIT margin, % |
| • Pro forma Adjusted EBITDA margin, % | • Pro forma Adjusted EBIT |
| • Pro forma EBITA | • Pro forma Adjusted EBIT margin, % |
| • Pro forma EBITA margin, % | • Pro forma Net debt (+) / Net cash (-) |
| • Pro forma Adjusted EBITA | |
| • Pro forma Adjusted EBITA margin, % | |

IMPORTANT DATES

17 February 2022	Signing of the Demerger Plan and stock exchange release related to the Demerger
12 April 2022	Notice of Extraordinary General Meeting of WithSecure
26 April 2022 at 4:00 p.m.	Registration for WithSecure's Extraordinary General Meeting and advance voting began
13 May 2022	Finnish Prospectus and Offering Circular available
16 May 2022 at 4:00 p.m.	Deadline for questions for WithSecure's shareholders
18 May 2022	Record date of the Extraordinary General Meeting of WithSecure
19 May 2022	WithSecure's shareholders' questions and management's answers available on WithSecure's website
23 May 2022 at 4:00 p.m.	Registration for WithSecure's Extraordinary General Meeting and advance voting ends
26 May 2022 at 10:00 a.m.	The last day for the holders of nominee registered shares to become registered in the temporary shareholders' register maintained by Euroclear Finland in order to obtain the right to participate in the Extraordinary General Meeting of WithSecure
31 May 2022	Extraordinary General Meeting of WithSecure
30 June 2022	Planned Effective Date (provided that the conditions for the execution of the Demerger are fulfilled)
30 June 2022	The date on which WithSecure's shares registered on a WithSecure's shareholder's book-entry account will entitle to Demerger Consideration (provided that the Effective Date is 30 June 2022)
1 July 2022	Demerger Consideration Shares registered in the book-entry accounts of the shareholders of WithSecure (provided that the Effective date is 30 June 2022)
1 July 2022	Trading in the Demerger Consideration Shares and shares in F-Secure commences on the official list of Nasdaq Helsinki (provided that the Effective date is 30 June 2022)

SUMMARY OF THE DEMERGER

The review below provides a general overview of the Demerger and F-Secure and is based on, among others, the assumption that the Demerger will be implemented in the manner and within the timetable planned in this Offering Circular. However, there are no guarantees that the Demerger will be executed within the timetable laid out in this Offering Circular or at all, either of which could result in any statement on the Company below being unfulfilled. See “Risk Factors – A. Risks relating to the Demerger”.

General Description

The Board of Directors of WithSecure has on 17 February 2022 approved the Demerger Plan concerning the partial demerger of WithSecure. Pursuant to the Demerger Plan, WithSecure will demerge so that all the assets, debts and liabilities belonging to WithSecure’s consumer security business are transferred without a liquidation procedure to F-Secure. WithSecure will not be liquidated in connection with the Demerger, and it will retain the assets and liabilities related to its corporate security business. In connection with the Demerger, the new incorporated company is proposed to be named as F-Secure Corporation. The Demerger will be carried out in accordance with the provisions of Chapter 17 of the Finnish Companies Act and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended) (“**Finnish Business Income Tax Act**”).

The purpose of the Demerger is to carry out the separation of WithSecure’s consumer security business, which consists of designing and providing a comprehensive range of security and privacy products and services, such as endpoint security, privacy protection as well as digital identity protection (“**IDP**”) of consumers’ devices, networks and consumers themselves, sold, in each case, either directly or through Channel Partners, to consumers or organisations delivering products and services to consumers. WithSecure will, after the Demerger, concentrate on its corporate security business, which consists of designing and providing a comprehensive range of cybersecurity products, services and consultation as well as managed services, and designing and manufacturing software products related to network protection, data security of terminal devices and devices connected to a network, sold, in each case, either directly or indirectly, to other end users than consumers. Thus, by way of the Demerger, WithSecure intends to divide its current business into two companies so that WithSecure’s consumer security business will transfer to a new company to be incorporated (F-Secure), and the corporate security business will remain in WithSecure. The Board of Directors of WithSecure is of the opinion that the next phase in the development of WithSecure’s operations is best carried out in two separate companies, which gives both companies better financing opportunities and clearer equity stories, as well as a more specialised and distinctive strategy and way of operation. WithSecure’s expectation is that the customers and partners of WithSecure and F-Secure will be better served through two independent companies with two strong brands focusing on the separate consumer and corporate security markets, and the Boards of Directors and the leadership of these two independent companies will help the companies in accelerating strategy execution and increasing brand clarity as well as to reach a stronger competitive position, growth and better profitability. The Demerger is thereby expected to significantly strengthen the preconditions for shareholder value creation in both WithSecure and F-Secure.

The Demerger and the Demerger Plan will be presented for approval to the Extraordinary General Meeting of WithSecure convened to be held on 31 May 2022. The Demerger will become effective if the Extraordinary General Meeting approves the Demerger and the Demerger Plan, and if the execution of the Demerger is subsequently registered in the Finnish Trade Register. The execution of the Demerger is expected to be registered on the Effective Date, on or about 30 June 2022. On the Effective Date, the incorporation of F-Secure will become effective.

The shareholders of WithSecure shall receive as Demerger Consideration one new share in F-Secure for each share they hold in WithSecure, that is, the Demerger Consideration Shares shall be issued to the shareholders of WithSecure in proportion to their existing shareholding with a ratio of 1:1. There shall be only one share class in F-Secure, and the shares of F-Secure shall not have a nominal value. No other consideration shall be issued to the shareholders of WithSecure in addition to the above-mentioned Demerger Consideration to be issued in the form of shares of F-Secure. In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, treasury shares held by WithSecure do not carry a right to receive Demerger Consideration. The allocation of the Demerger Consideration Shares is based on the shareholding in WithSecure on the Effective Date. On the date of this Offering Circular, there are a total of 174,598,739 shares in WithSecure, of which a total of 71,795 are treasury shares. According to the situation on the date of this Offering Circular, the total number of Demerger Consideration Shares to be issued would therefore be 174,526,944. The final total number of Demerger Consideration Shares to be issued may be affected by, among other things, any changes to the number of outstanding shares in WithSecure, including, for example, if WithSecure issues new shares or acquires its own shares prior to the Effective Date. The Demerger Consideration Shares shall be issued to the shareholders of WithSecure

on the first business day after the Effective Date or as soon as possible thereafter. The Demerger Consideration Shares shall be distributed automatically, and no action is required from the shareholders of WithSecure in relation thereto.

The shares in F-Secure will be applied for to be admitted to trading on the official list of Nasdaq Helsinki. The trading in F-Secure's shares on Nasdaq Helsinki is expected to begin as soon as reasonably possible after the Effective Date. Neither the Demerger nor the Listing will affect the listing of, or trading in, the shares of WithSecure.

If a WithSecure shareholder sells its shares prior to the Effective Date, but the trade has not been cleared prior to the Effective Date, the purchaser of those WithSecure shares has the right to the Demerger Consideration Shares according to the prevailing market practice, and the Demerger Consideration Shares will be recorded in the purchaser's book-entry account when the trade is cleared. Excluding the trades of shares in WithSecure that have not been cleared on the Effective Date and the treasury shares held by WithSecure, F-Secure's ownership structure will correspond to WithSecure's ownership structure on the Effective Date. For a more detailed description concerning trading in the shares and the book-entry system, see "*Finnish Securities Market*".

Creditor Consents and Waivers

As is customary, WithSecure's financing agreements contain certain demerger and change of control clauses that could be breached as a result of the Demerger without an appropriate waiver or consent by the other contract parties. In connection with obtaining the consents and waivers from the creditors, the creditors were also asked to waive their statutory right to object to the Demerger pursuant to Chapter 17, Section 6 of the Finnish Companies Act and any right they may have pursuant to Chapter 17, Section 16 of the Finnish Companies Act to make a claim against F-Secure after the completion of the Demerger on the basis of the secondary Demerger liability. WithSecure has obtained all necessary consents and waivers for its significant financing agreements.

Related Arrangements

The Demerger will affect WithSecure's administrative, accounting and other functions, as some of the personnel in these functions and the functions of WithSecure's subsidiaries will transfer to F-secure or its subsidiaries on the Effective Date.

Transitional Services Agreements

WithSecure and F-Secure have entered into transitional services agreements covering certain areas such as general transitional services (HR, IT and finance) and the technology stack. For further information on transitional service agreements, see section "*Business of F-Secure – Material Agreements – Transitional Services Agreement*" and "*Business of F-Secure – Material Agreements - Transitional services agreement for the technology stack.*"

Separation of consumer business conducted by foreign subsidiaries

Before the completion of the Demerger, WithSecure's consumer business conducted by its foreign subsidiaries will be separated into separate companies through business acquisitions or similar transactions in each relevant country. Part of the business acquisitions or similar transactions have already been consummated, and part of them are currently in the process of being consummated and they are expected to be consummated before the Effective Date or as soon as possible thereafter.

In the transactions, all assets, contracts, employees and liabilities related to the transferring business will transfer to the buying company, in each case to the extent they relate to or are attributable to the transferring business subject to the transaction. In these transactions, WithSecure or its subsidiary is the buying entity if the transferring business is a corporate security business, and F-Secure or its subsidiary is the buying entity if the transferring business is a consumer security business. In most of these transactions, the transaction price will be treated as the buying company's debt to the selling company and as a selling company's receivable from the buying company. The transaction prices vary between approximately EUR 70 thousand and EUR 3 million. The finalisation of valuations of the transferring businesses is ongoing at the moment, and the purchase price of one of these transactions is yet undetermined. Purchase prices will correspond to either the fair value or the book value of the transferring businesses depending on the local legislation. The fair values will be determined by using customary valuation methods. The payback time for the debt is primarily three years from the effective date of each local transaction, and prepayment is allowed. The interest rate for the unpaid transaction price varies by country.

Transfer of Employees

Part of the personnel of WithSecure will transfer to F-Secure upon the registration of the completion of the Demerger on the Effective Date, as determined by the Board of Directors or the Managing Director of WithSecure prior to the Effective Date. F-Secure will assume the obligations arising out of the employment and service relationships with WithSecure of the transferring personnel in force on the Effective Date as well as the obligations resulting from the related benefits. The transferring personnel will transfer to the service of F-Secure as existing employees, to the extent possible under applicable legislation.

The obligations under any group-level agreements binding WithSecure, for example, with respect to occupational health) will transfer, to the extent possible, to F-Secure insofar as they concern the employees transferring to F-Secure or the employees of its directly or indirectly owned subsidiaries.

F-Secure will be responsible for all liabilities relating to the personnel transferring to it, including without limitation salaries and fees, liabilities associated with employee incentive programs, tax withholdings, accumulated holidays, daily allowances, pension contributions and expense compensations, also to the extent such liabilities have arisen wholly or partially prior to the Effective Date but which remain open on the Effective Date.

F-Secure and WithSecure have undertaken to fulfil their notification obligation under Chapter 4 of the Act on Co-operation within Undertakings (1333/2021, as amended) towards transferring employees and their personnel representatives as required by said act.

Intellectual Property Rights

F-Secure and WithSecure have agreed on certain IPR and licensing arrangements in connection with the Demerger. For a more detailed description, see: “*Business of F-Secure – Material Agreements – Patent License Agreement*” and “*Business of F-Secure – Material Agreements – Technology License Agreement*”.

Shareholder support

Certain major WithSecure shareholders, including Risto Siilasmaa, Mandatum Life Insurance Company Limited, Ilmarinen Mutual Pension Insurance Company, Elo Mutual Pension Insurance Company, Varma Mutual Pension Insurance Company and Kaleva Mutual Insurance Company, holding in the aggregate approximately 50.6 per cent of the shares and votes in WithSecure on the date of the signing and publication of the Demerger Plan (17 February 2022), have, subject to certain customary conditions, irrevocably undertaken to attend WithSecure’s Extraordinary General Meeting and vote, with respect to all shares they hold, in favour of the Demerger.

Proceeds of the Demerger

F-Secure will not acquire any proceeds from the issuance of Demerger Consideration Shares.

Costs and Remuneration Related to the Demerger

Unless WithSecure and F-Secure separately agree otherwise or unless it is stipulated otherwise in the Demerger Plan, the costs and remuneration related to the Demerger between the relevant companies will be allocated as follows:

- (a) WithSecure shall be responsible for any fees and costs relating directly to the Demerger process and its completion, including without limitation costs relating to convening a shareholders’ general meeting to decide on the Demerger, costs related to any Trade Register notifications required in connection with the Demerger, advisor fees related to the Demerger and the fee payable to the auditor issuing a statement on this Demerger Plan, in proportions to be determined separately;
- (b) WithSecure and F-Secure shall be responsible for any fees and costs relating directly to the brand renewal of WithSecure and updating the visual appearance of F-Secure, to the extent such fees and costs are directly attributable to the relevant company or its operations;
- (c) WithSecure shall bear any fees and costs relating directly to the accelerated book-built share issue to selected institutional investors announced on 23 March 2022;

- (d) F-Secure shall be responsible for any fees and costs relating directly to the listing of Shares of F-Secure and the creation of the Shares in the book-entry securities system, including without limitation costs relating to IPO due diligence, preparing a prospectus and fees invoiced by the Finnish Financial Supervisory Authority, Nasdaq Helsinki and Euroclear Finland Oy, regardless of when such fees and costs have arisen. If any such fee or cost has arisen prior to the registration of the completion of the Demerger and been paid by WithSecure, WithSecure will invoice F-Secure for the relevant fee or cost;
- (e) F-Secure shall be responsible for any fees and costs relating directly to the ramp-up of the operations of F-Secure, regardless of when such fees and costs have arisen. If any such fee or cost has arisen prior to the registration of the completion of the Demerger and been paid by WithSecure, WithSecure will invoice F-Secure for the relevant fee or cost; and
- (f) WithSecure and F-Secure shall each be responsible for one-half of the costs and remuneration that cannot be allocated based on Subsections (a)-(e) above or that are not directly related to the operations of either of WithSecure or F-Secure.

The total costs related to the Demerger and the Listing are expected to amount to approximately EUR 9 million, of which WithSecure's portion is approximately EUR 5 million and F-Secure's portion is approximately EUR 4 million.

Applicable Law

The Demerger is governed by the laws of Finland.

Extraordinary General Meeting of WithSecure on the Approval of the Demerger

General

The Board of Directors of WithSecure have on 12 April 2022 proposed that the Extraordinary General Meeting of WithSecure to be held on 31 May 2022 would resolve on the approval of the Demerger in accordance with the Demerger Plan, approved and signed on 17 February 2022 by the Board of Directors of WithSecure Corporation, whereby all the assets and liabilities related to the consumer security business of WithSecure Corporation would transfer without liquidation procedure to a new company to be incorporated in the Demerger, F-Secure Corporation, on the Effective Date, in accordance with the Demerger Plan.

In addition, the proposed Articles of Association of F-Secure Corporation as appended to the Demerger Plan, are proposed to be approved as a part of the resolution on the Demerger.

The Board of Directors of WithSecure has resolved on exceptional meeting procedures based on the so-called temporary act which came into force on 8 May 2021 in order to take account the health and safety of the shareholders, employees and other stakeholders of WithSecure. Shareholders or their proxy representatives cannot participate in the Extraordinary General Meeting at the meeting venue or by means of real-time distance participation, but the participation takes place in advance as set forth in the notice convening the Extraordinary General Meeting. If a shareholder wishes to submit questions to WithSecure pursuant to Chapter 5, Section 25 of the Companies Act, such questions must also be submitted in advance as further described in the notice convening the Extraordinary General Meeting.

Right to Participate

Shareholders who are registered in the shareholders' register of WithSecure maintained by Euroclear Finland on the record date of the Extraordinary General Meeting on 18 May 2022 have the right to participate in the Extraordinary General Meeting. Changes in shareholding after the record date of the Extraordinary General Meeting do not affect the shareholders' right to participate in the Extraordinary General Meeting or the shareholders' voting rights.

Holders of Nominee Registered Shares

A holder of nominee registered shares has the right to participate in the Extraordinary General Meeting by virtue of such shares, based on which the holder of nominee registered shares on the record date of the Extraordinary General Meeting, Wednesday, 18 May 2022, is entitled to be registered in the shareholders' register of the Company held by Euroclear Finland. In addition, the right to participate requires that the holder of nominee registered shares be temporarily entered into the shareholders' register held by Euroclear Finland based on these shares at the latest by Thursday, 26 May 2022 at 10:00 a.m. As regards nominee registered shares, this constitutes due registration for the Extraordinary General Meeting.

Changes in shareholding after the record date do not affect the right to participate in the Extraordinary General Meeting or the number of voting rights.

A holder of nominee registered shares is advised to request in good time the necessary instructions regarding registration in the temporary shareholders' register of the Company, the issuing of proxy documents and registration for the Extraordinary General Meeting from such shareholder's custodian bank. The account management organisation of the custodian bank has to temporarily register a holder of nominee registered shares, who wants to participate in the Extraordinary General Meeting, into the shareholders' register of the Company at the latest by the time stated above. The account management organisation of the custodian bank shall also arrange voting in advance on behalf of the holder of nominee registered shares within the registration period applicable to holders of nominee registered shares.

Further information is available on the Company's website at the address <https://www.withsecure.com/en/about-us/investor-relations/governance>.

Registering Attendance, Voting in Advance and the Right to Ask Questions

Notification of participation may be submitted as of, and advance voting will begin at 4:00 p.m. on Tuesday, 26 April 2022 following the end of the deadline for submitting counterproposals to be put up for a vote. A shareholder who wishes to participate in the Extraordinary General Meeting by voting in advance must register for the Extraordinary General Meeting and vote in advance no later than by Monday, 23 May 2022 at 4:00 p.m., by which time the notice of participation and advance votes must be received.

The requested information, such as the shareholder's name, date of birth and contact details, must be provided in connection with the registration. The personal data given to WithSecure Corporation or Innovatics Ltd by shareholders will be used only in connection with the Extraordinary General Meeting and with the processing of related registrations.

A shareholder whose shares are registered on the shareholder's Finnish book-entry account can submit the notice of participation and vote in advance on certain matters on the agenda of the Extraordinary General Meeting between 4:00 p.m. on Tuesday, 26 April 2022 and 4:00 p.m. on Monday, 23 May 2022 in the following ways:

- (a) Online through WithSecure's website <https://www.withsecure.com/en/about-us/investor-relations/governance>
Electronic registration and advance voting require that the shareholder or its statutory representative or proxy representative uses strong electronic authentication either by Finnish or Swedish bank ID or mobile certificate.
- (b) By mail or email

A shareholder voting in advance by mail or email must send the advance voting form available on WithSecure's website <https://www.withsecure.com/en/about-us/investor-relations/governance> or corresponding information to Innovatics Ltd by mail to the address Innovatics Ltd, General Meeting/WithSecure Corporation, Ratamestarinkatu 13 A, FI-00520 Helsinki, Finland or by email to the address egm@innovatics.fi.

If the shareholder participates in the meeting by sending the votes in advance by mail or email to Innovatics Ltd so that they are received before the end of the time limit of the registration and advance voting period, this constitutes registration for the Extraordinary General Meeting, provided that the shareholder's notice of participation includes the information required for registration that is mentioned on the advance voting form.

The voting instructions will be available on WithSecure's website at the address <https://www.withsecure.com/en/about-us/investor-relations/governance>. Additional information is also available by telephone at +358 10 2818 909 during the time reserved for the notice of participation and advance voting between 9:00 a.m. and 12:00 noon and 1:00 and 4:00 p.m. on weekdays.

Use of Representatives and Proxies

A shareholder may participate in the Extraordinary General Meeting and exercise the shareholder rights at the meeting by way of proxy representation. The proxy representative may only participate in the Extraordinary General Meeting by voting in advance in the manner instructed in this notice. The proxy representative must personally identify themselves in the electronic identification service and for advance voting using strong identification, after which the proxy representative can register and vote in advance on behalf of the shareholder the proxy representative represents. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate such representative's

right to represent the shareholder at the Extraordinary General Meeting. A statutory representation right can be demonstrated by utilising the suomi.fi e-Authorisations service used in the electronic registration service.

When a shareholder participates in the Extraordinary General Meeting by means of several proxy representatives representing the shareholder with shares in different securities accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration for the Extraordinary General Meeting.

Proxy and voting instruction templates are available on WithSecure's website at the address <https://www.withsecure.com/en/about-us/investor-relations/governance> at the latest on Tuesday, 26 April 2022 at 4:00 p.m. following the end of the deadline for submitting counterproposals to be put up for a vote. Proxy documents are to be delivered primarily as an attachment in connection with the electronic registration, by email to the address egm@innovatics.fi or by mail to the address Innovatics Ltd, General Meeting/WithSecure Corporation, Ratamestarinkatu 13 A, FI-00520 Helsinki, Finland before the end of the notification of participation period, by which time the proxy documents must be received. WithSecure may, if it so wishes, demand original proxy documents if regarded necessary by WithSecure.

Only delivering proxy documents to WithSecure or Innovatics Ltd does not result in the shareholder's advance votes being taken into account. The successful registration of a shareholder and the shareholder's advance votes also requires that the proxy representative registers and votes in advance on behalf of the shareholder in the manner set out in the notice convening the Extraordinary General Meeting.

A holder of nominee registered shares is advised to follow the instructions of such holder's custodian bank regarding proxies as described in the notice convening the Extraordinary General Meeting. If a holder of nominee registered shares wishes to be represented by some other person than such holder's custodian, the representative must provide Innovatics Ltd a dated proxy demonstrating the right to represent the shareholder.

Voting Rights and the Majority Needed for Approval of the Demerger

Each share in WithSecure will entitle its holder to one (1) vote at the Extraordinary General Meeting.

The Demerger must be approved by WithSecure's shareholders representing at least two-thirds of the votes cast and shares represented at the Extraordinary General Meeting. The Demerger must be approved in accordance with the Demerger Plan without any amendments. If the Extraordinary General Meeting will not approve the Demerger, the Demerger will not be completed.

Certain major WithSecure shareholders, including Risto Siilasmaa, Mandatum Life Insurance Company Limited, Ilmarinen Mutual Pension Insurance Company, Elo Mutual Pension Insurance Company, Varma Mutual Pension Insurance Company and Kaleva Mutual Insurance Company, holding in the aggregate approximately 50.6 per cent of the shares and votes in WithSecure on the date of the signing and publication of the Demerger Plan (17 February 2022), have, subject to certain customary conditions, irrevocably undertaken to attend the Extraordinary General Meeting and vote in favour of the Demerger with all the shares they hold on the record date. See section "*Summary of the Demerger – Shareholder support*" above.

Giving Notice of Resolutions

The results of the Extraordinary General Meeting concerning the Demerger and the Demerger Plan will be made public as required by disclosure obligations applicable to WithSecure.

Demerger Plan

The Demerger Plan will be presented for approval to the Extraordinary General Meeting. The Demerger Plan is attached to this Offering Circular as Appendix A. The Demerger Plan with its appendices is available for inspection on WithSecure's website, <https://www.withsecure.com/en/about-us/investor-relations/governance>, and at the office of WithSecure at Tammasaarenkatu 7, 00180 Helsinki.

F-SECURE'S CAPITALISATION AND INDEBTEDNESS

The following table sets forth capitalisation and indebtedness as at 31 March 2022, (i) of F-Secure on an carve-out basis, and (ii) on the basis of unaudited pro forma financial information illustrating the effects of the Demerger as if the Demerger had been completed on 31 March 2022. The following information is based on the unaudited carve-out financial information of F-Secure as at and for the three months period ended 31 March 2022 and the unaudited pro forma balance sheet information of F-Secure as at 31 March 2022.

This table should be read in conjunction with “*Selected Combined Carve-out Financial Information*”, “*Unaudited Pro Forma Financial Information*” and “*Operating and Financial Review*” as well as the unaudited carve-out financial information and the unaudited pro forma financial information included elsewhere in this Offering Circular.

In EUR million	As at 31 March 2022	
	(i) F-Secure Carve-out	(ii) F-Secure Pro forma
CAPITALISATION		
Total current debt (including current portion of non-current debt)	0.1	1.0
Guaranteed / secured ¹⁾	0.1	1.0
Unguaranteed / unsecured	-	-
Total non-current debt (excluding current portion of non-current debt)	0.1	7.5
Guaranteed / secured ¹⁾	0.1	1.3
Unguaranteed / unsecured	-	6.1
Total equity attributable to the owners of the parent company		
Share capital	-	0.1
Share premium	-	-
Treasury shares	-	-
Translation differences	-	-
Reserve for invested unrestricted equity	-	7.2
Retained earnings	-	-1.9
Invested equity	9.3	-
Total equity	9.3	5.4
INDEBTEDNESS		
(A) Cash and cash equivalents	- ²⁾	6.7
(B) Liquidity (A)	-	6.7
(C) Current financial debt	0.1	1.0
(D) Current financial indebtedness (C)	0.1	1.0
(E) Net current financial indebtedness (D - B)	0.1	-5.8
(F) Non-current financial debt	0.1	7.5
(G) Non-current financial indebtedness (F)	0.1	7.5
(H) Total financial indebtedness (E + G)	0.2	1.7

1) Includes lease liabilities.

2) Historically WithSecure has managed the financing of F-Secure through centralised cash management and therefore there are no cash balances directly attributable to F-Secure in the carve-out financial information. See also “*Operating and financial review - Carve-out financial information and factors affecting comparability - Principles applied in preparing the carve-out financial information - Cash management and financing*”

As at the date of this Offering Circular, F-Secure does not have material contingent liabilities or off-balance sheet liabilities. For further information on F-Secure's off-balance sheet liabilities, contractual obligations and contingent liabilities,

see “*Operating and Financial Review – Contractual Obligations and Off-balance-sheet Liabilities*”. For further information on the Revolving credit facility, see “*Operating and Financial review — Revolving Credit Facility*”.

There have not been any material changes in F-Secure’s capitalisation and indebtedness between 31 March 2022 and the date of this Offering Circular.

Sufficiency of Working Capital

In the view of WithSecure’s management, F-Secure’s working capital is sufficient for F-Secure’s present needs for the next 12 months following the date of this Offering Circular.

SELECTED COMBINED CARVE-OUT FINANCIAL INFORMATION

The following tables present selected combined carve-out financial information of F-Secure as at and for the years ended 31 December 2021, 2020, 2019, and as at and for the three months period ended 31 March 2022 and 2021. The selected combined carve-out financial information presented below has been derived from the audited carve-out financial statements of F-Secure as at and for the years ended 31 December 2021, 2020, 2019 and the unaudited carve-out financial information of F-Secure as at and for the three months period ended 31 March 2021, including unaudited comparative carve-out financial information as at and for the three months period ended 31 March 2020. The carve-out financial information of F-Secure has been prepared in accordance with the IFRS standards, under consideration of the principles for determining which assets and liabilities, income and expenses and cash flows are to be assigned to F-Secure as described in note 1 to the audited carve-out financial statements of F-Secure as at and for the years ended 31 December 2021, 2020 and 2019.

The independent auditor's report on the audit for the carve-out financial statements of F-Secure as at and for the years ended 31 December 2021, 2020 and 2019 includes an emphasis of matter paragraph. In this paragraph, the independent auditor, without qualifying its opinion, draws attention to the note 1 to the carve-out financial statements, which describes their basis of preparation, including the approach to and the purpose of preparing them, and that the separate carve-out financial statements included in the set of carve-out financial statements are not necessarily indicative of the financial position, financial performance and cash flows of F-Secure if it had operated as a separate legal group of entities during the financial years presented, nor future performance.

The financial information presented below should be read in conjunction with the sections “*Operating and Financial Review*” and “*Presentation of Financial Information*” as well as the historical carve-out financial information and the unaudited pro forma financial information included elsewhere in this Offering Circular.

Combined Statement of Comprehensive Income

In EUR million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	IFRS (unaudited)		IFRS (audited)		
REVENUE	27.4	26.3	106.3	100.1	94.8
Cost of revenue	-2.1	-2.1	-8.8	-8.0	-7.9
GROSS MARGIN	25.2	24.2	97.4	92.1	86.9
Other operating income	0.2	0.1	0.5	0.3	0.4
Sales and marketing	-7.4	-6.7	-28.7	-27.0	-30.5
Research and development	-4.3	-4.3	-16.9	-15.3	-14.6
Administration	-2.3	-1.7	-8.8	-5.5	-5.2
EBIT	11.5	11.6	43.5	44.7	37.0
Financial income	0.4	0.1	0.3	1.0	0.5
Financial expenses	-0.2	-0.1	-0.2	-2.0	-0.7
PROFIT BEFORE TAXES	11.7	11.5	43.6	43.7	36.8
Income tax	-2.5	-2.4	-9.1	-9.5	-8.1
RESULT FOR THE PERIOD	9.3	9.1	34.4	34.2	28.6
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Exchange difference on translation of foreign operations ..	-0.3	0.0	0.1	0.3	0.1
COMPREHENSIVE FOR THE PERIOD	9.0	9.1	34.5	34.5	28.8

Combined Statement of Financial Position

In EUR million	As at 31 March		As at 31 December		
	2022	2021	2021	2020	2019
	IFRS (unaudited)		IFRS (audited)		
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	0.2	0.3	0.3	0.3	0.3
Intangible assets	6.1	5.4	5.9	5.6	5.7
Deferred tax assets	0.2	0.4	0.2	0.4	0.5
Total non-current assets	6.6	6.1	6.4	6.3	6.5
CURRENT ASSETS					
Inventories	0.0	0.1	0.1	0.1	0.1
Accrued income	1.0	0.7	1.3	0.5	0.5
Trade and other receivables	21.3	22.2	19.1	17.9	19.0
Related party receivable from WithSecure	10.3	11.5	12.1	12.2	7.1
Total current assets¹⁾	32.7	34.4	32.5	30.7	26.7
TOTAL ASSETS	39.2	40.5	38.9	37.0	33.2
INVESTED EQUITY AND LIABILITIES					
TOTAL INVESTED EQUITY	9.3	11.7	9.5	9.1	2.0
NON-CURRENT LIABILITIES					
Interest bearing liabilities, non-current	0.1	0.1	0.1	0.1	0.1
Deferred tax liabilities	0.3	0.3	0.2	0.3	0.0
Other non-current liabilities	3.3	3.5	3.2	3.5	3.3
Total non-current liabilities	3.7	3.9	3.5	3.9	3.4
CURRENT LIABILITIES					
Interest bearing liabilities, current	0.1	0.1	0.1	0.1	0.1
Trade and other payables	9.2	7.7	9.2	7.9	9.3
Provisions	-	-	-	-	0.7
Other current liabilities	17.0	17.1	16.6	16.0	17.6
Total current liabilities	26.3	24.9	25.9	24.0	27.8
TOTAL INVESTED EQUITY AND LIABILITIES	39.2	40.5	38.9	37.0	33.2

¹⁾ Historically WithSecure has managed the financing of F-Secure through centralised cash management and therefore there are no cash balances directly attributable to F-Secure in the carve-out financial information. See also “Operating and financial review - Carve-out financial information and factors affecting comparability - Principles applied in preparing the carve-out financial information - Cash management and financing”.

Consolidated Statement of Cash Flows

In EUR million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	IFRS (unaudited)		IFRS (audited)		
Cash flow from operations					
Result for the period.....	9.3	9.1	34.4	34.2	28.6
Adjustments:	2.7	2.8	11.1	12.4	12.3
Depreciation, amortisation and impairments.....	0.4	0.3	1.5	2.1	2.4
Other adjustments	0.1	0.0	0.5	-0.2	1.6
Financial income and expenses.....	-0.2	0.0	-0.1	1.0	0.2
Income taxes	2.5	2.4	9.1	9.5	8.1
Cash flow from operations before change in working capital ..	12.0	11.9	45.5	46.6	41.0
Change in net working capital:					
Current receivables, increase (-), decrease (+)	-1.6	-4.4	-1.8	0.1	1.4
Inventories, increase (-), decrease (+)	0.0	0.0	0.0	0.0	0.3
Non-interest bearing liabilities, increase (+), decrease (-).....	0.4	0.7	1.4	-3.1	-3.0
Cash flow from operations before financial items and taxes ...	10.8	8.3	45.1	43.5	39.7
Interest expenses paid	-0.0	-0.0	-0.0	-0.0	-0.0
Interest income received	0.0	0.0	0.0	-0.0	0.0
Other financial income and expenses	-0.1	0.0	0.1	0.1	-0.0
Income taxes paid	-2.4	-2.4	-9.0	-9.1	-7.7
Cash flow from operations	8.3	5.9	36.1	34.5	32.0
Cash flow from investments					
Investments in intangible and tangible assets.....	-0.6	-0.2	-1.7	-1.7	-3.1
Proceeds from sale of intangible and tangible assets	-	-	0.0	-	-
Cash flow from investments	-0.6	-0.2	-1.6	-1.7	-3.1
Cash flow from financing activities					
Repayments of lease liabilities.....	-0.0	-0.0	-0.2	-0.2	-0.2
Equity financing with WithSecure, net	-7.7	-5.7	-34.3	-32.6	-28.6
Cash flow from financing activities	-7.8	-5.8	-34.5	-32.8	-28.9
Change in balance¹⁾	-	-	-	-	-
Cash and cash equivalents at the beginning of the period¹⁾	-	-	-	-	-
Cash and cash equivalents at period end¹⁾	-	-	-	-	-

¹⁾ Historically WithSecure has managed the financing of F-Secure through centralised cash management and therefore there are no cash balances directly attributable to F-Secure in the cash flow statement. See also “Operating and financial review - Carve-out financial information and factors affecting comparability - Principles applied in preparing the carve-out financial information - *Cash management and financing*”.

Financial Key Figures

In EUR million unless otherwise indicated	As at 31 March and 1 January to 31 March		As at and for the financial year ended 31 December		
	2022	2021	2021	2020	2019
	IFRS (unaudited)		IFRS (unaudited, unless otherwise indicated)		
Revenue	27.4	26.3	106.3 ¹⁾	100.1 ¹⁾	94.8 ¹⁾
Revenue growth %	4.1%	-	6.1%	5.5%	-
Adjusted EBITDA	12.7	11.9	47.4	46.7	40.1
% of revenue	46.4%	45.2%	44.6%	46.7%	42.3%
EBITA	11.9	11.8	44.8	46.5	39.1
% of revenue	43.3%	45.0%	42.2%	46.5%	41.2%
Adjusted EBITA	12.7	11.8	47.2	46.5	39.9
% of revenue	46.3%	45.0%	44.4%	46.5%	42.0%
EBIT	11.5	11.6	43.5 ¹⁾	44.7 ¹⁾	37.0 ¹⁾
% of revenue	42.1%	43.9%	40.9%	44.6%	39.0%
Adjusted EBIT	12.3	11.6	45.9	44.7	37.7
% of revenue	45.0%	43.9%	43.2%	44.6%	39.8%
Profit before taxes	11.7	11.5	43.6 ¹⁾	43.7 ¹⁾	36.8 ¹⁾
% of revenue	42.8%	43.9%	41.0%	43.6%	38.8%
R&D costs	4.3	4.3	16.9 ¹⁾	15.3 ¹⁾	14.6 ¹⁾
% of revenue	15.6%	16.3%	15.9%	15.2%	15.4%
Investments	0.6	0.2	1.7 ¹⁾	1.7 ¹⁾	3.1 ¹⁾
% of revenue	2.0%	0.6%	1.6%	1.7%	3.3%
Operating cash flow	8.3	5.9	36.1 ¹⁾	34.5 ¹⁾	32.0 ¹⁾
Net debt (+) / Net cash (-) ³⁾	0.2	0.2	0.2	0.2	0.3
Equity ratio %	23.7%	28.8%	24.5%	24.5%	5.9%
Cash conversion	86.1%	68.2%	95.6%	89.8%	89.0%
Wages and salaries	4.2	4.2	16.1 ¹⁾	14.3 ¹⁾	16.2 ¹⁾
Personnel on average ²⁾	250	243	245	233	223
Personnel at the end of the period ²⁾	255	244	248	243	227

¹⁾ Audited

²⁾ Comprises the personnel directly employed by the consumer security business. The figure does not include the share of personnel in shared group functions.

³⁾ In the Carve-out financial statements, no cash or certain lease liabilities, such as lease liabilities related to business premises or lease liabilities related to machinery and equipment, have been allocated to F-Secure. As a result, the Net debt derived from the carve-out financial statements does not reflect F-Secure's Net debt after the Demerger when the Company will be operating as a separate entity.

The Definitions and Reasons for the Use of Financial Key Indicators

Key figure	Definition	Reason for the use
Revenue growth	$(\text{Current year Revenue} - \text{Previous year Revenue}) / \text{Previous year Revenue}$	Revenue growth is presented to reflect the annual development of F-Secure's operating performance.
EBITDA	EBIT + Depreciation, amortisation and impairment	EBITDA and EBITA are an indicator to measure the operating performance of F-Secure.
EBITA	EBIT + Amortisation and impairment	
EBIT	Result before taxes and net financial items	EBIT is used to measure profitability of operating activities of F-Secure.
Adjusted EBITDA	EBITDA before items affecting comparability	Adjusted EBITDA, adjusted EBITA and Adjusted EBIT are presented in addition to EBITDA, EBITA and EBIT to reflect the underlying business performance and to enhance comparability between periods.
Adjusted EBITA	EBITA before items affecting comparability	
Adjusted EBIT	EBIT before items affecting comparability	F-Secure believes that these comparable performance measures provide meaningful supplemental information by excluding items outside normal business operations, which reduce comparability between the periods.
Items affecting comparability	Items affecting comparability are associated with restructuring activities, strategic reviews and cost related to contemplated listing	
Investments	Corresponds to the Combined Statement of Cash Flows line item Investments in intangible and tangible assets	Investments are presented to reflect the investments made during the period.
Operating cash flow	Corresponds to the Combined Statement of Cash Flows line item Cash flow from operations	Presents the amount of cash generated by F-Secure's business operations.
Net debt (+) / Net cash (-)	Interest bearing liabilities – Cash and cash equivalents	Net debt indicates total external debt financing. A negative amount indicates a net cash position.
Equity ratio %	Total invested equity/Total assets	The equity ratio indicates the proportion of assets financed by equity to total assets of F-Secure.
Cash conversion	$(\text{Adjusted EBITDA} - \text{Investments} - \text{Change in net working capital}) / \text{Adjusted EBITDA}$	Cash conversion is used to assess F-Secure's efficiency to convert its operating results into cash. The ratio indicates the F-Secure's capacity to pay dividends and / or generate funds for acquisitions or other transactions.

Reconciliation of certain alternative performance measures

Reconciliation of EBITDA to EBIT

In EUR million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	IFRS		IFRS		
	(unaudited)		(unaudited, unless otherwise indicated)		
EBITDA	11.9	11.9	45.0	46.7	39.4
Depreciation, amortisation and impairments	-0.4	-0.3	-1.5 ¹⁾	-2.1 ¹⁾	-2.4 ¹⁾
EBIT	11.5	11.6	43.5¹⁾	44.7¹⁾	37.0¹⁾

¹⁾Audited

Reconciliation of Adjusted EBITDA to EBITDA and EBIT

In EUR million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	IFRS		IFRS		
	(unaudited)		(unaudited, unless otherwise indicated)		
Adjusted EBITDA	12.7	11.9	47.4	46.7	40.1
Adjustments to EBITDA					
Costs related to strategic review	-	-	-2.4	-	-
Costs related to restructuring	-	-	-	-	-0.7
Costs related to contemplated listing	-0.8	-	-	-	-
EBITDA	11.9	11.9	45.0	46.7	39.4
Depreciation, amortisation and impairments	-0.4	-0.3	-1.5 ¹⁾	-2.1 ¹⁾	-2.4 ¹⁾
EBIT	11.5	11.6	43.5¹⁾	44.7¹⁾	37.0¹⁾

¹⁾Audited

Reconciliation of EBITA to EBIT

In EUR million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	IFRS		IFRS		
	(unaudited)		(unaudited, unless otherwise indicated)		
EBITA	11.9	11.8	44.8	46.5	39.1
Amortisation and impairments	-0.3	-0.3	-1.3 ¹⁾	-1.9 ¹⁾	-2.1 ¹⁾
EBIT	11.5	11.6	43.5¹⁾	44.7¹⁾	37.0¹⁾

¹⁾Audited

Reconciliation of Adjusted EBITA to EBITA and EBIT

In EUR million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	IFRS		IFRS		
	(unaudited)		(unaudited, unless otherwise indicated)		
Adjusted EBITA	12.7	11.8	47.2	46.5	39.9
Adjustments to EBITA					
Costs related to strategic review	-	-	-2.4	-	-
Costs related to restructuring	-	-	-	-	-0.7
Costs related to contemplated listing	-0.8	-	-	-	-
EBITA	11.9	11.8	44.8	46.5	39.1
Amortisation and impairments	-0.3	-0.3	-1.3 ¹⁾	-1.9 ¹⁾	-2.1 ¹⁾
EBIT	11.5	11.6	43.5¹⁾	44.7¹⁾	37.0¹⁾

¹⁾Audited

Reconciliation of Adjusted EBIT and EBIT

In EUR million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	IFRS (unaudited)		IFRS (unaudited, unless otherwise indicated)		
Adjusted EBIT	12.3	11.6	45.9	44.7	37.7
Adjustments to EBIT					
Costs related to strategic review	-	-	-2.4	-	-
Costs related to restructuring	-	-	-	-	-0.7
Costs related to contemplated listing	-0.8	-	-	-	-
EBIT	11.5	11.6	43.5¹⁾	44.7¹⁾	37.0¹⁾

¹⁾Audited

Reconciliation of Cash Conversion to Adjusted EBITDA

In EUR million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	IFRS (unaudited)		IFRS (unaudited, unless otherwise indicated)		
Adjusted EBITDA	12.7	11.9	47.4	46.7	40.1
Investments	-0.6	-0.2	-1.7 ¹⁾	-1.7 ¹⁾	-3.1 ¹⁾
Change in Net working capital	-1.2	-3.6	-0.4	-3.0	-1.3
Total	10.9	8.1	45.3	41.9	35.7
	÷	÷	÷	÷	÷
Adjusted EBITDA	12.7	11.9	47.4	46.7	40.1
Cash conversion	86.1 %	68.2 %	95.6 %	89.8 %	89.0 %

¹⁾Audited

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Basis of compilation of unaudited pro forma financial information

The following unaudited pro forma combined financial information (the “unaudited pro forma financial information”) is presented to illustrate the effect of the Demerger to F-Secure’s historical carve-out financial information had the Demerger been consummated at an earlier point in time. This unaudited pro forma financial information is for illustrative purposes only.

The unaudited pro forma combined statement of income for the financial year ended 31 December 2021 and the unaudited pro forma combined statement of income for the three months period ended 31 March 2022 gives effect to the Demerger as if it had occurred on 1 January 2021. The unaudited pro forma combined statement of financial position as at 31 March 2022 illustrates the impact of the Demerger as if it had occurred on that date.

Because of its nature, the unaudited pro forma financial information illustrates what the hypothetical impact would have been if the Demerger had been consummated at the date assumed in this unaudited pro forma financial information, and, therefore, does not represent the actual results of operations or financial position of F-Secure. The unaudited pro forma financial information is not intended to project the results of operations or financial position of F-Secure as of any future date and does not represent the results of operations or financial position had F-Secure been an independent listed company for the periods presented.

The unaudited pro forma financial information reflects adjustments to the historical carve-out financial information to give pro forma effect to events that are directly attributable to the Demerger and are factually supportable. The pro forma adjustments are based upon available information and certain assumptions, which are described in the accompanying notes to this unaudited pro forma financial information. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma financial information will prove to be correct. Further, the effective tax rate of F-Secure could be different in the future depending on the post Demerger activities, including cash needs, geographical mix of income and tax planning strategies.

The unaudited pro forma financial information has been prepared in accordance with Annex 20 to the Commission Delegated Regulation (EC) N:o 2019/980 and on a basis consistent with the IFRS accounting policies applied by F-Secure.

The pro forma financial information is unaudited.

Effects of the Demerger

As F-Secure’s business operations will be separated to an independent separate group only at the date of the Demerger, with a planned execution date of 30 June 2022, the historical financial information of F-Secure has been presented in this Offering Circular as carve-out financial information derived from WithSecure’s audited consolidated financial statements and unaudited consolidated interim financial information.

Pursuant to the Demerger Plan, all of the assets, debts and liabilities belonging to the F-Secure business will transfer, without liquidation, from WithSecure to F-Secure. The equity structure and capitalisation of F-Secure will be formed on the basis of the Demerger Plan. In connection with the Demerger, F-Secure’s agreements related to leased premises and revolving credit facility come into effect. Also, prior to the consummation of the Demerger, F-Secure’s group structure will be formed through various transactions where consumer security business will be transferred to F-Secure group companies abroad. This unaudited pro forma financial information includes these Demerger related transactions to illustrate those impacts of the Demerger, which are not included in the historical carve-out financial information. Demerger related pro forma adjustments include also adjustments related to equity to illustrate the contemplated equity structure of F-Secure as described in the Demerger Plan in connection with the Demerger and estimated direct costs related to the Listing.

The pro forma adjustments made herein are based on F-Secure’s unaudited interim carve-out financial information as at and for the three months ended 31 March 2022, audited carve-out financial statements as at and for the financial year ended 31 December 2021, leasing agreements between WithSecure and F-Secure, revolving credit facility agreement, management’s estimate of the impacts of the formation of the subsidiary structure and management’s estimate of the assets and liabilities to be transferred to F-Secure and costs related to the Listing, for which F-Secure is responsible in accordance with the Demerger Plan.

The final amounts of assets and liabilities transferred to F-Secure in the Demerger may materially differ from those presented in the unaudited pro forma financial information as such balances will be determined based on the carrying values of the transferring assets and liabilities on the Effective Date. This could result in a significant variation to the results of operations and financial position of F-Secure in the future comparing to the unaudited pro forma financial information.

Historical financial information

The unaudited pro forma financial information has been derived from F-Secure's audited carve-out financial statements as at and for the financial year ended 31 December 2021 and unaudited combined carve-out interim financial information as at and for the three months ended 31 March 2022, which are included in the F-pages to this Offering Circular.

The historical carve-out financial statements of F-Secure are not necessarily indicative of the financial performance, financial position and cash flows of F-Secure that would have occurred if it had operated as a separate stand-alone group of entities during the years presented or of F-Secure's future performance. In addition, it should be noted that the centrally provided shared services costs allocated to F-Secure for the purpose of presenting the historical carve-out financial information may not necessarily represent what these costs would have been if F-Secure had operated as an independent legal entity. Accordingly, additional costs may be incurred by F-Secure following the Effective Date in order for it to operate as an independent listed company, as well as from organising the headquarter functions.

Other considerations

All amounts are presented in millions of euros unless otherwise noted. The unaudited pro forma financial information set forth herein has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total amount given for that column or row.

The income tax effect for pro forma adjustments is measured based on the F-Secure's effective tax rate of 21 per cent or by applying the Finnish corporate income tax rate of 20 per cent, as applicable.

The unaudited pro forma financial information presented herein should be read in conjunction with the historical financial information of F-Secure presented in this Offering Circular and other information presented in this Offering Circular and the related Summary and Demerger Plan.

Independent auditor's report concerning the unaudited pro forma financial information is included as Appendix B to this Offering Circular.

Unaudited pro forma combined statement of income and financial position of F-secure

Unaudited pro forma combined statement of income for the three months period ended 31 March 2022

In EUR million, unless otherwise stated	F-Secure Carve-out (unau- dited)	Pro forma adjustments				F-Secure Pro forma
		Leasing (Note 1a)	Listing costs (Note 1b)	Revolving credit fa- cility (Note 1c)	Group for- mation (Note 1d)	
REVENUE	27.4	-	-	-	-	27.4
Cost of revenue	-2.1	-	-	-	-	-2.1
GROSS MARGIN	25.2	-	-	-	-	25.2
Other operating income	0.2	-	-	-	-	0.2
Sales and marketing	-7.4	0.1	-	-	-	-7.3
Research and development	-4.3	0.0	-	-	-	-4.2
Administration	-2.3	0.0	0.8	-	-	-1.5
EBIT	11.5	0.1	0.8	-	-	12.4
Financial income	0.4	-	-	-	0.1	0.4
Financial expenses	-0.2	-0.0	-	-0.0	-0.0	-0.2
PROFIT BEFORE TAXES	11.7	0.1	0.8	-0.0	0.0	12.6
Income tax	-2.5	-0.0	-0.2	0.0	-0.0	-2.7
RESULT FOR THE PERIOD	9.3	0.1	0.6	-0.0	0.0	10.0
Earnings per share basic, EUR	-	-	-	-	-	0.06

Unaudited pro forma combined statement of income for the financial year ended 31 December 2021

In EUR million, unless otherwise stated	F-Secure Carve-out (audited)	Pro forma adjustments				F-Secure Pro forma
		Leasing (Note 1a)	Listing costs (Note 1b)	Revolving credit fa- cility (Note 1c)	Group for- mation (Note 1d)	
REVENUE	106.3	-	-	-	-	106.3
Cost of revenue	-8.8	-	-	-	-	-8.8
GROSS MARGIN	97.4	-	-	-	-	97.4
Other operating income	0.5	-	-	-	-	0.5
Sales and marketing	-28.7	0.2	-	-	-	-28.6
Research and development	-16.9	0.1	-	-	-	-16.8
Administration	-8.8	0.0	-3.6	-	-	-12.4
EBIT	43.5	0.3	-3.6	-	-	40.3
Financial income	0.3	-	-	-	0.2	0.5
Financial expenses	-0.2	-0.0	-	-0.1	-0.0	-0.3
PROFIT BEFORE TAXES	43.6	0.3	-3.6	-0.1	0.2	40.4
Income tax	-9.1	-0.1	0.7	0.0	-0.0	-8.5
RESULT FOR THE FINANCIAL YEAR ...	34.4	0.2	-2.9	-0.0	0.1	31.9
Earnings per share basic, EUR	-	-	-	-	-	0.18

Unaudited pro forma combined statement of financial position as at 31 March 2022

In EUR million	F-Secure Carve-out (unaudited)	Pro forma adjustments			F-Secure Pro forma
		Leasing (Note 1a)	Listing costs (Note 1b)	Group for- mation (Note 1d)	
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	0.2	2.1	-	-	2.3
Intangible assets	6.1	-	-	-	6.1
Deferred tax assets	0.2	-	-	-	0.2
Other receivables	-	-	-	4.5	4.5
Total non-current assets	6.6	2.1	-	4.5	13.2
CURRENT ASSETS					
Inventories	0.0	-	-	-	0.0
Accrued income	1.0	-	-	-	1.0
Trade and other receivables	21.3	-	-	-	21.3
Income tax receivables	-	-	0.6	-	0.6
Related party receivable from WithSecure	10.3	-	-	-10.3	-
Cash and cash equivalents	-	-	-3.6	10.3	6.7
Total current assets	32.7	-	-3.0	-	29.6
TOTAL ASSETS	39.2	2.1	-3.0	4.5	42.9
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY					
Share capital	-	-	-	0.1	0.1
Share premium	-	-	-	-	-
Treasury shares	-	-	-	-	-
Translation differences	-	-	-	-	-
Reserve for invested unrestricted equity	-	-	-	7.2	7.2
Retained earnings	-	-	-2.2	0.3	-1.9
Invested equity	9.3	-	-	-9.3	-
TOTAL EQUITY	9.3	-	-2.2	-1.6	5.4
NON-CURRENT LIABILITIES					
Interest bearing liabilities, non-current	0.1	1.2	-	6.1	7.5
Deferred tax liabilities	0.3	-	-	-	0.3
Other non-current liabilities	3.3	-	-	-	3.3
Total non-current liabilities	3.7	1.2	-	6.1	11.1
CURRENT LIABILITIES					
Interest bearing liabilities, current.....	0.1	0.9	-	-	1.0
Trade and other payables	9.2	-	-0.8	-	8.4
Other current liabilities	17.0	-	-	-	17.0
Total current liabilities	26.3	0.9	-0.8	-	26.3
TOTAL EQUITY AND LIABILITIES	39.2	2.1	-3.0	4.5	42.9

See accompanying notes to unaudited pro forma financial information

Notes to the unaudited pro forma financial information

Note 1a – Leasing

F-Secure and WithSecure have agreed on lease agreements whereby WithSecure is subleasing leased shared office premises in certain locations to F-Secure after the Effective Date. In addition, F-Secure has entered into one new office lease agreement. The lease periods for these new leases range from 17 to 30 months since the Effective Date of the Demerger. For pro forma purposes, the lease agreements have been presented in the unaudited pro forma combined statement of financial position as if the agreement had taken place and a lease liability including corresponding right-of-use assets would have been recognized on 31 March 2022. In addition, the impact in the unaudited pro forma combined statement of income is presented as if the agreement had taken place on 1 January 2021.

In the unaudited pro forma combined statement of income, operating expenses historically recorded in carve-out financial information have been adjusted by decreasing lease expenses by EUR 0.3 million and increasing depreciations on right-of-use assets by EUR 0.2 million and interest expenses on lease liability by EUR 0.0 million for the three months ended 31 March 2022. Unaudited pro forma combined statement of income for the financial year ended 31 December 2021 is adjusted by decreasing lease expenses historically recorded in the carve-out financial information by EUR 1.2 million, increasing depreciations on right-of-use assets by EUR 0.9 million and interest expenses on lease liability by EUR 0.0 million.

In the unaudited pro forma combined statement of financial position as at 31 March 2022, the new lease agreements have been recognised as right-of-use assets and corresponding lease liabilities. As a result, tangible assets have been increased by EUR 2.1 million and Interest bearing liabilities, non-current and Interest bearing liabilities, current have been increased by EUR 1.2 million and EUR 0.9 million, respectively.

Note 1b – Listing costs

The estimated costs to be incurred by F-Secure in connection with the contemplated Listing primarily comprise financial, legal and other advisory costs amounting to EUR 3.6 million. As the unaudited pro forma combined statement of income for the three months period ended 31 March 2022 and for the financial year ended 31 December 2021 illustrates as if the Demerger had occurred on 1 January 2021, the listing costs have been presented as if they had been incurred in the beginning of the year 2021.

In the unaudited pro forma combined statement of income, EUR 3.6 million has been recorded as an increase in administration costs and EUR 0.7 million as the related income tax impact for the financial year ended 31 December 2021. Listing costs of EUR 0.8 million historically recognised in the carve-out combined statement of income for the three months ended 31 March 2022 are eliminated in the unaudited pro forma combined statement of income for the same period, along with their associated income tax effect of EUR 0.2 million.

In the unaudited pro forma statement of financial position, the unpaid portion of the estimated Listing costs totalling EUR 2.8 million and the listing costs already recorded as Trade and other payables in the historical carve-out combined statement of financial position amounting to EUR 0.8 million, in total EUR 3.6 million, have been deducted from cash and cash equivalents. In the unaudited pro forma combined statement of financial position, EUR 2.2 million net of tax has been eliminated from the Retained earnings.

The income tax impact from the Listing costs adjustment is calculated with the Finnish corporate income tax rate 20 per cent. This adjustment does not have continuing impact on F-Secure's results or operations of financial position.

Note 1c – Revolving credit facility

F-Secure has agreed on new financing arrangement, consisting of a EUR 10 million revolving credit facility that may be used for general corporate purposes. For the pro forma purposes, it is assumed that the revolving credit facility is not drawn down in connection with the Demerger or after the Effective Date.

For pro forma purposes, EUR 0.0 million for the three months period ended 31 March 2022 and EUR 0.1 million for the financial year ended 31 December 2021 have been recognised as estimated fees relating to the revolving credit facility in the financial expenses. The costs presented in the unaudited pro forma combined statement of income reflects the commitment fee.

Note 1d – Group formation

The formation of F-Secure's equity structure in accordance with the Demerger Plan has been adjusted to the Total equity attributable to owners of the parent company in the unaudited pro forma combined statement of financial position as at 31 March 2022. The presentation of Invested equity in the carve-out combined statement of financial position as at 31 March 2022 has been adjusted by splitting the line item Invested equity into the line items Share capital, Reserve for invested unrestricted equity and Retained earnings in the unaudited pro forma combined statement of financial position.

The final amounts of assets and liabilities transferred to and the composition of equity items of F-Secure in the Demerger may materially differ from those presented in this unaudited pro forma financial information as such asset and liability balances and the equity structure will be determined as at the Effective Date.

Prior to the Demerger, WithSecure will carry out asset deals in foreign subsidiaries, or similar transactions, to form the legal standalone subsidiary structure for F-Secure Group in May and June 2022. The carve-out financial statements include the assets and liabilities belonging to F-Secure. When F-Secure group structure is formed, WithSecure Group internal purchase consideration related receivables and liabilities will be recognised for the assets and liabilities transferred to new F-Secure group entities. In connection with the Demerger these purchase considerations related receivables and liabilities will become external purchase price receivables from WithSecure or purchase price liabilities to WithSecure. The purchase prices will be paid after three years including interest. The effect of the arrangements on the unaudited pro forma combined statement of financial position as at 31 March 2022 are reflected as an increase of EUR 4.5 million in Other receivables in Non-current assets, EUR 6.1 million in Interest bearing liabilities, non-current, and a decrease of EUR 1.6 million in Retained earnings have been calculated based on the financial information as at 31 March 2022. The related interest income and expenses included in the unaudited pro forma combined statement of income for the three month period ended 31 March 2022 were EUR 0.1 million and EUR 0.0 million, respectively. Interest income and expenses included in the unaudited pro forma combined statement of income for the financial year ended 31 December 2021 were EUR 0.2 million and EUR 0.0 million, respectively. Management judgement is that the arrangements will not have a material tax effect on the unaudited pro forma income statement or balance sheet. The final effect of the arrangements may change depending on the financial position of the related entities at the time of the transactions. For more information on asset deals carried out in foreign subsidiaries, see section *"Summary of the Demerger — Separation of consumer business conducted by foreign subsidiaries"*.

Note 2 – Pro forma earnings per share

Pro forma earnings per share is calculated by dividing the pro forma result for the financial year by the pro forma weighted average number of shares outstanding.

The following table sets forth the pro forma earnings per share for the periods indicated:

In EUR million, unless otherwise stated	1 January to 31 March 2022	For the financial year ended 31 December 2021
	Pro forma	Pro forma
Profit for the period	10.0	31.9
Number of F-Secure's outstanding shares, pcs ¹⁾	174 598 739	174 598 739
Earnings per share, EUR	0.06	0.18

¹⁾ Based on WithSecure number of shares on 31 March 2022

Note 3 – Additional pro forma information

The following table set forth the key figures presented on a pro forma basis for the periods indicated.

Unaudited pro forma key figures

In EUR million, unless otherwise indicated	1 January to 31 March 2022	For the financial year ended 31 December 2021	As at 31 March 2022
Pro Forma Revenue	27.4	106.3	-
Pro Forma Adjusted EBITDA	13.0	48.6	-
% of revenue	47.5%	45.7%	-
Pro Forma Adjusted EBITA	12.7	47.5	-
% of revenue	46.6%	44.7%	-
Pro Forma Adjusted EBIT	12.4	46.2	-
% of revenue	45.4%	43.5%	-
Pro Forma EBIT	12.4	40.3	-
% of revenue	45.4%	37.9%	-
Pro Forma Net debt (+) / Net cash (-)	-	-	1.7

Definitions for the unaudited pro forma key figures

The following table set forth the definition of the key figures presented on a pro forma basis. The components in the pro forma key figures included in the definitions below have been derived from the unaudited pro forma combined statement of income for the three months period ended 31 March 2022 and for the financial year ended 31 December 2021 and from the unaudited pro forma combined statement of financial position as at 31 March 2022.

The Definitions and Reasons for the Use of pro forma Financial Key Indicators

Pro forma key figure	Definition	Reason for the use
Pro forma EBITDA	Pro forma EBIT + Depreciation, amortisation and impairment	Pro forma EBITA and pro forma EBITDA are an indicator to measure the operating performance of F-Secure.
Pro forma EBITA	Pro forma EBIT + Amortisation and impairment.	
Pro forma EBIT	Result before taxes and net financial items.	Pro forma EBIT is used to measure profitability of operating activities of F-Secure
Pro forma adjusted EBITDA	Pro forma EBITDA before items affecting comparability	Pro forma adjusted EBITDA, pro forma adjusted EBITA and pro forma adjusted EBIT are presented in addition to pro forma EBITDA, pro forma EBITA and pro forma EBIT to reflect the underlying business performance and to enhance comparability between periods.
Pro forma adjusted EBITA	Pro forma EBITA before items affecting comparability	
Pro forma adjusted EBIT	Pro forma EBIT before items affecting comparability	
Items affecting comparability	Items affecting comparability are associated with restructuring activities, strategic reviews and cost related to contemplated listing	F-Secure believes that these comparable performance measures provide meaningful supplemental information by excluding items outside normal business operations, which reduce comparability between the periods.
Pro forma Net debt (+) / Net cash (-)	Interest bearing liabilities – Cash and cash equivalents	Net debt indicates total external debt financing. A negative amount indicates a net cash position.

Unaudited Pro Forma Adjusted EBITDA, Adjusted EBITA, Adjusted EBIT, EBIT and Net Debt (-) / Net Cash (-)

Reconciliation of Pro Forma Adjusted EBITDA to EBIT

1 January to 31 March 2022				
In EUR million	F-Secure Carve-out (unaudited)	Pro forma adjustments		F-Secure Pro forma
		Leasing (Note 1a)	Listing costs (Note 1b)	
Adjusted EBITDA	12.7	0.3	-	13.0
Adjustments to EBITDA				
Costs related to contemplated listing	-0.8	-	0.8	-
EBITDA	11.9	0.3	0.8	13.0
Depreciation, amortisation and im- pairments	-0.4	-0.2	-	-0.6
EBIT	11.5	0.1	0.8	12.4

For the financial year ended 31 December 2021				
In EUR million	F-Secure Carve-out (unaudited, unless otherwise stated)	Pro forma adjustments		F-Secure Pro forma
		Leasing (Note 1a)	Listing costs (Note 1b)	
Adjusted EBITDA	47.4	1.2	-	48.6
Adjustments to EBITDA				
Costs related to strategic review	-2.4	-	-	-2.4
Costs related to contemplated listing	-	-	-3.6	-3.6
EBITDA	45.0	1.2	-3.6	42.7
Depreciation, amortisation and im- pairments	-1.5 ¹⁾	-0.9	-	-2.4
EBIT	43.5¹⁾	0.3	-3.6	40.3

¹⁾Audited

Reconciliation of Pro Forma Adjusted EBITA to EBIT

1 January to 31 March 2022				
In EUR million	F-Secure Carve-out (unaudited)	Pro forma adjustments		F-Secure Pro forma
		Leasing (Note 1a)	Listing costs (Note 1b)	
Adjusted EBITA	12.7	0.1	-	12.7
Adjustments to EBITA				
Costs related to contemplated listing	-0.8	-	0.8	-
EBITA	11.9	0.1	0.8	12.7
Amortisation and impairments	-0.3	-	-	-0.3
EBIT	11.5	0.1	0.8	12.4

For the financial year ended 31 December 2021				
In EUR million	F-Secure Carve-out (unaudited, unless otherwise stated)	Pro forma adjustments		
		Leasing (Note 1a)	Listing costs (Note 1b)	F-Secure Pro forma
Adjusted EBITA	47.2	0.3	-	47.5
Adjustments to EBITA				
Costs related to strategic review	-2.4	-	-	-2.4
Costs related to contemplated listing	-	-	-3.6	-3.6
EBITA	44.8	0.3	-3.6	41.6
Amortisation and impairments	-1.3 ¹⁾	-	-	-1.3
EBIT	43.5¹⁾	0.3	-3.6	40.3

¹⁾Audited

Reconciliation of Pro Forma Adjusted EBIT to EBIT

1 January to 31 March 2022				
In EUR million	F-Secure Carve-out (unaudited)	Pro forma adjustments		
		Leasing (Note 1a)	Listing costs (Note 1b)	F-Secure Pro forma
Adjusted EBIT	12.3	0.1	-	12.4
Adjustments to EBIT				
Costs related to contemplated listing	-0.8	-	0.8	-
EBIT	11.5	0.1	0.8	12.4

For the financial year ended 31 December 2021				
In EUR million	F-Secure Carve-out (unaudited, unless otherwise stated)	Pro forma adjustments		
		Leasing (Note 1a)	Listing costs (Note 1b)	F-Secure Pro forma
Adjusted EBIT	45.9	0.3	-	46.2
Adjustments to EBIT				
Costs related to strategic review	-2.4	-	-	-2.4
Costs related to contemplated listing	-	-	-3.6	-3.6
EBIT	43.5¹⁾	0.3	-3.6	40.3

¹⁾Audited

Reconciliation of unaudited pro forma Net debt (-) / Net cash (+)

As at 31 March 2022					
In EUR million	F-Secure Carve-out (unaudited)	Pro forma adjustments			F-Secure Pro forma
		Leasing (Note 1a)	Listing costs (Note 1b)	Group forma- tion (Note 1d)	
Interest bearing liabilities, non-current	0.1	1.2	-	6.1	7.5
Interest bearing liabilities, current	0.1	0.9	-	-	1.0
Cash and cash equivalents	-	-	3.6	-10.3	-6.7
Net debt (+) / Net cash (-)	0.2	2.1	3.6	-4.2	1.7

MARKET OVERVIEW

In this section, WithSecure makes certain statements regarding markets in which F-Secure operates, expected growth in such markets and its competitive and market position. The information is based on WithSecure's management's estimates and/or analyses relying on multiple sources, including Gartner, MarketWatch, IDC as well as third-party market studies commissioned by F-Secure between 2018 and 2021. See "Certain additional information – Market and Industry Information".

Introduction to the Consumer Security Market

F-Secure operates in the consumer security market, which consists of a broad range of security and privacy products and services. These include, for example, products and solutions for endpoint protection, privacy VPN, identity and password protection, connected home security, and network security. The recent development in the number of devices connected to the internet has increased the need for products like these in order for consumers to protect their devices, personal information, homes, family members and themselves.

These consumer security and privacy products are sold either directly or via Channel Partners. At the date of this Offering Circular, F-Secure has approximately 170 Channel Partners, and it also sells its products and services directly to its customers in selected countries. F-Secure has a global footprint, with most of its sales originating from Europe (for further information on geographical revenue split, see section "Operating and Financial Review").

Market Structure

Overview of consumers' cybersecurity needs

Digitalisation, accentuated through the COVID-19 pandemic, has enabled but also forced many consumers to adopt new digital skills over the past couple of years. More consumers use online services than ever before spreading across various utilitarian, recreational, governmental and society services, while, according to WithSecure's management's estimate, payments and banking with mobile devices have become very common. As these new digital skills and online behaviours have become the norm, an increasing portion of modern consumers' day is lived online, whether in moments or over long hours of browsing, online gaming, streaming, hybrid work and more. As the time spent online has increased, so have the concerns about online security. A vast majority of consumers (for further information, see section "Market overview — Market Trends and Drivers") are worried about someone accessing their bank account, having their device infected with malware, the safety of their children online or someone stealing their identity resulting in financial losses.

Similarly, an increasing number of devices is connected to the internet at homes, creating potential weak spots for hackers. A hacker needs only one poorly protected device to access the entire home network and, for example, record the smart voice assistant's microphones or smart baby monitor cameras and microphones, conduct ransomware attacks, use home devices as part of a Distributed Denial of Service (DDoS) attack, or conduct unauthorised bitcoin mining.

Due to the above-mentioned factors, the market for consumer security and privacy products and solutions is complex and consumers face difficult decisions in regard to selecting an optimal security solution provider. Furthermore, consumers may not be aware of how to keep their various devices and their online identity safe. This creates demand for dedicated solutions, such as all-in-one security solutions, which assist consumers to better be able to take care of all of their security and privacy needs. F-Secure's solutions are intended to respond to this demand.

F-Secure provides multiple security and privacy products. These products include Endpoint protection ("EPP"), Privacy VPN, identity and password protection and connected home security. Furthermore, the offering is transforming from providing stand-alone products to an all-in-one security suite (F-Secure TOTAL) that covers all of these capabilities to simplify how consumers buy and use security solutions.

- *All-in-one security suite* is a comprehensive, easy to use solution for consumers that provides security, privacy, and identity protection all combined into a single application. This significantly simplifies purchasing and onboarding as well as improves customer experience as essential protection capabilities are provided through a single app.
- *EPP* offers protection of end users' personal devices, such as laptops, desktops, smartphones, and tablets, against online threats. This includes capabilities such as protection against malware and ransomware, banking protection, browsing protection and family rules (parental control).
- *Privacy VPN* protects user privacy by encrypting data between consumers' personal devices and the VPN service in the cloud. This allows for anonymity online, protects against online tracking and provides a more secure usage

of any network, especially public Wi-Fi. The solution also protects against malicious or phishing sites and allows consumers to choose their virtual location (geo-IP address).

- *Connected Home Security* is a security and privacy solution in consumers' Wi-Fi routers to protect the entire home. This allows protecting every family member and their devices when connected to the Wi-Fi router, including malware protection, browsing and privacy protection, defining parental control rules for kids and their devices, and protecting all home-network connected devices, including IoT, against online threats and hacking.
- *Identity and password protection* provides a trusted and secure solution for protecting one's identity, personal data and accounts. Creating – and remembering – passwords that are safe and complex enough to be secure can be a difficult task without external assistance. A password manager helps consumers to easily create strong, unique passwords for the services they use and prevent, for example, account takeover or unauthorised purchases. The service also monitors whether consumers' personal information such as credentials or credit card information has been part of a data breach and provides actionable information and support to recover from the situation.

Overview of sales channels in the market

Partner Channel

F-Secure has an established position within the partner channel (the “**Partner Channel**”), and it has a long history of working with Channel Partners that operate in different industries. Channel Partners include, for example, communication service providers, retailers, banks, and insurance companies. As at the date of this Offering Circular, a majority of F-Secure's Channel Partners operate in the telecommunications industry. F-Secure's long-term experience in cooperation with Channel Partners has enabled it to develop a business model responding to many of its Channel Partners' needs.

Channel Partners may face challenges in customer retention, and increased churn in their customer base may derive from low net promoter scores and customer satisfaction rates. F-Secure can help Channel Partners to lift these scores and rates by enabling Channel Partners to include F-Secure's products and services into their offering. Channel Partners may also have transactional and low-margin business models by their nature,² and F-Secure can enable higher margins for Channel Partners through the addition of higher-margin products with recurring revenue into Channel Partners' sales mix. In addition, the competitive landscape in Channel Partners' core markets may tighten, which might lead Channel Partners to take action to differentiate their brand and position in the market to protect their core businesses.

By partnering with F-Secure, Channel Partners are provided with a comprehensive security suite that can be integrated with Channel Partners' brand experience as well as business processes such as billing and customer care. Furthermore, F-Secure's solutions support multiple go-to-market models which maximises reach and revenue opportunities, including bundling security with Channel Partners' core services, selling it as a value-added service via direct face-to-face sales, call centers, e-commerce app stores, embedded security inside Wi-Fi routers or installing security-as-a-service in retail stores.

Direct Channel

F-Secure's primary go-to-market strategy is through the Partner Channel. Leveraging its market position as a trustworthy European cybersecurity brand that provides high-quality solutions,³ the Company also sells security and privacy solutions directly to consumers in selected geographies through its online store and app stores, such as Apple App Store and Google Play. The Company focuses on acquiring and converting new customers and retaining existing customers, especially in the higher average revenue per user (ARPU) premium customer segment. Customers in this segment are typically looking for all-in-one security solutions. For further information on F-Secure's channels, see “*Business of F-Secure – Business Model*”.

Market characteristics

The market in which F-Secure operates is difficult for new players to enter. According to WithSecure's management's estimate, this is due to the complexities in building all-in-one security suites that work across all operating systems and connected home security solutions integrated with Wi-Fi routers. Further, an extensive cybersecurity knowhow and

² Alliance experts: Distributor margin, profit and retail price in FMCG and other industries, (<https://www.allianceexperts.com/en/knowledge/what-is-a-reasonable-margin-for-your-distributor/>, as of 10 April 2022)

³ 3 The reference to trustworthiness and high-quality solutions is based on awards across product portfolio such as “Best Protection” Award 7 years out of last 11 by AV-Test, “Best Operator Service for Consumers” Award at Broadband World Forum (2020), “Best in Class Marketing Award Winner” Award at BMMA (2020), “Best Consumer IoT Deployment” Award at IoT World (2020), AV-test approved VPN (2021), AV-comparatives (2020), IT Pro Best VPN services, Editor's choice (2020).

development competence, as well as an extensive distribution network and heavy investments into research and development, are required to build a state-of-the-art threat and artificial intelligence capabilities to protect consumers in real-time and stay ahead of cybercriminals. Brand perception and awareness are also important to build trust amongst consumers. Building a trusted brand is generally time-consuming and costly, as it requires the ability to execute relevant marketing campaigns for consumers and proof of providing high-quality service, for example, by winning industry awards.

Further, large distribution networks are necessary in order to gain sufficient customer reach, which requires building the technical and go-to-market capabilities and integration with Channel Partners' IT platforms, such as billing and customer care platforms. Channel Partners prefer not to change their security solution provider, as switching costs for security solution providers may be high. Thus, there is a need for security solution providers to build long-term relationships with their Channel Partners to generate business results for their partners and create easy and trustworthy consumer experiences leading to high customer satisfaction.

Size of F-Secure's addressable market

F-Secure has a large and growing total addressable market. In 2020, the consumer spend on cybersecurity was estimated to be EUR 5.7 billion and its compound annual growth rate (CAGR) is forecasted to be 4 per cent between 2020 and 2025.⁴ The addressable market includes stand-alone suites of endpoint security products such as antivirus, anti-spyware, parental control, mobile security, but also fraud detection, backup, and online consumer privacy. The majority of this market is estimated to be related to endpoint security products.⁵

Additionally, WithSecure's management sees that further upside potential exists that can contribute to faster market growth or the Company growth. These drivers include:

Re-distribution of the end-user spend in the existing market

As of March 2022, approximately 60 per cent of consumers are still using stand-alone security solutions like internet security or privacy VPN only. F-Secure's market surveys based on data from five countries show that consumers are transitioning towards all-in-one security suites as the share of consumers with all-in-one security solutions has increased from 28 per cent in 2018 to 31 per cent in 2021.⁶ Similarly, in Direct Business the share of all-in-one secure suite (TOTAL) customers has increased from 5 per cent in 2018 to 24 per cent in 2021.

Willingness to pay is increasing

According to WithSecure's management's estimate, consumer willingness to pay for security is increasing. According to market surveys carried out in 2018 and 2021, consumers' willingness to pay increased by 17 per cent in 2021 as compared to 2018. Same studies also show that consumers, regardless of customer segment, are willing to pay on average between EUR 7 and EUR 10 per month for a comprehensive all-in-one security suite and between EUR 3 and EUR 4 per month for stand-alone products.⁷

Similarly, 66 per cent of consumers are worried about the online security on their internet-connected devices at home, and 41 per cent are willing to pay for protection against hacking and malware of these internet-connected devices at home. Willingness to pay varies across regions and the optimal price point from EUR 6 to 11 per month for connected home security.⁸

Emergence of new product categories

The identity theft protection services market is estimated to be a USD 9.3 billion industry globally and is expected to grow with a 17.4 per cent compound annual growth rate (CAGR). This market includes services such as credit monitoring, fraud protection (credit card or bank fraud), and cybersecurity insurance. According to WithSecure's management's estimate, this product category provides further opportunities for market growth as consumer awareness on identity theft is increasing, especially outside North America, and the need for these services is growing in all markets, for example,

⁴ Gartner Information Security Forecast, 4Q/21. The estimates on market size are presented in US dollar. The figures included in the text are denominated in euro assuming that 1 US dollar = 0.877 euros.

⁵ According to Company's estimate and IDC Worldwide Consumer VPN Forecast, 2020–2024

⁶ According to F-Secure's consumer surveys 2018 and 2021, 5 country data (Brazil, France, Germany, UK and USA), n=4,000

⁷ According to F-Secure's consumer surveys 2018 and 2021, 5 country data (Brazil, France, Germany, UK and USA), willingness to pay in EUR depends on country

⁸ According to F-Secure Connected Home consumer surveys in April 2020 (11 country data, n=4,400) and F-Secure's consumer survey 2021, 5 country data (Brazil, France, Germany, UK and USA), n=4,000

related to consumer cybersecurity services such as consumer identity management (password and Personally Identifiable Information (PII) management) and data breach monitoring.⁹

Communication service providers are also embedding cybersecurity protection capabilities into Wi-Fi routers that work as a base for each household's internet connection. Communication service providers may choose to monetise the service directly with consumers or bundle it in their offering for competitive differentiation. Depending on the model, one can consider this part of the overall consumer security market size or as an additional upside to the rest of the market size.

Market Trends and Drivers

Increasing digitalisation affecting consumer behaviour

Digitalisation, accentuated through the COVID-19 pandemic, has enabled but also forced many consumers to adopt new digital skills over the past years. As a result, there are more online service users than ever before spreading across various utilitarian and entertainment services. The service adoption has been especially fast on mobile devices. In 2018, 37 per cent of consumers claimed to make online purchases with their mobile devices on a monthly basis, and in 2021, the amount was already 60 per cent. In addition, mobile banking has increased from 41 per cent to 66 per cent between 2018 and 2021.¹⁰ The majority of these new digital skills and online behaviours have become the norm, and as a result an increasing portion of the consumers' daily life is spent online whether in moments or over long hours of browsing, online gaming, streaming, hybrid working and more. As the time spent online has increased, so have the concerns about internet security.

Concerns about online security on the rise

55 per cent of consumers worry about someone stealing their identity for online purchases, taking over their accounts or even taking loans in their name. Increased activity in online shopping has also contributed to 55 per cent of consumers being worried about online shopping fraud while 54 per cent worry about malware leading to loss of personal data.¹¹ These worries have led many consumers to change their online behaviour. For example, 59 per cent of consumers are worried about online privacy, out of which more than two-thirds are trying to reduce the amount of personal information they give to online services and stores.¹²

According to F-Secure's studies, these worries are real, as the increasing online exposure opens opportunities for cyber-criminals. Over one-third (34 per cent) of consumers have experienced some form of cybercrime during the past 12 months (up from 29 per cent in 2020), while a remarkable 80 per cent of consumers feel they are at least moderately likely to experience cybercrime in the future (up from 70 per cent in 2019).¹³ Furthermore, the implications of cybercrime are significant as attackers and hackers have become more sophisticated and can exploit and profit from a wider attack surface (including devices, services and communication channels). Similarly, the number of IoT devices in use is expected to reach 42 billion by 2025¹⁴, which can be vulnerable to attacks. Consequently, consumers view security as the third most important factor when choosing a home gateway or Wi-Fi router.

Security remains complex for consumers

Customers are finding it increasingly difficult to stay sufficiently protected in the modern world. The vast amount of concerns, threats and related complexity leaves even the more tech-savvy consumers overwhelmed. Consumers are not willing or able to keep track of the various threats or identify the necessary security solutions to be fully protected. Therefore, consumers now require more assistance than ever in this increasingly complex security landscape. For example, even 72 per cent of tech-savvy consumers regard managing the security of all their connected devices as a near impossible task.¹⁵ Therefore, as security is extremely adjacent to broadband connectivity, 64 per cent of consumers would be willing to purchase security and privacy services from their internet service provider.¹⁶ In addition, 75 per cent would also like their security and privacy provider to provide additional guidance to improve online security skills and behaviours.¹⁷

⁹ According to MarketWatch Identity Theft Protection Services Market Size 2022

¹⁰ According to F-Secure's consumer surveys 2018 and 2021, 5 country data (Brazil, France, Germany, UK and USA), n=4,000

¹¹ According to F-Secure's Consumer Survey, May 2019, (USA, UK, Germany, Switzerland, The Netherlands, Brazil, Finland, Sweden, and Japan), N=3,600 respondents, F-Secure's Consumer Survey, May 2020 (Brazil, Finland, France, Germany, Italy, Japan, Mexico, the Netherlands, Poland, Sweden, UK, and USA), N=4,800 and F-Secure's Consumer Survey, March 2021 (Brazil, Finland, France, Germany, Japan, the Netherlands, Poland, Sweden, UK, and USA, N=4,000)

¹² According to F-Secure's consumer surveys 2018 and 2021, 5 country data (Brazil, France, Germany, UK and USA), n=4,000

¹³ F-Secure's Consumer Survey, March 2021 (Brazil, Finland, France, Germany, Japan, the Netherlands, Poland, Sweden, UK, and USA, N=4,000)

¹⁴ IDC Worldwide Global DataSphere IoT Device and Data Forecast 2019-2023.

¹⁵ According to F-Secure's consumer survey 2021, 5 country data (Brazil, France, Germany, UK and USA), n=4,000

¹⁶ According to F-Secure's consumer survey 2021, 5 country data (Brazil, France, Germany, UK and USA), n=4,000

¹⁷ According to F-Secure's consumer survey 2021, 5 country data (Brazil, France, Germany, UK and USA), n=4,000

Increasing consumer awareness of threats, continuously growing digital footprint and the concern about online security and privacy increase the willingness of all user types to pay for cybersecurity. Consequently, consumers prefer a single, all-in-one solution and are willing to pay more for it. 68 per cent of consumers would be willing to pay a fair price for a security service that provides active support to resolve problems, such as identity theft, account takeover and malware infection.¹⁸

At the same time, F-Secure is seeing a shift towards all-in-one software suites. Market surveys based on data from five countries are showing that the share of consumers with all-in-one security solutions has increased from 28 per cent to 31 per cent comparing 2018 and 2021, and this trend is expected to continue.¹⁹

Competitive Landscape

F-Secure operates in two channels: the Partner Channel and the Direct Channel. Some of F-Secure's competitors operate globally but have a strong presence in their home countries. Competitors in the security suite category include Avast, NortonLifeLock, McAfee, Kaspersky, TrendMicro and BitDefender. These competitors are present in both channels, with varying go-to-market and business models. The consumer security landscape has recently seen high M&A activity, for example, through the merger of Norton and LifeLock in 2016, acquisition of Avira by NortonLifeLock announced in 2020, and later the potential merger of Avast and NortonLifeLock announced in 2021, and the announced public takeover of McAfee in 2021, reducing the number of largest competitors.

Depending on the channel and competitor type, partners and consumers may choose their security provider based on criteria such as i) price of the solution, ii) width of protection capabilities and quality of said protection, iii) ease of use and customer experience, iv) brand recognition and reputation, v) ability to support Channel Partners meeting their business goals, vi) longevity and overall satisfaction of customers, vii) effectiveness of marketing and sales activities or viii) financial resources. WithSecure's management believes that F-Secure compares well across many of these factors, such as the width of protection capabilities and quality of said protection²⁰; however, some competitors may perform better in others, such as brand recognition and reputation, where the biggest competitors typically perform well.

Competition in the Partner Channel

In the Partner Channel and related to communication service providers, there is competition from endpoint security providers such as Bitdefender, McAfee, NortonLifeLock and TrendMicro. F-Secure also sees competition, and in some cases potential cooperation from players in adjacent product categories such as connected home security and network security such as DNS security. These players include companies such as Plume, CUJO AI, SAM Seamless Networks, Allot, Akamai and OX.

Competition in the Direct Channel

Within the Direct Channel, F-Secure's competitive landscape consists primarily of the aforementioned security suite players but also smaller EPP players that typically do not compete in the Partner Channel. In the VPN category, the main competitors include NordVPN, ExpressVPN (part of Kape Technologies) and SurfShark. Competitors within Password and ID Protection include McAfee, NortonLifeLock, 1Password and Dashlane. Within Parental control, competitors include EPP providers and specialists such as Qustodio and Circle.

¹⁸ According to F-Secure's consumer survey 2021, 5 country data (Brazil, France, Germany, UK and USA), n=4,000

¹⁹ According to F-Secure's consumer surveys 2018 and 2021, 5 country data (Brazil, France, Germany, UK and USA), n=4,000

²⁰ Based on F-Secure's awards across product portfolio such as "Best Protection" Award 7 years out of last 11 by AV-Test, "Best Operator Service for Consumers" Award at Broadband World Forum (2020), "Best in Class Marketing Award Winner" Award at BMMA (2020), "Best Consumer IoT Deployment" Award at IoT World (2020), AV-test approved VPN (2021), AV-comparatives (2020), IT Pro Best VPN services, Editor's choice (2020).

BUSINESS OF F-SECURE

Since F-Secure will not be incorporated until the Effective Date, the following information is based on the Demerger Plan and information available as at the date of this Offering Circular regarding WithSecure's consumer security business, including the assets and liabilities to be transferred to F-Secure as a result of the Demerger. The following information reflects a number of assumptions and expectations regarding F-Secure's operations based on, among others, the Demerger being completed in the manner and in the timeframe contemplated in this Offering Circular and the operations of F-Secure being organised as anticipated as at the date of this Offering Circular. However, there can be no assurance that the Demerger will be completed in the timeframe contemplated in this Offering Circular, or at all, or that F-Secure's operations will be organised as anticipated as at the date of this Offering Circular, any of which may cause any of the statements below to not materialise. The Demerger Plan is attached to this Offering Circular as Appendix A.

Overview

F-Secure is a Finnish and globally operating cybersecurity company. F-Secure designs and offers award-winning security and privacy products and services that help tens of millions of consumers to protect themselves against online threats.²¹ F-Secure's offering includes a comprehensive range of cyber security products and services related to endpoint security, privacy protection, password management and digital identity protection, and router security that protects consumers' entire connected home and has approximately 16 million subscribers across all channels.²²

The majority of F-Secure's sales come from selling products and services through its extensive and global Channel Partner network. The network consists of approximately 170 Channel Partners including, for example, communication service providers, retailers, banks, and insurance companies. Currently, most of F-Secure's Channel Partners are communication service providers, and F-Secure is a global market leader in providing consumer security and privacy products and services through communication service providers in the view of WithSecure's management based on an internal market analysis conducted in March 2022.²³ However, WithSecure has been cooperating with certain banks, insurance companies and retailers for a long time. Based on the insight gained in the course of this cooperation, WithSecure's management estimates that banks, insurance companies, and retailers are facing many business challenges similar to communication service providers, including high churn, limited differentiation options, low margins and revenue growth. Due to the security business capabilities that F-Secure has developed for communication service providers, F-Secure is well-positioned to help these new types of service providers address the same challenges that it has helped its CSP Partners tackle.

In addition to selling products through Channel Partners, F-Secure makes stand-alone and all-in-one security offerings available to consumers through various e-commerce channels such as application stores and its own online store. While profitable on its own and contributing to F-Secure's overall growth, the Direct Channel's primary role is to provide F-Secure with know-how and best practices that it can leverage to grow its revenue generated through Channel Partners. In the Direct Channel, F-Secure can launch and test new products rapidly, experiment with marketing campaigns and value propositions and identify optimal price points.

F-Secure operates globally in over 100 countries and has offices in multiple cities with its headquarters in Helsinki, Finland. In the financial year 2021, F-Secure employed 245 employees on average.

The following table sets forth F-Secure's financial key figures extracted or derived from F-Secure's audited carve-out financial statements as at and for the years ended 31 December 2021, 2020 and 2019 and F-Secure's unaudited carve-out financial information as at and for the three month's periods ended 31 March 2022 and 2021 for the periods indicated:

²¹ Based on awards across product portfolio such as "Best Protection" Award 7 years out of last 11 by AV-Test, "Best Operator Service for Consumers" Award at Broadband World Forum (2020), "Best in Class Marketing Award Winner" Award at BMMA (2020), "Best Consumer IoT Deployment" Award at IoT World (2020), AV-test approved VPN (2021), AV-comparatives (2020), IT Pro Best VPN services, Editor's choice (2020).

²² As of 31 December 2021.

²³ According to an internally conducted market analysis done in March 2022, F-Secure is a market leader in providing cybersecurity and privacy products and services through communication service providers. The market analysis covered Europe, the Middle East and Africa (EMEA), Americas, Asia-Pacific (APAC), and Japan.

In EUR million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	IFRS (unaudited)		IFRS (unaudited, unless otherwise indicated)		
Revenue	27.4	26.3	106.3 ¹⁾	100.1 ¹⁾	94.8 ¹⁾
Revenue growth %	4.1 %	-	6.1 %	5.5 %	-
EBITA	11.9	11.8	44.8	46.5	39.1
Adjusted EBITA	12.7	11.8	47.2	46.5	39.9
% of revenue	46.3%	45.0%	44.4 %	46.5 %	42.0 %
EBIT	11.5	11.6	43.5 ¹⁾	44.7 ¹⁾	37.0 ¹⁾
% of revenue	42.1%	43.9%	40.9 %	44.6 %	39.0 %
Adjusted EBIT	12.3	11.6	45.9	44.7	37.7
% of revenue	45.0%	43.9%	43.2 %	44.6 %	39.8 %

¹⁾ Audited

The following table presents F-Secure's revenue by geographical area extracted or derived from F-Secure's audited carve-out financial statements as at and for the years ended 31 December 2021, 2020 and 2019 and F-Secure's unaudited carve-out financial information as at and for the three month's periods ended 31 March 2022 and 2021:

In EUR million	1 January to 31 March		Change 1 January to 31 March		For the financial year ended 31 December			Change 1 January to 31 December			
	2022	2021	2022- 2021	2022- 2021	2021	2020	2019	2021- 2020	2021- 2020	2020- 2019	2020- 2019
	IFRS (unaudited)		%	MEUR	IFRS (audited)			%	MEUR	%	MEUR
Geographical information											
Revenue from external customers											
Europe excl. Nordics	12.4	12.6	-1.2%	-0.2	49.6	48.9	46.8	1.4%	0.7	4.6%	2.2
Nordic countries	9.6	9.1	5.7%	0.5	36.9	33.2	31.2	11.1%	3.7	6.3%	2.0
North America	4.0	3.4	16.0%	0.5	14.6	13.7	12.6	6.1%	0.8	8.9%	1.1
Rest of world	1.4	1.2	12.9%	0.2	5.2	4.3	4.3	21.4%	0.9	0.0%	0.0
Total	27.4	26.3	4.1%	1.1	106.3	100.1	94.8	6.1%	6.1	5.5%	5.3

History

Before the completion of the Demerger, F-Secure is a part of the WithSecure group, in which the F-Secure consumer security business is conducted.

History of WithSecure

WithSecure was founded in 1988 under the name Data Fellows Oy by Petri Allas and Risto Siilasmaa, the current Chairman of the Board of Directors of WithSecure. At the time, WithSecure's products and services were much simpler compared to its current offering and WithSecure offered the same products and services for corporations and consumers, since cybersecurity threats faced by corporations and consumers were quite similar and less sophisticated than modern cybersecurity threats. In 1991, WithSecure launched its first major software development project. Since viruses were much rarer at the time than they are today, most companies had to be convinced there is such a thing as a computer virus. However, no later than the year after, in 1992, the Michelangelo virus caused the first public hysteria about a computer virus, which caused a great rush for virus detectors and anti-virus programs. In 1999, Data Fellows changed its name to F-Secure Corporation and listed its shares on the official list of Nasdaq Helsinki.

In 2001, WithSecure released the first pocket PC encryption solution for stored emails, contacts, and calendars. The following year, WithSecure launched, together with the Nokia Communicator product family, the first antivirus product for mobile phones. The growth continued, and in 2009 WithSecure acquired Steek SA, a leading European software provider for online storage and data management solutions to fixed-line and mobile operators. The same year WithSecure

was awarded the title of the best Finnish listed company by economic daily Kauppalehti and banking group OP-Pohjola. F-Secure Internet Security 2011 received the Product of the Year Award by AV-Comparatives in 2011. Continuing the list of awards and recognitions received by WithSecure, WithSecure's corporate security business strategy was recognised as top-ranked by The Forrester Wave, Endpoint Security report in 2012. In 2012, WithSecure also launched its next-generation security business platform that enables security and privacy products to be offered through its Channel Partners in a seamless manner. Further, WithSecure launched its user-friendly virtual private network (F-Secure FREEDOME) that hides the customers' online activity to provide anonymous and secure internet browsing in 2014.

In 2015, the consumer business division of WithSecure was created. The year after, in 2016, WithSecure launched lifecycle messaging for Channel Partners. Lifecycle messaging is an automated analytics-driven lifecycle messaging service that focuses on customer onboarding and feature activation.

WithSecure continued to grow as a cybersecurity services powerhouse in 2017 with acquisitions of Inverse Path, an industry leader in providing security services to the avionics, automotive, industrial control sectors, and UK-based cybersecurity firm Digital Assurance. At the same time, WithSecure continued to pioneer new solutions to protect individuals and families by launching F-Secure SENSE – WithSecure's first security appliance and one of the industry's first security solutions for the internet of things. WithSecure also strengthened its security technology for Mac devices by acquiring the Little Flocker technology in 2017. The year after, in 2018, WithSecure acquired independent cybersecurity consultancy MWR InfoSecurity. The acquisition expanded WithSecure's geographic reach, establishing it as a major cybersecurity provider on every continent. In 2020, WithSecure launched F-Secure ID PROTECTION, a versatile solution that protects personal information such as usernames, passwords and credit card numbers by offering an easy-to-use solution for password management with 24/7 online monitoring of personal information, alerts, and guidance in case of a data breach.

Key Strengths of F-Secure

WithSecure's management believes that particularly the following factors are F-Secure's key strengths and represent competitive advantages:

F-Secure is well-positioned in the large and growing consumer security market

According to WithSecure's management's estimate, F-Secure is well-positioned in the consumer security market. The strong position is based on F-Secure's ability to serve its global network of 130 CSP Partners with its vast experience and ability to offer Security-as-a-Service. In addition, CSP Partners value F-Secure's ability to deliver concrete business results, which is proven by the high partner Net Promoter Score,²⁴ long contract lengths, and its long-term partnerships with many CSP Partners.

WithSecure's management believes that F-Secure's position is also strengthened by its offering, and it has developed a comprehensive security suite that addresses consumers' most crucial security and privacy needs. Its holistic security portfolio for protecting consumers' digital moments and connected lives can be configured to support each CSP Partner's business requirements. F-Secure's holistic security portfolio also enables customer acquisition. The different feature sets can be offered to various consumer segments while maintaining upselling opportunities by offering the all-in-one security suite to those customers that utilise only a part of the cybersecurity capabilities offered by F-Secure. These upselling opportunities are supported by a high Net Promotion Score (NPS) and retention rate of the all-in-one security suite. The long-term commitment to Channel Partners has also allowed F-Secure to develop specifically optimised services and integration platforms to help Channel Partners maximise their customer lifetime value.

Comprehensive suite of award-winning security solutions to cater customer needs

F-Secure has developed an award-winning security suite to protect consumers' digital moments at home and on the move. Customers are in need of easy to use and easy to understand solutions in the increasingly complex digital landscape, and F-Secure's ability to combine protection features into a single application eases onboarding and simplifies product and service usage while allowing consumers to experience full digital safety.

F-Secure's solutions provide advanced protection for consumers, and its products have won multiple awards and recognitions. For example, the protection capabilities of F-Secure antivirus and internet security suite has won the prestigious

²⁶ According to the F-Secure Leadership Team, the historical adjusted EBITA margin may not fully reflect F-Secure's profitability had it operated as a standalone entity for the periods presented. After the Demerger, F-Secure is estimated to incur additional costs, primarily related to the setup, operation and maintenance of dedicated IT services, having a complete leadership team of a listed company, and managing independent security research and technology capabilities. These additional costs related to the Demerger are estimated to be approximately between EUR 4 million and EUR 5 million per year.

AV-TEST “Best Protection” award in 2011, 2012, 2013, 2014, 2016, 2018, and 2020. In addition, F-Secure SAFE won AV-Test “Best Performance” award in 2020. In addition, F-Secure’s connected home security offering F-SECURE SENSE has won multiple awards, including “Best Operator Service for Consumers” award at Broadband World Forum 2020, “Best in Class Marketing” award from the Broadband Multimedia Marketing Association (BMMA) in 2020 and “Best Consumer IoT Deployment” award at IoT World (2020). Additionally, F-Secure’s virtual private network service F-Secure FREEDOME has received several awards and recognitions, including AV-test’s “Approved” designation in 2021, AV-comparatives award in 2020, IT Pro’s “Editor’s Choice 2019” award in the “Best VPN Services 2019” category and PC World’s “Best Android VPN for added safety and security” award in 2019. For further information on F-Secure’s award-winning products, see section *“Business of F-Secure — Consumer Security Offering”*).

F-Secure has also developed differentiating expert and cloud-based capabilities (hereinafter these cloud-based capabilities are referred to as **“Security Business Platform”**) to support its Channel Partners. This allows F-Secure’s security solutions to meet its Channel Partners’ business needs and be fully integrated with business processes and go-to-market models in a scalable, cost-efficient manner.

F-Secure also serves consumers directly through its various e-commerce activities in the Direct Channel. While profitable on its own and contributing to F-Secure’s overall growth, the Direct Channel’s primary role is to provide F-Secure with know-how and best practices that it can leverage to grow its revenue generated through Channel Partners, creating an environment to launch and test new products rapidly, experiment with marketing campaigns and value propositions and identify optimal price points.

The comprehensive suite of solutions is underpinned by the usability of F-Secure’s products as they are easy to use, highly flexible in customer journey design and support also third-party app integration (e.g., Wi-Fi management).

A global market-leading position in communication service provider segment

The history of F-Secure dates back to 1988, and it has since built strong relationships with its partners and customers. F-Secure has a long history of working with communication service providers, and during this period it has, in the view of WithSecure’s management based on an internal market analysis conducted in March 2022, become a global market leader in providing security and privacy products and services through communication service providers.²⁵ F-Secure has managed to build a globally extensive network of around 130 CSP Partners.

F-Secure’s platform of services has a strong track record, and it has allowed F-Secure to make over 500 deliveries and projects to its CSP Partners. F-Secure can offer support services to CSP Partners with high flexibility in delivery as well as business models. Same capabilities are now available for Channel Partners operating in other industries, such as in the banking or insurance industry. F-Secure has already 40 partners that are not communication service providers, and WithSecure’s management believes that the number will grow. The tested and successful business model with communication service providers has proven to be replicable in other industries.

In addition, Security Business Platform allows F-Secure’s security solutions to meet its Channel Partners’ business needs and be fully integrated with business processes and go-to-market models in a scalable, cost-efficient manner. For more information on F-Secure’s Security Business Platform capabilities, see section *“Business of F-Secure – Services, Products and Solutions of F-Secure”*.

Channel Partners who prefer light or no integration at all are supported via the Direct Channel. In addition, F-Secure offers customer support in local languages in its focus markets.

Highly profitable Software as a Service (SaaS) business model, with a track-record of steady sales growth

F-Secure’s net sales and profitability have been growing from 2019 to 2021 due to the successful implementation of its growth strategy, its scalable cloud-based SaaS business model and a strong focus on being the best partner for communication service providers. In addition, F-Secure’s standardised way to deliver security and privacy solutions to its Channel Partners and integrate its products with Channel Partners’ business processes and billing increases its cost-effectiveness. F-Secure’s steady growth can be illustrated in the more recent years, where F-Secure has delivered organic revenue growth at a compound annual growth rate (CAGR) of 6 per cent from 2019 to 2021. During this period, F-Secure has also

²⁶ According to the F-Secure Leadership Team, the historical adjusted EBITA margin may not fully reflect F-Secure’s profitability had it operated as a standalone entity for the periods presented. After the Demerger, F-Secure is estimated to incur additional costs, primarily related to the setup, operation and maintenance of dedicated IT services, having a complete leadership team of a listed company, and managing independent security research and technology capabilities. These additional costs related to the Demerger are estimated to be approximately between EUR 4 million and EUR 5 million per year.

stayed consistently highly profitable. F-Secure's EBIT increased from EUR 37.0 million in 2019 to EUR 43.5 million in 2021. F-Secure's adjusted EBITA²⁶ has increased from EUR 39.9 million in 2019 (corresponding to an adjusted EBITA margin of 42.0 per cent) to EUR 47.2 million in 2021 (corresponding to an adjusted EBITA margin of 44.4 per cent). The growth in adjusted EBITA and EBIT was primarily attributable to operating leverage from increased revenue.

F-Secure's financial performance is founded upon loyal and long-term partners and a high customer retention rate. F-Secure's Channel Partner subscriber retention rate was over 97 per cent in December 2021. Almost all of the revenue is subscription-based, as up to approximately 98 per cent of the Company's revenue in the financial year 2021 was subscription-based. F-Secure also operates with a very high cash conversion rate, and its cash conversion rate in the financial year 2021 was over 90 per cent²⁷

Strong product development track-record with significant in-house technology expertise

F-Secure has highly skilled employees with strong commitment and long experience. WithSecure's management believes that capable and motivated employees support F-Secure's vision to become the number one security experience company in the world. F-Secure's employees have extensive knowhow about the telecommunications industry, and F-Secure's teams are fluent in supporting Channel Partners in launching, driving, marketing and selling security and privacy products and services. F-Secure's Direct Channel teams have a deep understanding of processes and tools as well as competencies on how to drive growth through e-commerce and app stores, such as Apple App Store and Google Play.

The employees of F-Secure also have extensive cybersecurity and product development expertise. Having worked for decades with hundreds of Channel Partners, F-Secure has developed detailed knowhow of its Channel Partners' business processes and enterprise architectures. This includes, for example, knowhow related to Channel Partners' billing, provisioning, authentication, customer care, business intelligence and other solutions related to business or operations support systems (OSS/BSS). This, in turn, has allowed F-Secure to develop its Security Business Platform that enables security and privacy products to be offered through its Channel Partners in a seamless manner. Furthermore, F-Secure's expertise in customer experience and user-centric service design has allowed it to create user-friendly products that consumers love to use and with high Net Promoter Scores. F-Secure is recognised by leading journals and independent testing organisations for its cybersecurity expertise, and its products have won multiple awards and recognitions (for additional information on awards, see section "*Business of F-Secure – Comprehensive suite of award-winning security solutions to cater customer needs*"). F-Secure's cybersecurity systems analyse 7 billion online queries and 6 billion behavioural events each day, and its cybersecurity teams are continuously developing new cloud and artificial intelligence-based protection capabilities.

WithSecure believes that its long experience and global talent base formed by employees is a cornerstone for F-Secure's business success. WithSecure's management believes that F-Secure consumer security business unit has been able to retain and attract highly skilled employees. As a result, WithSecure has consistently been one of the most attractive IT employers in Finland. In 2021, WithSecure was ranked the third most attractive employer by IT Students and, according to Universum, the 10th most attractive employer by industry professionals.²⁸ WithSecure's management believes that F-Secure's employees will be highly committed to F-Secure and its partners and customers. This is showcased by WithSecure's relatively low attrition rates in the F-Secure consumer business unit compared to, for example, employee turnover in the technology sector in the United States, which has been over 20 per cent²⁹. In 2021, WithSecure's voluntary attrition in the consumer business unit was at 12.6 per cent.

²⁶ According to the F-Secure Leadership Team, the historical adjusted EBITA margin may not fully reflect F-Secure's profitability had it operated as a standalone entity for the periods presented. After the Demerger, F-Secure is estimated to incur additional costs, primarily related to the setup, operation and maintenance of dedicated IT services, having a complete leadership team of a listed company, and managing independent security research and technology capabilities. These additional costs related to the Demerger are estimated to be approximately between EUR 4 million and EUR 5 million per year.

²⁷ Defined as (adjusted EBITDA – CAPEX – Change in NWC) / adjusted EBITDA

²⁸ Universum: (<https://universumglobal.com/rankings/finland/>), as of 4th April, 2022

²⁹ AON (<https://humancapital.aon.com/insights/articles/2020/retail-sector-wages-are-rising-due-to-higher-employee-turnover-and-e-commerce-demand>) as of 6th April, 2022

Strategy of F-Secure

Mission and vision

F-Secure's vision is to become the number one security experience company in the world. Consumers' lives are a constant flow of digital moments - from the way they socialise, relax and learn to how they shop, work, discover and perform everyday tasks. All this makes consumers increasingly vulnerable to cybercriminals.

Consumers know that the stakes are high – their identity, bank accounts, and private data are being exposed to security threats. They want to engage with online security, but cybersecurity as an industry is failing them. Everything is or feels too complex, and that creates friction.

F-Secure removes this friction and F-Secure thinks 'experience first'. F-Secure's mission is to continuously deliver brilliantly simple, frictionless security experiences to make things easy for its partners and customers. WithSecure's management believes that this new focus on brilliantly simple security experiences, founded on F-Secure's best-in-class technology and products, makes it possible for F-Secure to achieve its vision and become the world's number one security experience company. WithSecure's management also believes that Channel Partners can easily succeed in the consumer security market as they can provide their customers with F-Secure's brilliantly simple products and services that allow customers to feel safe.

To realise its vision in practice, F-Secure strives to make all digital moments more secure for everyone. For consumers, F-Secure focuses on providing a single application for all the solutions consumers need to keep themselves and their families secure. The product is intuitive and simple to understand, purchase and take into use. When security is deployed on a home network level, there are very few or no actions required from consumers to feel protected.

Also, as consumers adopt more smart devices, they should become seamlessly protected while encouraging adoption throughout the family, driving peace of mind for parents and kids alike. F-Secure will, at the right time, in terms that consumers relate to, give consumers data-driven and relevant information on how they've been protected.

WithSecure's management believes that an exceptional security experience and a hassle-free customer journey will translate to higher conversion rates, improved customer retention and customer satisfaction, positive word-of-mouth and reviews, and ultimately lead to increased revenue.

For Channel Partners, F-Secure's target is to be the partner of choice as its products are simple to integrate and scale. F-Secure strives to ensure that consumer security is Channel Partners' most hassle-free, profitable and popular value-added service, which drives up Channel Partners' revenue and retention rates. WithSecure's management believes that F-Secure's ability to combine its Direct Channel best practices and marketing blueprints and learnings from its Channel Partners across the globe allows F-Secure to provide best-in-class business support to its Channel Partners. Actionable insights are drawn from consumer behaviour while respecting consumers' right to privacy, allowing Channel Partners to understand better and serve their end customers. WithSecure's management believes that F-Secure's focus on long-term partnerships and providing easy security experiences for Channel Partners will make F-Secure the partner of choice in providing consumer cyber security solutions.

Growth strategy

As the pace of digitalisation is accelerating, consumers have more to protect. F-Secure's purpose is to make every digital moment more secure for everyone. To realise this purpose, F-Secure's strategy is to provide holistic yet easy security experiences to its customers and Channel Partners. By working through Channel Partners across the globe, F-Secure aims to increase its market reach and ensure every consumer behind these Channel Partners can feel safe. F-Secure has developed outcome-focused and differentiating security business capabilities that support its Channel Partners in launching, marketing, selling and further driving growth of their security business. In the view of WithSecure's management based on an internal market analysis conducted in March 2022, these have enabled F-Secure to become a global market leader in providing consumer security and privacy services through communication service providers.³⁰

F-Secure's strategy for continued profitable growth is built around three strategic pillars (for further information on F-Secure's financial targets, see "*Business of F-Secure – Financial Targets*"):

³⁰ According to an internally conducted market analysis done in March 2022, F-Secure is a market leader in providing cybersecurity and privacy products and services through communication service providers. The market analysis covered Europe, the Middle East and Africa (EMEA), Americas, Asia-Pacific (APAC), and Japan.

Increase ARPU

F-Secure aims to drive the adoption of the all-in-one security solution (F-Secure TOTAL) in all of its channels. Currently, a vast majority of the approximately 170 Channel Partners offer standalone security solutions to their customers instead of an integrated, all-in-one security suite. F-Secure's plan is to accelerate the roll-out of the all-in-one security suite that the management of WithSecure expects to provide new business opportunities to Channel Partners and increase both Channel Partners' and F-Secure's Average Revenue Per User ("ARPU").

Through the Direct Channel, F-Secure sells currently standalone security and privacy products and services as well as the all-in-one security solution F-Secure TOTAL. The key growth target is to continue to increase F-Secure TOTAL's proportional share in the Direct Channel. As of April 2022, Direct Business price of F-Secure TOTAL is approximately 50 per cent higher than average of standalone products (SAFE, ID PROTECTION AND FREEDOME)³¹.

Additional Direct Channel growth strategy drivers are related to i) further simplification of the overall customer experience regarding product onboarding, user experience, usage and purchasing, ii) relentless focus on acquiring new and retaining existing subscribers in the all-in-one security suite category, and iii) executing a focused go-to-market and geographical strategy differentiating as a trusted European cybersecurity brand providing high-quality solutions.³² While profitable on its own and contributing to F-Secure's overall growth, the Direct Channel's primary role is to provide F-Secure with know-how and best practices that it can leverage to grow its revenue generated through Channel Partners. In the Direct Channel, F-Secure can launch and test new products rapidly, experiment with marketing campaigns and value propositions and identify optimal price points.

Develop current offering and new products

F-Secure launched F-Secure ID PROTECTION in 2020 to protect consumers against the rising threat of identity theft and account takeover. The product category has been well adopted among CSP Partners and according to WithSecure's management's estimates, provides further growth opportunities. End customer adoption rates are still relatively low for identity protection services outside of the US providing a lot of growth potential as consumer awareness of threats increases with high profile breaches. F-Secure aims to drive the adoption of F-Secure ID PROTECTION further among its Channel Partners and their end customers, among other things, by offering F-Secure ID PROTECTION as a part of its all-in-one security solution (F-Secure TOTAL).

F-Secure aims to expand its market reach and addressable market by developing new product categories like connected home security with F-Secure SENSE. With F-Secure SENSE, protection capabilities are embedded inside a Wi-Fi router that powers each household's internet connectivity and thereby protects every device and household member. As the Wi-Fi router is supplied and updated by CSP Partner, this creates the opportunity to reach large customer bases behind CSP Partners. Additionally, the user experience of F-Secure SENSE is simplified as protection functionality can be automatically turned on, requiring no or limited activity by the consumers to take protection into use.

WithSecure believes that the above-mentioned new products allow F-Secure to grow its revenue and extend Channel Partner network, as new products increase the possible combinations of products and services that F-Secure can offer to Channel Partners. For example, new products can be provided as stand-alone products or included in more comprehensive security offerings.

Expand into new channels

Currently, a majority of Channel Partners are communication service providers. However, banks, insurance companies, and retailers are facing many business challenges similar to CSP Partners, including high churn, limited differentiation options, low margins, and revenue growth. WithSecure's management believes that due to the security business capabilities that F-Secure has developed for communication service providers, it is well-positioned to help these new types of service providers address the same challenges that it has helped its CSP Partners to tackle. WithSecure's management believes that this, in turn, enables F-Secure to replicate a business model and service offering and thereby significantly expand its potential customer base in a scalable manner.

WithSecure's management believes that F-Secure's offering resonates well with these new channels due to several reasons. As the banking industry is heavily regulated in many markets, providing security and privacy solutions as a value-

³¹ eCom pricing for F-Secure's 7 device protection offering (TOTAL vs. average of SAFE/ID PROTECTION/FREEDOME)

³² The reference to trustworthiness and high-quality solutions is based on awards across product portfolio such as "Best Protection" Award 7 years out of last 11 by AV-Test, "Best Operator Service for Consumers" Award at Broadband World Forum (2020), "Best in Class Marketing Award Winner" Award at BMMA (2020), "Best Consumer IoT Deployment" Award at IoT World (2020), AV-test approved VPN (2021), AV-comparatives (2020), IT Pro Best VPN services, Editor's choice (2020).

added service to drive revenue growth may not always be feasible for banks. However, the solutions can be included in their offering via, for example, loyalty programs.

Security and privacy solutions allow banks to address one or more of their business needs, such as

- i) low customer loyalty and low Net Promoter Scores (which emphasises the need to deepen the relationship with end-customers),
- ii) trust and security are part of the banks' brand promise (security solutions can help bolster this promise and brand position),
- iii) banks are experiencing fraud due to banking trojans, email scams, phishing and fake bank sites (impacts of the frauds raising to more than 700M£ in the UK alone during H1/2021³³), and
- iv) consumers themselves see very limited differences in bank offerings (banks have to find ways to differentiate themselves).

Fraud can also happen across various stages in the end-customer lifecycle, from opening an account (identity theft), changing account details (through malware or account takeover) or making payment (through malware or identity theft). F-Secure security and privacy products can help address these issues for the bank and its customers.

Similarly, insurance companies are feeling competitive pressure to re-invent themselves and re-define their consumer-facing offering. For example, industry trends show that 62 per cent of insurers believe that non-insurance related products will be the most important criteria for consumers when choosing an insurer. Also, by 2024 33 per cent of the premium volume is expected to come from brand new propositions³⁴. WithSecure's management believes that there is also a very natural fit between consumer security and insurance offering as both deliver "peace of mind" for the consumer, thereby making F-Secure portfolio relevant also for insurers. Equally, F-Secure's portfolio can help insurance companies reduce the number of claims related to cyber security incidents that may be covered under, for example, home insurance or identity theft insurance, which are likely to further increase security portfolio relevance for insurers.

In the retail space, relationships with consumers are often short-lived and transactional in nature, such as a purchase of a new mobile phone or laptop. Additionally, these transactions provide low margins, and retailers are looking for ways to increase average revenue per user and create recurring revenue streams. Similar to communication service providers with their own retail stores, F-Secure makes it possible for retailers to sell security and privacy services as a recurring subscription and even combine that with the retailer's other services like installing software on new devices on behalf of consumers and offering premium customer support services. WithSecure's management believes that this can increase F-Secure's revenue per user and create recurring revenue streams.

Financial Targets

The financial targets constitute forward-looking statements that are not guarantees of future financial performance. F-Secure's actual results could differ materially from the results presented in or implied by such forward-looking statements as a result of numerous factors discussed in, among other sections, "Certain Additional Information – Forward-Looking Statements", "Risk Factors" and "Operating and Financial Review – Key Factors Affecting the Business and Results of Operations". All of the financial targets presented in this Offering Circular are only targets and are not and should not be considered forecasts or estimates of F-Secure's future performance.

The following financial targets in the medium term (by 2025) have been adopted for F-Secure by the Board of Directors of WithSecure:

- *Growth:* High single digit organic revenue growth.
- *Profitability:* After initial growth investments, adjusted EBITA margin of above 42 per cent.
- *Dividend Yield:* F-Secure aims to pay around or above 50 per cent of net profit as dividend on an annual basis.

F-Secure's compound annual growth rate (CAGR) of net sales was 6 per cent between the financial year 2019 and the financial year 2021. F-Secure's adjusted EBITA margin was 44.4 per cent for the financial year 2021. According to the F-Secure leadership team, the historical adjusted EBITA margin may not fully reflect F-Secure's profitability had it operated as a standalone entity for the periods presented. After the Demerger, F-Secure is estimated to incur additional costs, primarily related to the setup, operation and maintenance of dedicated IT services, having a complete leadership team of a listed company, and managing independent security research and technology capabilities. These additional costs related to the Demerger are estimated to be approximately between EUR 4 million and EUR 5 million per year.

³³ UK Finance H1 2021 Fraud Update

³⁴ Deloitte; A demanding future, The four trends that define insurance in 2020

WithSecure's management has also followed the Rule of 40 metric, according to which a company's combined revenue growth rate and profitability margin should be equal to or greater than 40 per cent. F-Secure has during recent years outperformed the Rule of 40, and F-Secure intends to follow the Rule of 40 as internal performance measurement and guiding principle also going forward.

Business Model

F-Secure has two primary business and go-to-market models:

Partner Channel: F-Secure offers its products and services to defend hundreds of millions of consumers around the world that are behind its network of approximately 170 Channel Partners. Most Channel Partners are communication service providers such as fixed or mobile broadband operators who sell security subscriptions as a value-added service, bundled with core services like 5G/fibre broadband connection, or both. F-Secure's business model in the Partner Channel is primarily built around selling recurring security service subscriptions. The price of the security service subscription depends on Channel Partner's go-to-market model, the type of security services being sold and the size of these security services. F-Secure also generates professional services revenue when, for example, integrating its solutions with a Channel Partner billing and provisioning systems (typically one-off) or when providing customer support (annual fee). Additionally, F-Secure provides to Channel Partners both expert and cloud-based partner services such as marketing automation, customer journey audits, or net promoter score measurement subject to separate one-off or recurring fees.

Direct Channel: F-Secure makes stand-alone and all-in-one security offerings available to consumers through various e-commerce channels such as application stores and its own online store. F-Secure's business model is wholly based on recurring subscription revenue, whether for a fixed period (one (1) year or two (2) years) that can be renewed automatically after the initial period or a monthly recurring subscription. To drive take-up rates, F-Secure also offers consumers the option to test products for free for a fixed period during which F-Secure engages in activities to convert trial users into its paid offerings. In addition to direct customer acquisition, the Direct Channel serves F-Secure's affiliate partners and consumers who have bought a solution, for example, from a retail store and, after initial purchase, renew their subscription directly through F-Secure.

Customers

F-Secure serves several customer types operating in different channels. F-Secure's Partner Channels include communication service providers, banking and insurance services providers and retail while the Direct Channel refers to direct sales to consumers. The customer types and their needs are described in more detail in the following subsections.

Communication service providers

Communication service providers represent the largest partner type among Channel Partners. Communication service providers include telecom operators such as cable operators, internet service providers, mobile operators and converged network operators (fixed and mobile). Examples of CSP Partners include Frontier Communications Parent Inc. (the United States), Elisa Corporation (Finland), Vodafone Group Plc (several countries), StarHub Limited (Singapore), Nifty Corporation (Japan), Ziggo B.V. (the Netherlands), and Swisscom AG (Switzerland).

Communication service providers are natural partners for F-Secure as consumer security services are very adjacent offering to fixed and mobile broadband connectivity, which is why two out of three consumers prefer turning to communication service providers for their security solutions.³⁵ F-Secure has been able to build a global network of 130 CSP Partners and has cooperated with communication service providers for a long time. Based on the insight gained in the course of this cooperation, WithSecure's management estimates that the main business reasons for communication service providers to start offering security services, whether as a value-added service or bundled with their core services, include:

- i) *Increase customer retention and lower churn:* communication service providers can see even double-digit churn rates among their customer base, making customer retention a priority.³⁶ In addition, customers with security services are likely to have higher customer loyalty (up to 60 per cent) and net promoter score (up to 50 per cent) compared to customer segments without security services.³⁷
- ii) *Create new revenue streams:* consumers are willing to pay for security services, and communication service providers already have existing billing relationships with consumers. This gives communication service

³⁵ F-Secure consumer survey (2021), 5 country data (Brazil, Germany, France, UK, and USA), n=4,000

³⁶ Statista: Telecom operators annual reports, (<https://www.statista.com/statistics/816735/customer-churn-rate-by-industry-us/>), as of 4th April 2022.

³⁷ Comparison figures from case studies conducted by F-Secure with CSP partners in the EU region in 2016–2021.

providers the option to drive topline revenue growth that also provides higher margins compared to many other value-added services such as music, entertainment or Internet of Things (IoT).

- iii) *Differentiate and drive core business growth:* broadband business is extremely competitive, and communication service providers are looking for ways to differentiate. With security, communication service providers can create “secure broadband” experiences that drive broadband sales and increase their brand relevancy in the eyes of consumers beyond connectivity.

Retail

A retail software business has traditionally been described as selling software products in a box that comes with a product installation guide and a CD. However, the COVID-19 pandemic has quickened the retail market’s movement towards electronic retailing and selling digital products in various forms online (“**e-Tail**”). F-Secure has over several years been transforming its traditional retail business into e-Tail and retail value-added services (“**retail VAS**”) based business that now represents a majority of its retail channel sales.

In e-Tail, F-Secure enables retail partners to sell its products electronically in various forms. This can include, for example, providing product license keys within a box, print-on-receipt, and electronic software distribution (ESD). Examples of F-Secure’s e-Tail partners include Amazon.com, Inc., NotebooksBillegger.de AG, and Verkkokauppa.com Oyj.

Business challenges that retailers face are related to the transactional nature of the business with consumers, low margins and limited options to create annually recurring revenue streams. Leveraging the same capabilities as offered to F-Secure’s other Channel Partners, retailers are now able to offer service packages to their end-customers that combine security with other in-house services such as helping to set up the device for consumers, warranty and support, and hence create high-value recurring revenue streams. Examples of F-Secure’s retail VAS partners are Power International AB, Electra AB (Elon Ljud och Bild) and HP TRONIC Zlín, spol. s r. o (Euronics).

Banks and insurance companies

WithSecure’s management believes that banks and insurance companies are a new, growing Channel Partner type for F-Secure. Many of the same business challenges that apply for communication service providers apply for these types of partners as well. For example, the insurance sector is looking for new ways to generate value for their customers and security, while adjacent to internet connectivity, is also adjacent to insurance as a similar “peace of mind” offering. It is also estimated that 45 per cent of consumers will select their insurer based on non-insurance products being the most selection criteria.³⁸

Similarly, the banking sector is actively targeted by cybercriminals using banking trojans or phishing in order to get access to consumer online bank accounts or consumer credit card details. These, in turn, can result in massive direct fraud losses, increased personnel costs, foregone revenue and even regulatory fines. According to F-Secure’s Channel Partners in these segments, more than 90 per cent of consumers feel that banks are trusted providers of security solutions and feel they are getting more value from their bank with security, while more than 80 per cent of consumers feel these benefits increase their loyalty towards the bank.³⁹

Examples of F-Secure’s banks and insurance Channel Partners include MAIF in France and Insured Nomads in the United States.

Direct Channel

Customers under the Direct Channel include individual consumers, families, and to a smaller degree, small office/home office (SOHO) customers that buy standard consumer products. F-Secure has, over several years, developed consumer segmentation models to understand customers’ values and behaviour better. This allows creating targeted value propositions and marketing campaigns that resonate with consumers who are willing to pay for security services with a high return on marketing investments. F-Secure is currently focusing its direct business sales and marketing activities on selected European markets and consumers with high ARPU potential. Customer acquisition happens directly through F-Secure’s own online store, application stores, such as Apple App Store and Google Play, through Channel Partners in cases where consumers renew their contracts directly with F-Secure after an initial purchase from an external seller, and through partners under referral or affiliate business models.

³⁸ Deloitte: A demanding future, The four trends that define insurance in 2020, (<https://www2.deloitte.com/cn/en/pages/financial-services/articles/the-four-trends-that-define-insurance-in-2020.html>)

³⁹ The figures are based on a survey carried out by a bank on customers using F-Secure Total in 2020.

Services, Products and Solutions of F-Secure

General

F-Secure provides a comprehensive range of security and privacy products and services that help its customers to protect themselves against online threats. F-Secure's consumer security offering includes F-Secure SAFE, F-Secure FREEDOME, F-Secure ID PROTECTION, F-Secure Anti-Virus/Internet Security, F-Secure SENSE and F-Secure TOTAL.

F-Secure sells recurring or fixed-term subscriptions for its products and services through its own webshop and third-party app stores. F-Secure offers different subscription and pricing options to its consumer customers that depend on protection features, subscription length, and size of the subscription (number of devices/identities protected). For example, a consumer might choose a subscription for a 12-month or one-month period. In addition to direct sales, Channel Partners sell F-Secure's products as a stand-alone Value-Added Service, bundled with their own services, or both. These services are typically sold to consumers as a monthly recurring subscription, but pricing models and terms can vary depending on the Channel Partner.

Consumer security offering

The F-Secure consumer security contains the following products:

F-Secure TOTAL

According to F-Secure's global consumer survey conducted in 2021, 72 per cent of the tech savvy respondents felt that managing the security of all their connected devices feels like an almost impossible task. The survey concluded that consumers are willing to pay for ease of use and the peace-of-mind that comes with an all-in-one security solution.

F-Secure TOTAL ("TOTAL") responds to these needs. It is a premium, all-in-one application that, with a single subscription provides complete security, privacy, and identity protection (IDP) on consumers' personal devices (mobiles, tablets and desktops). With TOTAL, consumers get the award-winning easy to use antivirus and internet security of SAFE (as defined below), the privacy and Wi-Fi protection of FREEDOME (as defined below), and the personal information monitoring against data breaches and password manager of ID PROTECTION (as defined below). All of this in a single application significantly simplifies product installation process and usage, allows creating powerful yet easy to understand value propositions and marketing campaigns towards consumers while providing multiple protection layers to stay secure against the increasingly complex threat landscape.

The bundling of all the most important consumer products of F-Secure has been a crucial driver of growth in the Direct Channel revenue. Although F-Secure SAFE is currently the backbone of F-Secure's business, an increasing part of consumers have been upgrading their subscriptions to the all-in-one bundle option, TOTAL, which has led to increased revenue opportunities from the existing customer base. TOTAL is in April 2022 available in the Partner Channel as a fully integrated all-in-one solution, while F-Secure's Direct Channel offers TOTAL as a commercial bundle of SAFE/FREEDOME/ID PROTECTION (as defined below).

F-Secure SENSE

F-Secure SENSE ("SENSE") is a cybersecurity offering that, together with CSP Partners, is integrated with their Wi-Fi routers (also known as home router or customer premise equipment, "CPEs") to protect the entire connected home. With SENSE, every single device connected to the home network is secure from cyberattacks as the protection capabilities inside the router block harmful traffic before it can reach consumers' devices. This covers personal devices but also any other connected device such as smart TVs, gaming consoles, web cameras, baby monitors, thermostats and more. SENSE provides comprehensive protection for all of these devices, such as i) protection against malware and ransomware, ii) safe browsing keeps consumers secure against phishing and online tracking, iii) protecting consumers' connected and IoT devices against cyberattacks, and iv) protects children against unsuitable content and setting healthy boundaries for the time children spend on their devices online.

SENSE is effectively a software development kit ("SDK") that, together with CSP Partners and their preferred router manufacturer(s) are integrated with the router models and related firmware. SENSE can be deployed across existing user base and router models making it possible to deploy connected home security capabilities across a large user base.

For CSP Partners, SENSE offers new business opportunities by turning Wi-Fi routers into a platform where connected home security as value-added services can be offered. This also provides unparalleled simplicity for consumers as security can be automatically enabled with the broadband connection, requiring no or little activity from the consumer. Further combined with F-Secure TOTAL, it is possible to create compelling security offering where consumers are protected at home, on the move and while connected to public Wi-Fi. This further increases average revenue per user and creates new revenue opportunities in the Partner Channel.

F-Secure SAFE

F-Secure SAFE (“**SAFE**”) is an award-winning and easy to use antivirus and internet security suite for personal devices, including Windows, Mac, Android, and iOS devices. F-Secure protection capabilities have won the coveted AV-TEST best protection award in 2020, making it seven (7) wins over the past 11 years. In addition, SAFE won AV-Test best performance award in 2020. SAFE is also highly appreciated by consumers, with a net promoter score of 49 for the full year 2021. SAFE is, therefore, a great combination of excellent protection, ease of use and performance.

SAFE comes with a wide range of internet security capabilities combining local antivirus engines and behavioural analysis with cloud/AI-based protection technologies. SAFE protects consumer devices against viruses, trojans, and ransomware while securing their online shopping and banking activities. Browsing protection helps browse the internet safely by blocking access to known malware and phishing sites. Banking protection adds another layer of security to prevent attackers from interfering with confidential transactions like the use of an online bank or online payments. SAFE also comes with family rules, which can be used to set healthy boundaries for children online, such as content filtering rules or bedtimes.

Like all F-Secure products, SAFE allows the protection capabilities to be configured and enabled based on channel and customer segment needs. For example, in the Direct Channel, Company is also offering F-Secure Anti-Virus/Internet Security that protects against viruses, spyware, infected email attachments and other malware but excludes other SAFE protection capabilities.

All capabilities of SAFE can also be offered as part of TOTAL (see above).

F-Secure FREEDOME

F-Secure FREEDOME (“**FREEDOME**”) is a virtual private network (“**VPN**”) that hides the customers’ online activity to provide anonymous and secure internet browsing. A VPN encrypts the connection to the internet by creating a tunnel from the device to the VPN service provider’s network. The internet traffic goes through this tunnel to the VPN gateway and to the website or internet service to which one is connecting. This hides the real IP address and makes it look like the web traffic comes from the VPN service provider’s network. Further, FREEDOME provides additional protection when using for example public Wi-Fi hotspots. FREEDOME also provides protection against online tracking.

Furthermore, FREEDOME provides a safe browsing experience as it protects against access malware or phishing sites. It also provides the option to choose a “geo-IP” location from a list of over 20 countries. Some of these countries have several locations the customer can choose from. The VPN gives the customer the option of choosing the server closest to them, which typically gives better performance. FREEDOME is available for Windows, macOS, iOS, Android and Google Certified Android TVs.

All capabilities of FREEDOME can also be offered as part of TOTAL (see above).

F-Secure ID PROTECTION

F-Secure ID PROTECTION (“**ID PROTECTION**”) protects personal information such as usernames, passwords and credit card numbers by offering an easy-to-use solution for password management with 24/7 online monitoring of personal information, alerts, and guidance in case of a data breach.

With a combination of human intelligence and dark web monitoring, F-Secure is among the first ones to know if the consumer’s personal information has been exposed in a data breach or leak. In case a customer’s information is found among exposed data, F-Secure will give guidance on how to resolve or mitigate the consequences of the incident.

Additionally, poor password practices make consumers easy targets for account takeover and identity theft. The password management of ID PROTECTION helps the customer create strong and unique passwords, stores them securely, and

synchronisation capabilities make them available for the customer to access on any personal device. By using the combination of password manager and identity monitoring, data breaches can be prevented from becoming identity thefts.

ID PROTECTION is a versatile solution that guides the customer towards safer use of the online services (prevention), offers monitoring of the leaked or breached personal information (detection), and helps customers to respond to situations where something has gone wrong.

All capabilities of ID PROTECTION can also be offered as part of TOTAL (see above).

Security business platform

For more than a decade, F-Secure has developed differentiating expert and cloud-based capabilities (the “**Security Business Platform**”) to support its Channel Partners and the Partner Business. In the view of WithSecure’s management based on an internal market analysis conducted in March 2022, these capabilities have allowed F-Secure to become the market leader in the communication service provider segment and the capabilities are a key competitive advantage when F-Secure is expanding to new partner channels, including the banking and insurance industries.

Optimised for Channel Partners, the Security Business Platform gives F-Secure:

- i) ability to configure the consumer cybersecurity offering to fit Channel Partners security strategies and go-to-market models;
- ii) ability to seamlessly integrate the cybersecurity offering with Channel Partners’ business processes and offer data-driven business services; and
- iii) a scalable cloud-based SaaS delivery model.

Furthermore, F-Secure provides expert services that support its Channel Partners to optimise the margins and attach rates of their cybersecurity offering. These expert services include, but does not limit to, launching the cybersecurity offering based on best practices captured across the globe, driving sales and lifecycle marketing activities to maximise customer lifetime value and retention rates, and providing data-led insights for educated decision making. Finally, Channel Partner support is also provided related to customer onboarding process improvements, training, educational services and security-related materials production.

Configurable cybersecurity offering

Entire F-Secure portfolio has been built to support the Partner Channel business. As the needs of Channel Partners in terms of security, business and launch strategies can vary significantly, F-Secure has developed a standardised, modular and configurable security suite that allows meeting Channel Partners’ unique needs. This enables each Channel Partner to select which security capabilities they prefer to offer, how the security service is sold (e.g. as a value-added service or bundled as part of core offering like fixed broadband connection), and how up-selling and cross-selling activities are executed. Furthermore, to help its Channel Partners to create security experiences that feel like an integral part of their own brand experience, the consumer cybersecurity service can be fully Channel Partner branded.

Integration with Channel Partners’ business processes

F-Secure’s Security Business Platform allows the consumer cybersecurity offering to be fully integrated with Channel Partners’ business processes:

- *Billing and CRM integration:* F-Secure has developed cloud-based billing integration capabilities that allow its Channel Partners to sell and provision the security subscription in any of their point-of-sales such as retail, online, call centre, and app stores. Channel Partners can also choose to automatically activate the security service, for example, when it has been bundled with their core services. Furthermore, advanced billing capabilities allow Channel Partners to freely decide how the service is priced, which protection capabilities are activated and when to offer service as a trial to drive sales, as well as how to manage up-selling and cross-selling. As part of service activation, F-Secure’s authentication platform supports Single Sign-On (SSO), making user authentication, where needed, seamless with Channel Partners’ other services.
- *Customer lifecycle management:* to maximise customer lifetime value and retention rates, F-Secure offers marketing automation and lifecycle messaging from its cloud. Lifecycle messaging focuses on two critical activation points during the customer journey; onboarding and feature activation. The messages are automatically triggered based on each end customer’s lifecycle stage to ensure high activation rates. An optimised customer

lifecycle management can significantly contribute to Channel Partner sales and thereby the Partner Channel business.

- *Customer care*: for customer care purposes, Channel Partners are provided with an additional self-care interface to create, view and manage security subscriptions. The same solution is also available to troubleshoot any issues with consumer service and escalate 24/7/365 to F-Secure's third and fourth line technical support if needed.
- *Business intelligence and actionable insights*: with the utmost respect to consumers' right to privacy and meeting privacy legislation like the EU's GDPR, F-Secure has developed business intelligence capabilities that provides actionable insights shareable to its Channel Partners to further drive security business growth. This includes, for example, i) real-time views how security business is developing, ii) product performance with views on feature usage, devices and licenses in use, iii) view on customer lifecycle and customer journey status and improvement scenarios, and iv) aggregated views to threats and protection events taking place.

Scalable cloud-based SaaS delivery model

F-Secure's Security Business Platform has been designed to be cost-efficient to deliver and operate. With this in mind, Channel Partner delivery has been automated through comprehensive tooling that allows configuring the consumer-facing security service and branding assets for each Channel Partner. Channel Partner integration projects are based on F-Secure's proven delivery process with more than 500 launches worldwide, while standardised Channel Partner integration application programming interfaces (APIs) ensure fast time to market, low delivery risk and resourcing needs. Additionally, after security service has been launched, F-Secure makes available self-care capabilities for Channel Partners to manage and drive their security business further.

Product development and technology

F-Secure's agile product development process is focused on creating world-class security and privacy products for its Channel Partners and customers in an iterative and rapid manner. Two pillars that underpin everything F-Secure does include:

- Build consumer-relevant, differentiating consumer security and privacy products that are fit to the Partner Channel; and
- Create brilliant customer experiences that are focused on ease of use and an engagement with the consumer.

To create new protection and security business capabilities, F-Secure applies a combination of internal innovation and customer-focused product development working with lead partners or consumers. To remain a leading force in the market, F-Secure has formed cross-functional teams ("**Business Cells**") around its products, including i) Security Suite covering TOTAL, ID PROTECTION, SAFE, FREEDOME and ii) Network Security (SENSE). These Business Cells ensure a high degree of customer focus, rapid decision-making and fast time-to-market for their respective products. Each Business Cell has a high degree of independence, where possible, to ensure high velocity, while a central portfolio management function maintains a joined-up approach on elements that are 'better together' like customer experience across business cells and the common functionality aimed at F-Secure's important Channel Partners.

Within the Business Cells, F-Secure applies methods of agile development and rapid product improvement, keeping the cross-functional team focused on customer needs and working based on customer insights while having fast cycles from design to concepts, build and test. F-Secure involves some of its end-customers or lead partners throughout the product development cycle to ensure validation of its ideas and concepts at every step of the way and bring to market exactly what is needed and when it is needed.

Delivering a leading portfolio of security and privacy products also means being able to look over the horizon beyond immediate and obvious customer and Channel Partner needs. Therefore, F-Secure dedicates a part of its efforts to explore new trends, technologies and partnerships. In this manner, F-Secure can ensure its product and services portfolio contains capabilities that create a compelling vision for Channel Partners, a strong roadmap as well as staying ahead of emerging cyber threats.

Technology

F-Secure's technological success rests on two key pillars:

- i) the underlying cybersecurity protection that powers the product suite across all of the core areas of EPP, IDP, Privacy VPN Technologies ("**PT**"), and Connected Home Security ("**CHS**"); and
- ii) Channel Partner capabilities that power F-Secure's channel success, supporting rapid integration and deployment to Channel Partners, accompanied by tools to enable Channel Partners to maximise their benefit.

After the demerger, F-Secure will make key technology investments, both towards reducing the dependencies towards WithSecure, as well as further establishing its awarded consumer-focused cyber technology capabilities.⁴⁰

Cybersecurity

F-Secure provides its customers with world-class cybersecurity capabilities, enabling defence in depth across its core protection areas of EPP, IDP, PT, and CHS. In all cases, successful cybersecurity protection relies on combining technology and data. F-Secure's software capability captures the best of up-to-date, industry-leading technology, but its value is maximised when combined with the data, representing an in-depth and constantly updated understanding of the threat landscape, irreplaceable AI-powered information and security cloud (the "**Security Cloud**") developed from over 20 years of activity in the cybersecurity industry.

Both technology and data of F-Secure are backed by a solid intellectual property portfolio including various intellectual property rights that will transfer to F-Secure in the Demerger or that have been licensed by WithSecure to F-Secure, such as patents, and which drives the core value propositions of its products – and F-Secure also partners with selected best-in-class 3rd-party providers of technology and data, to ensure its products represent truly well-rounded protection.

At the heart of F-Secure's protection capability, as it stands today, is the Security Cloud, a constantly evolving intelligent repository of malware and other cyber-threat-related data. F-Secure's deployment of products across hundreds of Channel Partners means that tens of millions of endpoint clients and internet-connected smart devices provide us with data to be analysed. This is further augmented with data from third parties, including, for example, information about data breaches of personal information or device activity in the connected home. We then refine the data further, thanks to algorithms for threat intelligence, artificial intelligence, and the latest developments in machine learning.

The Security Cloud represents a powerhouse of machine-accessible cybersecurity expertise, which F-Secure is able to use across its product suite, presenting these capabilities through user interfaces developed and refined across 20 years of experience building consumer products.

Partner capabilities

F-Secure deploys its consumer security and privacy products primarily via Channel Partners, and F-Secure's success in the Partner Channel relies on several key technology factors, where its core infrastructure, components and architecture are purpose-designed to support F-Secure's business model:

- extremely high level of scalable product flexibility, allowing unique product configurations to be made available to every Channel Partner without substantial development work;
- seamless integration with Channel Partners' IT systems via F-Secure's licensing and provisioning systems; and
- rapid deployment of products to end-users, including continual product updates to bring the latest features and protection.

In addition to this, F-Secure provides its Channel Partners with a range of tools and technology services which ensures that F-Secure's partnership delivers effectively on its promised benefits. The technology underlying these tools and services is the fruit of years of experience delivering value in the Partner Channel and include systems to help Channel Partners optimise the customer journey through F-Secure's products, making sure that end-users are truly protected.

Relationship to WithSecure

After the Demerger, WithSecure and F-Secure will continue to share data and threat intelligence, with the aim of ensuring that both companies can retain as broad view of the threat landscape as possible and thus maximise their ability to protect their customers effectively. For example, threats that mobile devices encounter might produce data and give insights that contribute to protecting corporate networks of Fortune 500 companies and vice versa.

To enable this sharing of data, part of the F-Secure data and threat intelligence is held on WithSecure systems, and F-Secure products will continue to use certain technology services provided by WithSecure (and vice versa). As the two companies continue their business activities independently, they will mutually review the extent to which it is valuable to continue this partnership.

Additionally, there are several technology systems shared between WithSecure and F-Secure that are unrelated to cybersecurity capabilities, on which the products of both companies currently rely. Immediately after the Demerger, these

⁴⁰ Based on awards across product portfolio such as "Best Protection" Award 7 years out of last 11 by AV-Test, "Best Operator Service for Consumers" Award at Broadband World Forum (2020), "Best in Class Marketing Award Winner" Award at BMMA (2020), "Best Consumer IoT Deployment" Award at IoT World (2020), AV-test approved VPN (2021), AV-comparatives (2020), IT Pro Best VPN services, Editor's choice (2020).

systems will continue to be managed by WithSecure and made available to F-Secure. It is planned, unless otherwise agreed by WithSecure and F-Secure, that F-Secure's dependency on these services is removed within the first 18 months after execution of the Demerger. This will maximise both companies' operational flexibility while ensuring that they retain the option of collaborating closely around their view of the cybersecurity threat landscape.

See also: “ – *Material Agreements*”.

Future evolution of F-Secure's capabilities

F-Secure intends to make key strides toward further establishing its ability to bring best-in-class consumer-focused cybersecurity capabilities to the market.

There will be continued investment and focus on the established segment of EPP, and on this front, F-Secure expects strong collaboration as it operates independently alongside WithSecure. There is a clear possibility that F-Secure retains an interest in long-term shared technology assets that are managed under a commercial relationship between the companies, but to the extent of that, this interest will depend on the level of continued strategic alignment between WithSecure and F-Secure.

Beyond EPP and across other consumer-focused areas, F-Secure expects considerable investments towards developing existing capabilities further. This will rely on an active research roadmap led by customer and product insight, and a focus on further establishing F-Secure's own intellectual property portfolio. F-Secure aims to capitalise on F-Secure's cybersecurity expertise, industry experience, and corpus of cyber-threat-related data, all of which reflect and are informed by a view of the consumer cybersecurity threat landscape.

Finally, F-Secure will continue to support the growth of the business through further investment across all the key Channel Partner capabilities. Increased success for Channel Partners implies, in the view of WithSecure's management, an increase in the number of F-Secure's active users, which in turn is expected to increase F-Secure's visibility onto the global threat landscape – and that threat landscape visibility is at the core of F-Secure's ability to evolve as a cybersecurity provider.

Intellectual Property Rights

As per the Demerger Plan, intellectual property rights that are specific to the consumer security business will be transferred from WithSecure to F-Secure on the Effective Date of the Demerger. In addition, as per the Demerger Plan, certain intellectual property rights that have been used by or co-created by the consumer security business and the corporate security business together will be transferred from WithSecure to F-Secure on the Effective Date of the Demerger as well.

These transferring intellectual property rights include registered patents, utility models, designs, trademarks, and pending applications thereof, as well as several domain names, as listed in Schedule 3 to the Demerger Plan (Appendix A to this Offering Circular). Furthermore, one registered copyright in China will be transferred, as identified in Schedule 3 of the Demerger Plan.

Territorially the transferring patent and utility model registrations and applications are mainly focused on the United States of America and the United Kingdom. The transferring design registrations are registered in the European Union, United Kingdom and the United States of America.

The transferring trademark registrations and applications have a wider territorial scope, covering several territories worldwide, including the European Union, United Kingdom, the United States of the America, but also Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Croatia, Chechia, Finland, Hong Kong, Iceland, India, Indonesia, Iran, Japan, South Korea, Malaysia, Mexico, New Zealand, Norway, Peru, Russian Federation, Singapore, South Africa, Switzerland, Taiwan, Turkey and Viet Nam. The trademark registrations or pending trademark applications reflect the geographical scope of F-Secure's business operations.

Furthermore, transferring intellectual property rights includes unregistered copyrights and business knowhow.

F-Secure and WithSecure have also agreed on certain other IPR and licensing arrangements in connection with the Demerger. For a more detailed description, see: “*Business of F-Secure – Material Agreements – Patent License Agreement*” and “*Business of F-Secure – Material Agreements – Technology License Agreement*”.

Personnel and Organisational Structure

For the three months period ended 31 March 2022, F-Secure group had on a carve-out basis a total of 255 employees of which 177 were located in the Nordics, 30 in the rest of Europe, 34 in Asia and 8 in the Americas. For the financial year

ended 31 December 2021, F-Secure group had a total of 248 employees. In addition, F-Secure has used its own part of the functions it has shared with WithSecure, such as personnel working in various support functions. The personnel working in support functions shared with WithSecure is not included in the figures presented in this section “*Personnel and Organisational Structure*”.

The following table presents F-Secure group’s number of employees as at the dates indicated:

	As at 31 March 2022 (unaudited)	2021	As at 31 December 2020 (unaudited)	2019
Number of employees as at the dates indicated	255	248	243	227
Number of employees (average for the three months period / year)	250	245	233	223

The following table presents F-Secure group’s number of employees per country as at the dates indicated:

	As at 31 March 2022 (unaudited)	2021	As at 31 December 2020 (unaudited)	2019
Finland	169	169	154	144
Sweden	6	4	4	4
Norway	1	1	1	1
Denmark	3	3	3	3
France	6	6	6	6
Germany	6	6	8	8
Netherlands	4	3	4	4
Poland	4	4	6	5
United Kingdom	7	7	6	6
Spain	1	1	1	1
Italy	2	2	2	2
India	1	1	3	3
Japan	4	4	4	4
Malaysia	33	29	29	24
Brazil	1	1	3	5
South Africa	-	-	2	-
United States of America	7	7	7	7

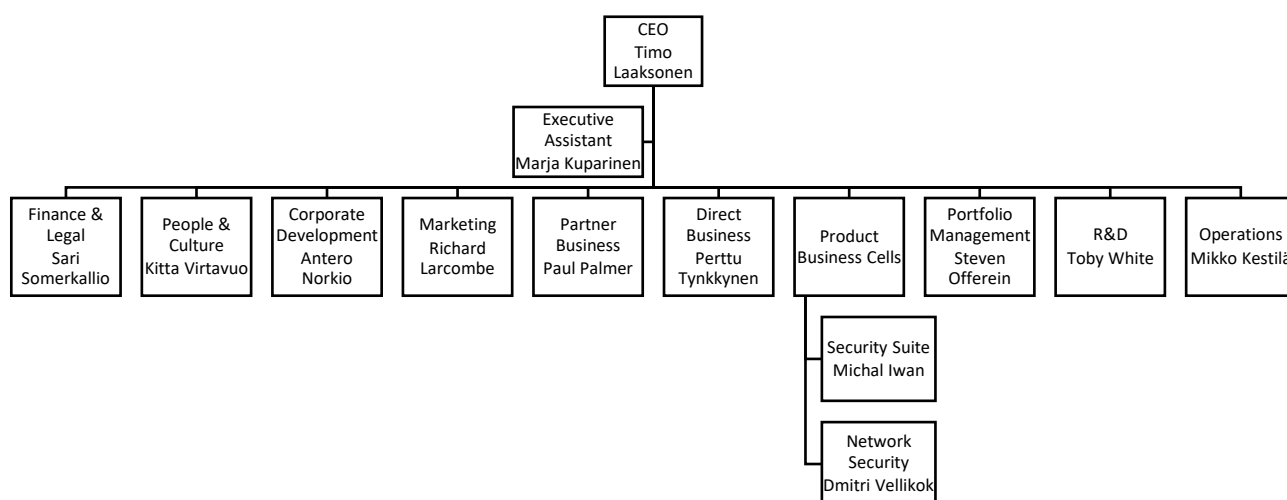
The following table presents F-Secure group’s number of employees per business area as at the dates indicated:

	As at 31 March 2022 (unaudited)	2021	As at 31 December 2020 (unaudited)	2019
Channel Partner Business (part of Sales)	71	67	42*	67
Direct Business (part of Sales)	35	34	33	33
Solution Management (product management)	13	15	38*	8
Research and Development	125	116	114	116
Others	11	16	16	3

*) The changes in the number of personnel in this business area during the periods under review derive partly from organisational changes that took place in 2020.

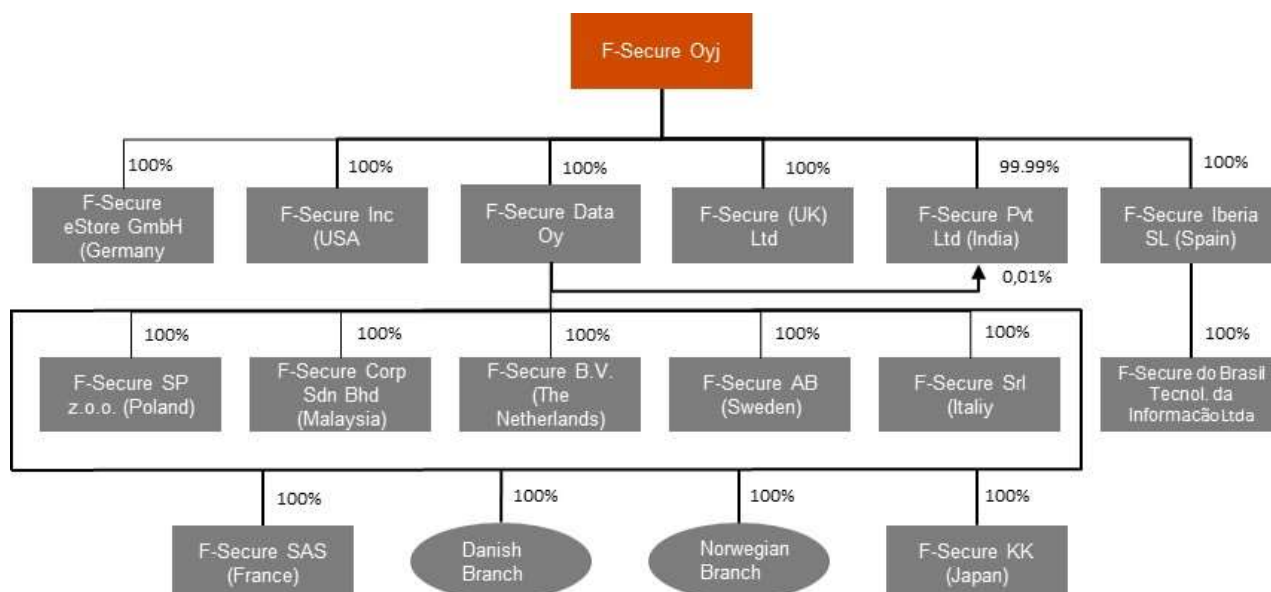
The employment contracts of the F-Secure are primarily made until further notice. F-Secure has a high employee retention rate, and in 2021, the attrition rate of F-Secure’s employees was only 12.6 per cent.

F-Secure’s organisation chart is presented below:



Group structure

Following the Effective Date, F-Secure Corporation will be the parent company of the group. F-Secure Plc, as the Group's parent company, is responsible for strategic planning, decision-making and support functions, such as asset management and the Group's finances, legal affairs, human resources and marketing and sales management. F-Secure Plc employs a considerable number of employees and it is one of the most important contract parties of the entire Group in customer agreements. There will be 14 subsidiaries in direct or indirect ownership of F-Secure Corporation. The following graph presents the structure of the group as at the Effective Date.



Demerger

On 17 February 2022, the Board of Directors of WithSecure approved the Demerger Plan concerning the partial demerger of WithSecure. Pursuant to the Demerger Plan, WithSecure will demerge so that all the assets, debts and liabilities belonging to WithSecure's consumer security business are transferred without a liquidation procedure to F-Secure. WithSecure will not be liquidated in connection with the Demerger, and it will retain the assets and liabilities related to its corporate security business. The Board of Directors of WithSecure is of the opinion that the next phase in the development of WithSecure's operations is best carried out in two separate companies, which, gives both companies a more specialised and distinctive strategy and way of operation. In accordance with the Demerger Plan and Nasdaq Helsinki's

listing process, F-Secure intends to apply for its shares to be admitted to trading on the official list of Nasdaq Helsinki. The trading in F-Secure's shares on Nasdaq Helsinki is expected to begin as soon as reasonably possible after the Effective Date.

Responsibility

Securing trust in digitality

F-Secure's purpose is to make every digital moment more secure, for everyone. Currently, humanity is faced with unprecedented cybersecurity threats. To solve the root causes of these challenges, F-Secure has developed technological innovations throughout its history that help to tackle the world's most potent cyber threats, and F-Secure's modern technology combines the power of machine learning with the human expertise of F-Secure's security labs. Millions of people wake up every day knowing they can rely on F-Secure's award-winning products and services.

Protecting people from cyberattacks with Channel Partners

Digitalisation has spread widely and enabled consumers to adopt new digital skills. As a result, more consumers are using online services than ever before, spreading across various utilitarian and recreational services. Yet, most consumers express concerns about online purchases and banking, identity theft, security of their connected devices like IoT or how their children can be protected online. F-Secure's purpose, our reason to exist, is to build trust in society and to keep consumers and businesses safe by making every digital moment more secure for everyone and humanising what security and privacy mean for the consumer.

Consumers and businesses rely on communication service providers to provide reliable, fast and secure connectivity, among other services. F-Secure, together with its CSP Partners makes security and privacy available for tens of millions of consumers so that they can feel secure and helping to build trust on communication service providers and internet connectivity that is a critical infrastructure capability.

Equally importantly, online banking and payments have become a critical backbone for the online ecosystem to function and grow. Consumers are especially concerned about someone accessing their bank account and the overall security of online payment, which is why F-Secure, through its direct sales activities and working with financial institutions like banks, is there to foster this trust. Furthermore, as consumer device lifecycles are getting shorter, F-Secure's retail partners are well-positioned to ensure that consumer devices are protected when taken into use by consumers.

Earning the trust mentioned above from consumers and partners requires that F-Secure's actions match the words, delivering world-class products and services, and everyone at F-Secure must apply the highest standards of ethical conduct. F-Secure's code of conduct guides everyone at F-Secure towards ethical conduct. There is also a specific anti-bribery policy that applies to all employees. The policy defines the rules to be applied related to gifts, hospitality, travelling and accommodation, specific terms concerning government officials, as well as the process for escalation as needed. During the lockdown period, there has been an increase in stalkerware, which is why F-Secure joined the "Coalition against Stalkerware", where F-Secure provides insights and malware analysis to advocacy groups, software developers, security firms, media and victims of stalkerware working to eliminate this new threat. F-Secure has also provided free threat intelligence to help authorities and the healthcare sector fight cyberattacks and offered journalists during World Press Freedom Day free F-Secure FREEDOME VPN licenses to support the freedom of the press.

Protecting people's security and privacy with integrity.

In F-Secure's industry, it is critical that customers' data is handled carefully. Respecting customer privacy is an integral part of F-Secure's culture, and employees of F-Secure are committed to protecting the confidentiality of customer data. F-Secure protects people's security and privacy with integrity, and F-Secure applies strict security measures to protect the personal data of the users of F-Secure's solutions. WithSecure's management believes that there is an imbalance between the defenders of fair practices and human rights and online criminality and the offensive capabilities of nation-state threat actors. To level the playing field, F-Secure refuses to introduce backdoors in its products or services and will detect malware no matter what the source is.

In 2022, the Supreme Court of Finland made a ruling in favour of F-Secure regarding how the police can request FREEDOME data from F-Secure. The mentioned court case is an example of how F-Secure has helped and will continue helping law enforcement to fight against serious crimes but will request police authorities to follow the legal way through a court warrant to obtain data. F-Secure wants to protect its customers' right to privacy and protect them against illegal

surveillance and is committed to F-Secure's law-abiding customers – whether normal citizens, human rights activists, or investigative journalists.

Environmental responsibility

F-Secure believes in a holistic approach to sustainability, and the Company wants to maximise its positive impact on society. WithSecure's management's understanding is that F-Secure's greatest contribution comes from protecting people, data and societies; F-Secure also generates valuable knowledge and expertise on building secure technologies and carrying out F-Secure's mission in a way that minimises F-Secure's environmental footprint at the same time. F-Secure is committed to working in an environmentally responsible and efficient manner, and F-Secure expects its partners and suppliers to do the same. F-Secure's approach to environmental challenges emphasises the importance of precaution, and the approach is based on the following goals and principles:

- F-Secure aims to increase the energy efficiency of the Company continuously as well as to reduce the amount of waste and emissions produced by its operations
- F-Secure encourages the use of environmentally friendly technologies, tools and services in its research and development activities and in its products and services
- F-Secure aims to reduce the environmental impact of its global operations by connecting people from separate locations through technology
- F-Secure provides local guidelines and support for its employees to choose environmentally friendly means of travelling

The business activities of F-Secure involve the development, production, and delivery of software devices. Therefore, F-Secure's environmental footprint derives primarily from the use of electricity for office activities as well as the use of electricity in IT operations. F-Secure acknowledges climate change and other environmental impacts are both global and local concerns. Therefore, F-Secure strives to minimise its environmental footprint, and it is committed to working in an environmentally responsible and efficient manner and expect its partners and suppliers to do the same. Reducing energy consumption in IT operations is also a strategic criterion as F-Secure is creating its own IT infrastructure to be able to operate as an independent company.

As F-Secure's business grows and expands geographically, travelling to customer premises is often required. F-Secure has a travel policy, which aims to reduce the environmental impact of travelling, minimising energy consumption and emissions by choosing environmentally friendly means of travelling. The policy requires a pre-approval of employee travels, and the policy also encourages employees to use online conferencing tools when collaborating with F-Secure's internal and external stakeholders. CO2 emissions from work-related travelling are tracked across all European offices, covering a clear majority of F-Secure's employees. F-Secure aims to include data from more offices as it becomes available and looks into carbon compensation options with selected airlines.

F-Secure uses third-party cloud platforms to develop and run its services. With third-party cloud platforms, F-Secure mainly partners with Amazon Web Services (AWS) through its TSA with WithSecure. The transition to third-party provided servers increased F-Secure's overall energy efficiency and lower total consumption, as third-party providers are running the more energy-efficient servers. Consumption data for these are not available, as electricity costs are part of the overall service contract. F-Secure's main service partner, AWS, has publicly committed to reducing their carbon footprints; both are committed to operating in the most environmentally friendly way possible and estimate achieving 100 per cent renewable energy usage in 2025. In F-Secure's co-located facilities, the electricity consumption is measurable on a monthly basis, and some of the server facilities were already operating on 100 per cent renewable energy in 2020.

F-Secure's consumer products are deployed to, installed and run, on customer devices, which include among other things computers, mobile devices, or consumer network equipment. These products are consciously developed with a KPI of minimising energy usage on customers devices. As much as possible, F-Secure offloads computation to the cloud to benefit from economies of scale, and where computation must happen on a device, F-Secure uses advanced programming techniques to reduce the usage of customer CPU and storage: the effectiveness of this has been recognised in independent studies such as the AV-Test Performance Award.

Social responsibility and treatment of employees

One of F-Secure's core principles is that it values its employees in every situation. F-Secure emphasises the importance of fellowship and shared values and strives to ensure employee wellbeing, a healthy work-life balance, and equality and equal opportunities for employees. In this rapidly evolving industry, F-Secure must also be prepared to help its employees continuously learn new skills.

The People & Culture team is responsible for developing people management processes, tools, and ways of working. To measure success, F-Secure conducts a fellow survey, including an employee Net Promoter Score (eNPS), among staff to measure employee loyalty, productivity, and wellbeing biannually. F-Secure's Leadership Team is responsible for following up on the results of the fellow survey and ensuring corrective action plans are developed.

Treating every employee fairly and with respect is a fundamental part of F-Secure's culture. Everyone is valued, supported, and encouraged to participate. F-Secure embraces individuality and values characteristics that make people unique, without bias towards nationality, gender, age differences, sexual orientation, or disabilities. F-Secure is a very diverse workplace, as it knows that a diverse mix of backgrounds, expertise and genders contribute to a more open working atmosphere, as well as better discussion and decision-making. Individuals are assessed based on competence, skills, and achievements. Equality, non-discrimination, and fairness are key principles in recruitment, compensation, and advancement in F-Secure.

Attracting the best possible candidates as well as retaining employees with the right skills and competencies is a key to F-Secure's success. F-Secure aims to create the best possible environment for its employees to thrive regardless of location with the long-term goal of becoming the preferred cyber security employer. Successful recruitment is crucial for F-Secure's business, and F-Secure's aim is to ensure that it hires the best professionals whose skills, competencies and values are aligned with F-Secure's business objectives, culture and values. F-Secure's global Talent Acquisition team sources and attracts candidates, guides managers to ensure consistency and equal treatment of candidates, and aims always to provide candidates with a positive experience when applying for a job.

F-Secure exists to build trust in society and keep people and businesses safe. Earning this trust requires that the actions match the words, and everyone at F-Secure must apply the highest standards of ethical conduct. F-Secure's code of conduct guides everyone at F-Secure towards ethical behaviour. There is also a specific anti-bribery policy that applies to all F-Secure's employees. The policy defines the rules to be applied related to gifts, hospitality, travelling and accommodation, specific terms concerning government officials, as well as the process for escalation as needed.

Governance

F-Secure's corporate governance practices are based on applicable Finnish laws, Finnish Corporate Governance Code, the rules of Nasdaq Helsinki and as well as F-Secure's Articles of Association.

Diversity is an essential part of F-Secure's success. According to diversity principles established by F-Secure's Board of Directors, an optimal mix of diverse backgrounds, expertise, and experience strengthens F-Secure's performance and promotes the creation of long-term shareholder value. The diversity principles of the Board of Directors aim to strive towards appropriately balanced gender distribution. Both genders are represented on F-Secure's Board of Directors. To create openness, one member of the Board of Directors is elected from among F-Secure's personnel. An election is arranged annually for F-Secure personnel, and each permanent F-Secure employee is eligible to stand as a candidate. The majority of the members of F-Secure's Board of Directors are independent of F-Secure and its major shareholders.

Risk management and internal control processes at F-Secure seek to ensure that risks related to the business operations of F-Secure are properly identified, evaluated, monitored and reported in compliance with the applicable regulations. F-Secure promotes continuous risk evaluation by F-Secure's personnel. The relevant operational risks identified through the risk management process are regularly reviewed by the F-Secure's CEO and Leadership Team and F-Secure's statutory auditor. Risk management is an integrated part of F-Secure's governance and management, and the risk management process is aligned with the ISO-31000 standard.

F-Secure constantly monitors its key financial processes linked to sales, revenue, costs and profitability as well as incoming and outgoing payment transactions. If any inconsistencies appear, the issues are handled without delay. F-Secure's finance department is responsible for the consistency and reliability of internal control methods. The CFO and the finance team cooperate closely with F-Secure's businesses, providing relevant data for business planning purposes and sales estimates. The team also regularly assesses and monitors the reliability of estimates and revenue recognition. Ethical business practices are also emphasised in contracts, and F-Secure engages in continuing dialogue with relevant stakeholders.

In addition to the aforementioned governing bodies, the Board of Directors of F-Secure may establish permanent committees to assist the Board of Directors in the preparation and performance of the Board of Directors' duties and responsibilities and determine their sizes, compositions and tasks. For further information on the potential committees of the

Board of Directors, see “*The Board of Directors, Leadership Team and Auditors – Committees of the Board of Directors*”).

Legal Proceedings

F-Secure may be from time to time subject to various allegations and claims relating to the ordinary course of F-Secure’s business.

WithSecure has not during the last 12 months prior to the date of the Offering Circular been involved in any administrative, legal or arbitration proceedings that can have or have had a significant impact on F-Secure’s financial position or profitability, and, according to WithSecure’s knowledge, no such proceedings are threatened.

Insurance

F-Secure maintains customary insurance coverage to cover damages claims and liabilities potentially arising from the business operated by F-Secure. F-Secure also has valid liability, legal expenses, interruption and property insurance policies and statutory employee insurance policies. In the view of the WithSecure’s management, F-Secure’s existing insurance policies are adequate, in terms of both the amounts covered and the conditions of coverage, in order to be able to cover the major risks relating to its business, taking into account the cost of the insurance coverage and the potential risks relating to its business operations. However, as is customary, the insurance coverage includes general limitations, which means that the insurance may not necessarily cover all damage suffered.

Material Agreements

Transitional services agreement

F-Secure and WithSecure have agreed on certain services that will be provided on a transitional basis by WithSecure to support continuous operations of F-Secure’s transferring consumer business (as described in the Demerger Plan), and to perform development and migration tasks towards ensuring that both companies’ businesses are operationally separated at the termination of the Transitional Services Agreement (“**TSA**”). The transitional services are general in nature, covering for example IT, HR, finance and other areas. The parties’ intention is to replace the services latest by the end of the transition period with similar services procured or provided independently by F-Secure. WithSecure shall perform or, procure that the services are performed, essentially to the same standards to which WithSecure, or its affiliates, are providing or procuring the provision of such services for themselves.

A limited number of services shall be provided by F-Secure to WithSecure with reciprocal terms.

The fees are based on the scope of services provided, which is similar to the services provided or purchased centrally by WithSecure’s group functions to date. The scope and costs will be reduced by the number of personnel that transfer from WithSecure’s group functions to F-Secure. Further, certain activities, for example, marketing and strategy, have been excluded from the scope. The fees are determined on an arm’s length basis. F-Secure is expected to pay WithSecure service fees of EUR 9.2 million for the services in the second half of 2022, of which 4.1 million is expected to be related to the technology stack. WithSecure is expected to pay F-Secure service fees of EUR 0.3 million for the services in the second half of 2022. As the transitional period begins at the implementation of the Demerger and the term for the various services varies from three to eighteen months, some of the services will end during 2023 with a corresponding reduction in the fees when compared, on an annualised basis, with the fees expected in the second half of 2022.

The services are intended only for a limited transitional term. The term of each service is defined separately, the service period varying from three (3) to eighteen (18) months. The TSA shall remain in force until the expiry of the transition period, and any extension periods, if such are agreed between the parties.

Each party’s aggregate liability for breach of the TSA shall in total be limited to an amount corresponding to the fees payable under the TSA for the twelve (12) month period immediately following the Effective Date. The aggregate liability for breaches of data protection and data security obligations of shall not exceed a cap that is two (2) times the aforementioned liability limitation. However, for clarity, limitations of liability agreed hereunder shall not apply in the situation stipulated in Article 82 of the GDPR, where a controller or a processor is entitled to claim back from other data controllers or data processors involved in the same processing that part of the compensation to the liable party’s responsibility for the caused damage in accordance with the conditions of Article 82 of GDPR.

The TSA contains a change of control clause. In the event of a competitor of WithSecure acquiring at least thirty per cent (30%) of the voting rights of F-Secure, obtaining the ability to appoint or dismiss the majority of the members of the board of directors, or otherwise exercising significant influence over F-Secure, or in case of another substantial merger or acquisition of F-Secure by a competitor of WithSecure, F-Secure shall inform WithSecure immediately of such event and the companies shall discuss in good faith appropriate actions, including potential early termination of the TSA.

Transitional Trademark and Domain Name License Agreement

F-Secure and WithSecure have agreed on a transitional trademark license granted by F-Secure to WithSecure to enable the use of the following trademarks in connection with WithSecure's business:

- Word trademark "F-SECURE"
- Figurative trademark "F" (i.e. "F" logo)

The domain name license covers redirecting by F-Secure of certain URLs mainly under f-secure.com to WithSecure webpages. No fees are payable by WithSecure to F-Secure under the trademark and domain name license agreement. The transition period is 18 months. Each party's liability is limited to EUR 1.0 million.

Transitional services agreement for the technology stack

F-Secure and WithSecure have agreed on certain services relating to the technology stack licensed under a separate technology license agreement that will be provided by WithSecure to F-Secure after the Demerger on a transitional basis to support continuous operations of F-Secure's transferring business (as described in the Demerger Plan), and to perform development and migration tasks towards ensuring that both companies' businesses are fully functional, yet operationally separated in due course. The services under the transitional services agreement for the technology stack ("**Technology TSA**") include further development of the technology stack or parts thereof. WithSecure shall perform or, procure that the services are performed, essentially to the same standards to which WithSecure, or its affiliates, are providing or procuring the provision of such services for themselves.

A limited number of services shall be provided by F-Secure to WithSecure with reciprocal terms.

The initial period of the services is eighteen (18) months. Following a written request from F-Secure to WithSecure given at least eight (8) weeks prior to the termination of the initial period, the parties shall agree in writing to extend one or several service(s) as set out in the Technology TSA and its schedules. Extension periods for each individual service have been defined in the service description, generally being six (6) months.

Each party's aggregate liability for breach of the Technology TSA shall in total be limited to an amount corresponding to the fees payable under the Technology TSA for the twelve (12) month period immediately following the effective date. The aggregate liability for breaches of data protection and data security obligations of WithSecure shall not exceed a cap that is two (2) times the aforementioned liability limitation. However, for clarity, limitations of liability agreed hereunder shall not apply in the situation stipulated in Article 82 of the GDPR, where a Controller or a Processor is entitled to claim back from other data controllers or data processors involved in the same processing that part of the compensation to the liable party's responsibility for the caused damage in accordance with the conditions of Article 82 of GDPR.

The Technology TSA contains a change of control clause. In the event of a competitor of WithSecure acquiring at least thirty per cent (30%) of the voting rights of F-Secure, obtaining the ability to appoint or dismiss the majority of the members of the board of directors, or otherwise exercising significant influence over F-Secure, or in case of another substantial merger or acquisition of F-Secure by a competitor of WithSecure, F-Secure shall inform WithSecure immediately of such situation and the parties shall discuss in good faith appropriate actions, including potential early termination of the Technology TSA.

The Technology TSA contains a non-solicitation clause prohibiting active solicitation of the other company's key persons, as identified in the Technology TSA.

There are risks related to the TSA, as further described in the section "*Risk Factors*". However, F-Secure aims to mitigate these risks in the TSA in several ways, including the following measures:

- including a possibility of extension periods for F-Secure

- there is no possibility for termination for convenience of the Technology TSA, i.e. the Technology TSA may only be terminated as a result of a change of control as described above, or of a material breach of the agreement as defined in the Technology TSA
- having a clear, agreed fee structure for the Transitional Services
- including a possibility for both parties to appoint key persons, and undertaking not to solicit, or assist any third party in soliciting, the relevant key persons of the other party under the non-solicitation clause of the Technology TSA
- having a clear, structured change management process to address any needed changes to the transitional services.

Technology license agreement

WithSecure holds certain intellectual property, which F-Secure wishes to utilise in connection with its consumer security business. The companies have entered into a technology license agreement granting F-Secure rights and licenses to such intellectual property (“**Licensed Material**”).

WithSecure has granted to F-Secure an irrevocable, worldwide, royalty free, non-transferable, sublicensable (only in connection with F-Secure’s own technology offering) and non-exclusive right and license to use the specifically identified WithSecure’s intellectual property in connection with F-Secure’s transferring business (as described in the Demerger Plan) (“**Technology License**”). The Technology License includes the right to, *inter alia*, use, exploit, copy, make, sell, offer to sell, lease, import, export, distribute, make available, translate, modify, improve and create derivative works of the relevant intellectual property and have any of the foregoing rights exercised by a third party acting on F-Secure’s behalf.

Derivative works of the Licensed Material are licensed from F-Secure to WithSecure with reciprocal terms (“**Technology Grant-Back License**”).

The parties have agreed on rights and obligations with respect to collaboration, defence and settlement in case of infringement claims.

Neither party shall pay any royalty or any other compensation for the licenses granted under the license agreements.

The parties have also entered into a reciprocal technology license agreement with reciprocal terms, where F-Secure as a licensor licenses certain limited amount of intellectual property to WithSecure to be used in connection with WithSecure’s remaining business (as described in the Demerger Plan).

The Technology License takes effect on the effective date of the license agreement and remains in force in perpetuity. The Technology Grant-Back License becomes effective simultaneously with the Technology License on the effective date and remains valid (i) for the duration of the Technology TSA; or (ii) for the duration of the relevant Service (as that term is defined in the Technology TSA) if such Service is terminated prior to the expiry of the Technology TSA. The license agreement cannot be terminated for convenience and a termination for cause shall not affect the validity of the Technology License or the Technology Grant-Back License.

Each party’s liability is limited to EUR 18.0 million.

The technology license agreement contains a change of control clause. In the event of a competitor of WithSecure acquiring at least thirty per cent (30%) of the voting rights of F-Secure, obtaining the ability to appoint or dismiss the majority of the members of the board of directors, or otherwise exercising significant influence over F-Secure, or in case of another substantial merger or acquisition of F-Secure by a competitor of WithSecure, WithSecure shall have the right to terminate the license agreement immediately, in whole or in part, upon written notice to F-Secure. Termination of the technology license agreement due to a change of control shall not affect the validity of the Technology License or the Technology Grant-Back License.

Patent license agreement

WithSecure holds certain patents, which F-Secure wishes to utilise in connection with its consumer security business. The parties have entered into a patent license agreement granting F-Secure rights and licenses to such patents.

WithSecure has granted to F-Secure an irrevocable, worldwide, royalty free, non-transferable, sublicensable (only in connection with F-Secure’s own technology offering) and non-exclusive right and license to use, utilise, and develop

further the patents in connection with F-Secure's transferring business (as described in the Demerger Plan) ("**Patent License**"). Patent License includes the right to, *inter alia*, use, exploit, make, sell, offer to sell, lease, import, export and make available products, services, processes, methods and materials embodying or deriving from the patents and the right to modify and improve the patents.

Improvements to the licensed patents that are created by F-Secure are licensed from F-Secure to WithSecure with reciprocal terms ("**Patent Grant-Back License**").

WithSecure shall maintain the granted licensed patents in force as long as legally possible unless otherwise agreed between the parties. WithSecure shall also prosecute the patents. The parties shall equally share all costs arising out of the maintenance and prosecution of the patents. Otherwise, neither party shall pay any royalty or any other compensation for the Patent License or Patent Grant-Back License under the patent license agreements.

The parties have agreed on rights and obligations with respect to any third-party infringements, third-party claims and challenges.

The parties have also entered into a reciprocal patent license agreement with reciprocal terms, where F-Secure as a licensor licenses certain patents to WithSecure to be used in connection with WithSecure's remaining business (as described in the Demerger Plan).

The Patent License takes effect on the effective date of the patent license agreement and remains in force until the expiration date of the last to expire patent. The Patent Grant-Back License becomes effective simultaneously with the Patent License on the effective date and remains valid for as long as the Patent License. The patent license agreements cannot be terminated for convenience and a termination for cause shall not affect the validity of the Patent License or the Patent Grant-Back License.

Each party's liability is limited to EUR 6.0 million.

The patent license agreement contains a change of control clause. In the event of a competitor of WithSecure acquiring at least thirty per cent (30%) of the voting rights, obtaining the ability to appoint or dismiss the majority of the members of the board of directors, or otherwise exercising significant influence over F-Secure, or in case of another substantial merger or acquisition of F-Secure by a competitor of WithSecure, WithSecure shall have the right to terminate the patent license agreement immediately, in whole or in part, upon written notice to F-Secure. Termination of the patent license agreement due to a change of control shall not affect the validity of the Patent License or the Patent Grant-Back License.

Revolving credit facility

WithSecure has negotiated on behalf of F-Secure a revolving credit facility with Nordea Bank Abp amounting to EUR 10 million with a maturity of three years and with an equity ratio-based margin grid. Financial covenants include Net Debt to EBITDA and an equity ratio and other standard covenants to similar unsecured transactions. The credit facility agreement was signed by Nordea Bank Abp in May 2022. The revolving credit facility will transfer to F-Secure on the Effective Date.

Other Material Agreements

In addition to the agreements mentioned above, F-Secure has entered in connection with the Demerger into sublease agreements related to its future business premises (see: "*Operating and Financial Review – Other Factors*"). Except as set forth above, WithSecure has not (outside its ordinary course of business) entered into agreements that (i) are or could be material for F-Secure and that have been entered into during the two financial years immediately preceding the date of this Offering Circular or (ii) based on which F-Secure would have obligations or rights that are or could be material for F-Secure as at the date of this Offering Circular.

Regulatory Environment

F-Secure must comply with laws and regulations enacted at the national and the EU level that applies to its business relating to, e.g. intellectual property rights, consumer protection and marketing, employment law, competition, general corporate law, data protection and taxation in all countries wherein F-Secure is operating business.

F-Secure offers security and privacy products and services for consumers via Direct Channel and Partner Channel. Channel Partners operate in different sectors, and in particular, Channel Partners operating in the banking and finance sector

are subject to sector-specific regulation, authority provisions and authority measures that can also create requirements that concern F-Secure's security and privacy products and services.

OPERATING AND FINANCIAL REVIEW

The following review of F-Secure's results of operations and financial position should be read in conjunction with "Selected Combined Carve-Out Financial Information" and "F-Secure's Capitalisation and Indebtedness" and F-Secure's audited carve-out financial statements as at and for the years ended 31 December 2021, 2020 and 2019 and F-Secure's unaudited carve-out financial information as at and for the three months period ended 31 March 2022 included in the F-pages to this Offering Circular. Except where explicitly otherwise mentioned, the financial information presented below represents the historical results of operations and the financial position of F-Secure prepared on a carve-out basis from WithSecure's consolidated financial statements during the period discussed without taking into consideration any arrangements made in relation to the Demerger.

The following review contains forward-looking statements, which are subject to risks and uncertainties. The actual results of F-Secure may deviate considerably from those contained in such forward-looking statements as a result of factors discussed below and elsewhere in this Offering Circular, particularly in section "Risk Factors"

Overview

F-Secure is a Finnish and globally operating cybersecurity company. F-Secure designs and offers award-winning security and privacy products and services⁴¹ that help tens of millions of consumers to protect themselves against online threats. F-Secure's offering includes a comprehensive range of security and privacy products and services related to endpoint security, privacy protection, password management and digital identity protection, and router security that protects consumers' entire connected home. The majority of F-Secure's sales come from selling products and services through its extensive and global Channel Partner network, including approximately 170 Channel Partners. Channel Partners include, for example, communication service providers, retailers, banks, and insurance companies. In addition to selling products through Channel Partners, F-Secure makes standalone and all-in-one security offerings available to consumers through various e-commerce channels such as mobile application stores and its own online store. F-Secure operates globally with offices in multiple cities, and its headquarters is located in Helsinki. In the financial year 2021, F-Secure employed 245 employees on average. Following the Effective Date, F-Secure Corporation will be the parent company of the group. There will be 14 subsidiaries in direct or indirect ownership of F-Secure Corporation.

Key Factors affecting the Business and Results of Operations

F-Secure's result is affected by a number of internal and external factors. The following is a description of key factors that have affected or may have affected F-Secure's results of operations within the period covered by the historical financial information. These factors may continue to affect F-Secure's business in the future, but it must be noted that past performance may not necessarily indicate future development. During the periods presented in the following discussion and analysis, the following key factors have affected, and may continue to affect, F-Secure's results of operations:

- Demand for F-Secure's software products
- Scalability of business model and operations
- Growth and standalone investments
- Availability of personnel and personnel expenses
- Success of F-Secure's product development
- Other factors

Demand for F-Secure's software products

Customer retention and expansion drive F-Secure's revenue and profitability, and F-Secure's strategic focus is on increasing customer-specific sales by offering more extensive service and solution packages to its current customers in all channels in order to increase Average Revenue per User (ARPU). This also helps protect against price erosion in the competitive consumer cyber security market. F-Secure's revenue is mainly subscription-based revenue that derives from F-Secure's well-established products sold, for example, under a monthly or annual subscription model. In the Partner Channel, F-Secure is expanding its existing relationships and revenue by offering its all-in-one security solution (TOTAL) and connected home security (SENSE). In the Direct Channel where F-Secure sells products through its eCom platforms to consumers, the share of the bundled solution, F-Secure TOTAL, has increased in recent years as the Company has been converting existing stand-alone customers to TOTAL as well as acquiring new customers. Steady renewal of subscriptions

⁴¹ Based on awards across product portfolio such as "Best Protection" Award 7 years out of last 11 by AV-Test, "Best Operator Service for Consumers" Award at Broadband World Forum (2020), "Best in Class Marketing Award Winner" Award at BMMA (2020), "Best Consumer IoT Deployment" Award at IoT World (2020), AV-test approved VPN (2021), AV-comparatives (2020), IT Pro Best VPN services, Editor's choice (2020).

in all channels in recent years has been supported by, for example, the launch of new protection capabilities and lifecycle marketing activities that increase customer satisfaction and retention rates.

In addition to increasing customer retention and customer-specific sales, F-Secure's success in acquiring new customers is an important driver of its revenue and profitability. In the Direct Channel, F-Secure focuses on selected geographical regions to acquire new customers for its offering, targeting especially the premium consumer segment that is looking for all-in-one security and privacy protection (TOTAL) and has higher ARPU. In the Partner Channel, F-Secure's close cooperation with its global Channel Partner network has generated an increase in product activation and usage rates. Additionally, F-Secure's regional sales & marketing teams help its Channel Partners to attract more consumer customers by creating and executing effective marketing campaigns, constantly optimising customer engagement processes, or implementing new go-to-market models such as bundling security with Channel Partner's core offering. F-Secure continues to acquire globally new communication service providers as its partners; furthermore, F-Secure aims to expand to new channels through banking, insurance and retail channels as part of its strategy to increase its addressable market. At the same time, the acceleration in digitalisation since the outbreak of the COVID-19 pandemic has supported the increase in product activation and usage rates.

Scalability of Business Model and Operations

F-Secure's business model leverages long-term experience and supports steady growth. F-Secure's long-term experience in cooperation with Channel Partners has enabled it to develop a business model that corresponds to many of its Channel Partners' needs. A key element of F-Secure's success is its scalable, cloud-based Security-as-a-Service business model (Security Business Platform) that is cost efficient to deliver and operate. The Security Business Platform provides a standardised and scalable approach to integrating F-Secure's security and privacy products with Channel Partners' brand experience as well as business processes such as billing and customer care. This is achieved through standardised cloud-based integration capabilities and tools. Furthermore, F-Secure has made its cyber security offering modular and configurable, allowing it to meet individual business partner needs efficiently.

F-Secure also offers productised, cloud-based services for its partners such as Customer Journey Analysis and Lifecycle Messaging to increase product activation rates and usage as described under "Business of F-Secure". While F-Secure sales and marketing teams in the countries help Service Providers to succeed in increasing their security business revenue, F-Secure additionally offers self-service capabilities via its Security Business Platform.

F-Secure has completed hundreds of delivery projects to its partners during which it has automated delivery activities and built knowhow of its partners' Enterprise architecture and business processes to minimise risks in delivery projects.

Growth and additional costs related to the Demerger

WithSecure's management believes that the Company will have several attractive growth opportunities in line with its growth strategy that may affect the results of F-Secure in the short term. In line with the Company's financial targets, F-Secure's profitability target, after initial growth investments, is to achieve an adjusted EBITA margin of above 42 per cent (for further information on F-Secure's financial targets, see section "Business of F-Secure – Financial Targets").

F-Secure's historical financials and operations do not fully reflect F-Secure's operations as a standalone entity. After the partial demerger, F-Secure is estimated to incur additional costs, primarily related to the set-up, operation and maintenance of dedicated IT services, establishing group administrative functions, having a complete leadership team and board of directors of a listed company, and managing independent security research and technology capabilities. The initial standalone investments and other ramp-up costs that WithSecure's management expects to enable future growth and success of the operations are estimated to be approximately EUR 4-5 million per annum.

Availability of personnel and personnel expenses

F-Secure's ability to grow and succeed largely depends on how well it can recruit and retain experienced and skilled employees. In recent years, F-Secure has managed to hire and retain skilled employees and has also been recognised as one of the most attractive employers in Finland. Due to the nature of the business model, personnel expenses are one of the key cost items of F-Secure. The most significant factors affecting the personnel expenses are the geographical location of employees, the employees' know-how and experience level and the tax environment affecting the Company's personnel expenses. It is also likely that the development and possible inflation in salary levels in the IT and technology sectors will affect F-Secure's personnel expenses in the future.

Success of F-Secure's product development

F-Secure's product development is a key success factor for continued growth in revenue and profitability. The consumer security industry is characterised by rapid technological change. The needs of F-Secure's customers and the threats they face evolve constantly. During the long history of F-Secure, the Company has put significant effort into being a technology leader in the consumer cyber security market. Product development will continue to play a large role in F-Secure's growth strategy affecting targeted future sales growth and profitability of its operations (for further information on the targets relating to sales growth and profitability of operations, see "*Business of F-Secure – Financial Targets*").

Other Factors

As noted above when describing F-Secure's success in acquiring new customers, the COVID-19 pandemic accelerated digitalisation which has supported an increase in F-Secure's product activation and usage rates. Further, there was a reduction in sales and marketing expenses due to lower sales and marketing activity in 2020 as a result of the pandemic. At the same time, management assessed the potential impact the pandemic could have on the liquidity of F-Secure's customers in the short and longer term. In 2020, loss allowances for the expected credit losses were reassessed to include the increased risk caused by the pandemic. When the loss allowance was reassessed for 2021, a slight risk premium element in the allowance for expected credit losses was maintained to reflect the still elevated risk caused by the COVID-19-pandemic. The COVID-19 pandemic has also prolonged sales cycles and launch timelines of F-Secure's SENSE and ID PROTECTION in 2020.

In 2021, WithSecure and F-Secure performed a review and evaluation of different strategic options for the consumer security business. The outcome of that review was the decision to pursue towards the separation of the consumer security business into a new independent company as described in the Demerger Plan. As described below in "*Results of Operations*", costs of EUR 2.4 million were included in the carve-out financial statements for the financial year ended 31 December 2021 related to the strategic review. The costs are included as an item affecting comparability and, as such, excluded from adjusted measures of EBIT, as further described in section "*Presentation of Financial Information — Alternative performance measures*".

Listing costs of EUR 0.8 million were included in the carve-out financial information for the three months period ended 31 March 2021. The total listing costs are estimated to be approximately EUR 4 million.

F-Secure has entered into sublease agreements with WithSecure related to its future business premises. In addition to this, F-Secure has entered into a lease agreement for one new office premise. The premises subject to these agreements are located in Helsinki, Oulu, Hilversum, Poznań and Kuala Lumpur. The agreements are in force for a fixed term, which varies from 17 to 30 months, after which the agreements stay in force until further notice with a 12-month notice period. A yearly review of the rent is agreed upon in the agreements, according to which the increase of the rent is tied to the cost-of-living index and the consumer price index. As at the date of this Offering Circular, discussions and negotiations on these agreements are still ongoing both internally and with the landlord. Due to these agreements, F-Secure's balance sheet will include lease liabilities and right of use assets, for which no corresponding items have been presented in the historical periods in F-Secure's carve-out financial information.

F-Secure's business and results of operations are from time to time affected by changes in exchange rates against its reporting currency, the euro. The majority of sales is invoiced in Euro. The other main currencies for invoicing are US dollar (USD), the Swedish krona (SEK), the pound sterling (GBP) and the Japanese yen (JPY). The currency risk arising from sales invoicing is reduced by operational expenses arising in the same currencies as the sales invoicing.

Events after the three-month period ended 31 March 2022

No material changes have taken place in F-Secure's financial position or performance between 31 March 2022 and the date of this Offering Circular.

Recent events

The war in Ukraine is likely to have long, profound impacts on many areas of life. The war in Ukraine has caused some exceptional consequences to the cyber security landscape, such as highly visible governmental activities, as well as organized civilian response to the war efforts. The war in Ukraine has also significantly increased the uncertainty in the world and the risk of unexpected disruptions of the world economy. Any such events would also impact WithSecure's and F-Secure's business. In addition, according to WithSecure's management's view, the war has increased the awareness of

the importance of cyber security, especially for companies, and it will continue impacting the corporate cyber security market.

For corporate responsibility reasons, WithSecure is not conducting business with any Russian or Belarussian parties, even in cases where it would be permitted by the export control regulations.

Prospects

The following future prospects include forward-looking statements that are not guarantees of the future financial performance. The actual result of F-Secure's operations could differ materially from what has been expressed in connection with the forward-looking statements. Many factors mentioned in "Risk Factors", "F-Secure's Capitalisation and Indebtedness" and "Operating and Financial Review — Key factors affecting the Business and the Results of Operations" could have a material effect on the financial performance of F-Secure. F-Secure cautions prospective investors not to place undue reliance on these forward-looking statements.

According to WithSecure's management's estimate, the consumer security software market continues to be impacted by the changing device landscape, application stores and online sales overall. WithSecure's management estimates that the number of connected smart home devices is growing very rapidly, and as a result, telecommunication operators are investing heavily in upgrading connectivity and introducing new security-related services into their offerings. In addition, WithSecure's management believes that as consumers become increasingly aware of the threats to their privacy and security, they seek to buy more comprehensive solutions to secure their digital lives.

Inflation has increased the risk of negative development of the cost structure. However, F-Secure monitors inflation very closely and will take action accordingly.

There are still pockets of markets in Asia and elsewhere that have COVID-19 restrictions in place. However, WithSecure's management estimates that the impact of the COVID-19 pandemic on F-Secure's business is decreasing as the restrictions are being reduced around the world and that the risks caused by the COVID-19 pandemic for F-Secure's business have reduced significantly.

Carve-out financial information and factors affecting comparability

Basis of preparation of carve-out financial information

The carve-out financial information of F-Secure have been prepared on a carve-out basis from WithSecure's consolidated financial statements using the historical book values for income and expenses, assets and liabilities and cash flows attributable to the consumer security business. F-Secure has historically operated worldwide in legal entities that comprise both consumer security business and corporate security business, including the parent company WithSecure Oyj. Therefore assets, liabilities, income, revenue and expenses and cash flows which are either directly attributable to, have been allocated to or will transfer to F-Secure have been included in the carve-out financial information.

The carve-out financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU by December 31, 2021, and in consideration of the principles described in "Carve-out principles applied in the F-Secure carve-out financial information" for determining which assets and liabilities, income and expense as well as cash flows are to be allocated to the F-Secure carve-out financial information.

IFRS does not provide direct guidance for the preparation of carve-out financial information, and accordingly in preparing the carve-out financial information, certain accounting conventions commonly used for the preparation of historical carve-out financial information for inclusion in a prospectus have been applied as described below.

F-Secure's carve-out financial information may not necessarily represent its combined results of operations, financial position and cash flows that would have been had F-Secure been managed as a stand-alone consolidated group, preparing consolidated financial information for the periods presented, separate from WithSecure. Further, the carve-out financial information may not be indicative of F-Secure's future performance, financial position or cash flows.

The carve-out financial information is presented in millions of euros unless otherwise stated. All figures have been rounded which may cause the sum of individual figures to deviate from the sum of the presented line-item totals.

The structure of the carve-out financial information

F-Secure does not represent a separate group of legal entities, but combines operations that are dedicated to consumer security business but that have historically operated as part of the WithSecure entities including also corporate security business. The following represents an overview of the WithSecure legal entities that comprised the portion of the results of operations and financial position dedicated to the consumer security business and thus form the basis for the carve-out financial statements:

- F-Secure Oyj, Finland
- F-Secure Inc, United States
- F-Secure GmbH, Germany
- F-Secure (UK) Ltd, United Kingdom
- F-Secure KK, Japan
- F-Secure AB, Sweden
- F-Secure Srl, Italy
- F-Secure Sp zoo, Poland
- F-Secure B.V., the Netherlands
- F-Secure Iberia SL, Spain,
- F-Secure Corp (M) Sdn Bhd, Malaysia
- F-Secure Sarl, France
- F-Secure Pvt Ltd, India
- F-Secure Danmark A/S, Denmark
- F-Secure do Brasil tecnol. Da inform cao Ltda, Brazil
- F-Secure Norge AS, Norway

F-Secure's carve-out financial statements do not necessarily represent the legal structure subject to the Demerger at a future date.

Carve-out principles applied in preparing the F-Secure carve-out financial information

General

The carve-out financial information reflects the revenue and expenses attributable to F-Secure. Revenue and operating expenses of F-Secure that have been specifically identified as pertaining to F-Secure have been attributed directly without separate allocation and apportionment.

Balance sheet items have been generally attributed based on their actual use during the periods presented, that is, if assets and liabilities are primarily used by and relate to F-Secure, they have been attributed to the carve-out statement of financial position. If the asset or liability is not legally transferred to F-Secure in connection with the Demerger, the corresponding cost of using the asset/liability has been included in the carve-out combined statement of comprehensive income as described in more detail below.

The carve-out financial information also includes separate allocation of income, expense, assets, liabilities and cash flows which are based on management judgement, assumptions and estimates as described below. The most significant estimates, judgements and assumptions relate to the allocation of the costs of certain centrally provided shared services, leasing arrangements, shared tangible and intangible assets, cash management and financing, determination on current and deferred income taxes and invested equity.

WithSecure's management considers that the allocations described below have been made on a reasonable basis, but they are not necessarily indicative of the income and costs that would have been incurred if F-Secure had been a standalone entity.

Inter-company transactions and transactions with related parties

Intercompany transactions, including assets and liabilities between the consumer security business within WithSecure legal entities have been eliminated from these F-Secure carve-out financial information. Intercompany transactions and balance sheet items between the consumer security business and the corporate security business, previously considered as intercompany transactions in WithSecure reporting, have been reported as transactions with related parties in the carve-out financial information. Related party receivables from the remaining WithSecure operations are presented separately in the balance sheet.

Income statement transactions are presented within the related combined statement of comprehensive income line item. F-Secure sells consumer products to WithSecure and the amounts were as follows during the periods presented: EUR 0.4 million in 2021, EUR 0.5 million in 2020 and EUR 0.6 million in 2019. F-Secure purchases corporate products from WithSecure and the amounts were as follows during the periods presented: EUR 0.4 million in 2021, EUR 0.6 million in 2020 and EUR 0.9 million in 2019.

Centrally provided shared services

WithSecure has historically provided shared support services to consumer security and corporate security businesses. WithSecure support functions include Security Research & Technologies (“SRT”) and Information & Business Services (“IBS”). SRT is a common R&D unit supporting the whole WithSecure. IBS contains a 24/7 customer support and IT services. WithSecure also has the following common shared functions: People, Operations & Culture, Finance, Legal, Strategy, Marketing and Management (“Other Functions”). SRT, IBS and Other Functions are defined together as “Group Functions”.

Historically, WithSecure shared Group Function costs have been allocated to businesses using pre-defined allocation methods. The allocation methods used have been defined to reflect the nature of the underlying function and the utilisation of the services of the functions. In the carve-out financial information, the WithSecure shared Group function costs have been allocated to F-Secure based on utilisation of the services such as certain server hosting costs that have been allocated based on the usage of the service or cloud servers and customer care related costs that have been allocated based on the support provided to F-Secure or using pre-defined allocation keys such as revenue or number of employees.

Management considers these allocations to be a reasonable reflection of the utilisation of services provided. These allocated expenses have been affected by the arrangements that existed in WithSecure and are not necessarily representative of the future situation of F-Secure.

Shared assets and leasing arrangements with remaining WithSecure operations

Historically, consumer security business and corporate security business have operated in shared leased premises and offices in all locations, including the following main premises: Helsinki and Oulu in Finland, Poznan, Poland, and Kuala Lumpur, Malaysia. In the carve-out financial information, no office lease agreement has been allocated to F-Secure as F-Secure is not a legal owner of the lease agreements and those lease agreements will not transfer to F-Secure in connection with the Demerger. Instead, an expense related to the usage of the premises has been included in the carve-out financial information. The annual expenses allocated to F-Secure for usage of the leased shared assets during the periods presented was EUR 1.5 million in 2021, EUR 1.5 million in 2020 and EUR 1.5 million in 2019.

Lease expenses related to machinery and cars, that are shared with the remaining WithSecure operations, have been allocated to the carve-out financial information to reflect usage of these assets. These lease agreements will not transfer to F-Secure in connection with the Demerger. The annual lease expense allocations related to usage by F-Secure were during the periods presented EUR 0.0 million in 2021, EUR 0.1 million in 2020 and EUR 0.0 million in 2019.

All the above lease expenses were presented as part of operating costs and no right-of-use assets or lease liabilities have been allocated to the carve-out financial information. Lease agreements directly attributable to F-Secure that are transferring to F-Secure in connection with the Demerger have been presented as lease agreements of F-Secure.

Certain computers and other IT equipment have been shared between consumer security business and corporate security business. These IT related assets will not transfer to F-Secure in connection with the Demerger. An expense was included to the carve-out financial information to reflect the usage of these assets. The included expenses in the carve-out financial information during the periods presented was EUR 0.1 million in 2021, EUR 0.1 million in 2020 and EUR 0.1 million in 2019.

Certain intangible assets, mainly computer software, have been shared between consumer security business and corporate security business. In the carve-out financial information, these intangible assets have not been allocated to F-Secure as they will remain with WithSecure after the Demerger. Instead, an expense was recognised to reflect the benefit F-Secure has received from these assets during the periods presented. The annual expense related to utilisation of the intangible assets by F-Secure included in the carve-out financial information was during the periods presented EUR 0.2 million in 2021, EUR 0.2 million in 2020 and EUR 0.2 million in 2019.

The assets and leasing arrangements presented in the carve-out financial information may differ significantly from the requirements of the future standalone F-Secure. F-Secure will enter into new leasing agreements related to premises, other equipment and machinery for its standalone business operations when the Demerger is consummated.

Share-based payment transactions

Historically, F-Secure key personnel have participated in WithSecure's share-based incentive programs. For carve-out purposes, the expenses related to F-Secure personnel are included in the carve-out financial information. The portion related to the Group function participants in the share-based incentive programs has also been allocated to the carve-out financial information as further described in the section "*Operating and Financial Review – Centrally provided shared services*". The historical cost allocations may not be indicative of the future expenses that will arise through incentive schemes that will be established for F-Secure key personnel in the future.

Income tax

Historically, the consumer security business has been included within the same WithSecure legal entities as the corporate security business. No tax filings have been made separately for the F-Secure business. The tax expenses in the carve-out financial information are determined based on the separate tax return method as if the F-Secure business represented separate taxpayers in the jurisdiction of their primary operations. The current tax expense in the carve-out financial information is the amount of tax payable or refundable based on hypothetical current year profits of the consumer security business, and have been presented as current tax expense and as a shareholder transaction through invested equity in the carve-out financial information. Deferred tax has been recorded in F-Secure's temporary differences and the recoverability of deferred tax assets has been assessed as if the F-Secure businesses were separate taxpayers. Tax losses have been included to the extent they directly relate to the F-Secure business. The line-item Income tax paid in the combined cash flow statements represents the estimated tax to be paid by each F-Secure business in different jurisdictions. The tax expenses recorded in the carve-out financial information might not represent the tax expenses that may arise in the future for the F-Secure business.

Management considers the separate tax return approach to be reasonable, but not necessarily indicative of the tax income or expenses that would have been incurred if the entities and operations were indeed separate taxable entities.

Cash management and financing

Historically, WithSecure has managed the financing of the consumer security business and utilised a centralised approach to cash management. In addition to the cash and cash equivalents balances held directly at various legal WithSecure group companies, WithSecure pools cash balances, cash deposits and funding directly with the centralised WithSecure Treasury function and therefore there are no balances directly attributable to F-Secure.

As a result, cash and cash equivalents, cash pool receivables and payables, and related interest expense and income are excluded from the carve-out financial information. Corporate level debt or related interest expenses were not allocated to F-Secure, as they were not deemed to be attributable to the consumer security business.

In the Demerger, a relative share of the cash related to advance payments received by WithSecure for the sale of F-Secure's products via its direct sales channel, will be paid to F-Secure based on the actual deferred revenue balance as at the effective date of the Demerger. The receivable from the parent company has been recognised in the carve-out statement of financial position to reflect the share attributable to F-Secure during the periods presented. Change in this receivable has been recognised against invested equity.

Transfers of cash between WithSecure and F-Secure are included within the Equity financing with WithSecure, net in the Combined Statement of Cash Flows and Equity transactions with WithSecure in the Combined Statement of Changes in Equity.

The financing presented in the carve-out financial information may differ significantly from the future financing requirements of F-Secure on a standalone basis.

Invested equity

Total invested equity attributable to shareholders of F-Secure represents WithSecure's interest in the recorded net assets of F-Secure. Historically, F-Secure has not formed a separate legal group or presented any stand-alone consolidated financial statements, nor does it consist of separate identifiable entities within WithSecure and accordingly, it is not feasible to present share capital or any analysis on equity reserves. The net assets of F-Secure, presented as capital invested in F-

Secure, and reported as Invested equity in the combined statement of financial position, is comprised of retained earnings, invested equity and cumulative translation differences.

Changes in net assets allocated to F-Secure are presented separately in the combined statement of changes in invested equity as Equity transactions with WithSecure and in the combined cash flow statement through the line item Equity financing with WithSecure, net reflecting the internal equity financing between WithSecure and F-Secure during the financial periods presented. The amounts are affected by the net assets allocated to the F-Secure business consisting of allocation of income and expense and assets and liabilities from the remaining WithSecure operations.

Translation differences arising from translating the results for the financial year and invested equity are recognised in a separate cumulative translation difference account within total invested equity and the changes are presented in other comprehensive income.

The capital structure attributed to F-Secure in connection with the preparation of the carve-out financial information is presented as total invested equity attributable to the shareholders of WithSecure, and as such, is not indicative of the capital structure that F-Secure would have required had it been a standalone entity during the periods presented.

The equity of F-Secure will be formed when the Demerger is consummated, and F-Secure will have share capital and other reserves as described in the Demerger Plan.

Transactions in foreign currency

The carve-out financial information is presented in euros, which is the functional and presentation currency of F-Secure's parent company. At each reporting date, the income statements of foreign Group companies are translated at the average exchange rates for the reporting period, and the balance sheets are translated using the European Central Bank's exchange rates prevailing on the reporting date. Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Exchange rate gains and losses are recognised in financial items in the combined statement of comprehensive income.

Translated balance sheet and income statement items are allocated to F-Secure or to the remaining WithSecure operations. As part of the allocations, a translation difference related to these allocated items is recognised in invested equity, and its change is recorded in the combined statement of other comprehensive income.

Earnings per share

The carve-out financial information is prepared on a carve-out basis and it is not possible to measure earnings per share for the periods presented. F-Secure has not had share capital during the presented periods and a portion of WithSecure's outstanding shares cannot be allocated to it. Therefore management considers that an earnings per share ratio cannot be accurately calculated for the F-Secure and IAS 33, Earnings per share, disclosure requirements are therefore not complied with.

Key items in the profit and loss statement

Revenue

Revenue derives from the sale of F-Secure's security and privacy products, ranging from endpoint protection, privacy and password management solutions, and security for all consumers' connected devices at home. The main products are F-Secure SAFE, F-Secure SENSE, F-Secure FREEDOME, F-Secure ID PROTECTION, F-Secure Anti-Virus/Internet Security and F-Secure TOTAL. F-Secure TOTAL combines SAFE, FREEDOME and ID PROTECTION in an all-in-one application that provides complete security, privacy, and identity protection on consumers' personal devices. F-Secure sells the products through service provider and direct consumer channels. Revenue consists of subscription fees for above mentioned products and services fees like professional services. Revenue is recognised over time on a straight-line basis for the contract period.

Cost of revenue

Cost of revenue consists of hosting costs, customer care costs, delivery costs, royalties and material costs for product packaging.

Gross Margin

Gross margin is calculated as revenue less the cost of revenue.

Other operating income

Other operating income consists mainly of government grants for development projects.

Sales and marketing

Sales and marketing expenses consist of personnel expenses, marketing costs, sales commissions, professional services and other operating expenses including depreciation, amortisation and impairment charges.

Research and development

Research and development expenses consist of personnel expenses, professional services and other operating expenses including depreciation, amortisation and impairment charges.

Administration

Administration expenses consist of personnel expenses, professional services and other operating expenses including depreciation, amortisation and impairment charges.

Earnings before tax and net financial items (EBIT)

EBIT is the result before taxes and net financial items and is used to measure the profitability of the operating activities of F-Secure. It is calculated as the sum of gross margin and other operating income less operating expenses (sales and marketing, research and development, and administration).

Financial income and expenses

Financial income consists mainly of foreign exchange gains and interest income from receivables. Financial expenses consist mainly of foreign exchange losses, interest expenses from lease liabilities and other interest expenses.

Profit for the year

Profit for the year is calculated as the sum of EBIT and the net result of financial income and financial expenses, which equals profit before taxes from which income tax is deducted.

Results of Operations

General

The review below describes F-Secure's results of operations for the three months period ended 31 March 2022 and 31 March 2021 as well as for the years ended 31 December 2021, 31 December 2020 and 31 December 2019.

Comparison of the three months period ended 31 March 2022 and 2021

The following table presents a summary of F-Secure's carve-out combined statements of income for the periods indicated:

In EUR million	1 January to 31 March		Change	
	2022	2021	%	MEUR
	IFRS (unaudited)		(unaudited)	
REVENUE	27.4	26.3	4.1%	1.1
Cost of revenue	-2.1	-2.1	0.5%	0.0
GROSS MARGIN	25.2	24.2	4.4%	1.1
Other operating income	0.2	0.1	86.4%	0.1
Sales and marketing	-7.4	-6.7	9.3%	-0.6
Research and development	-4.3	-4.3	-0.4%	0.0
Administration	-2.3	-1.7	34.4%	-0.6
EBIT	11.5	11.6	-0.3%	0.0
Financial income	0.4	0.1	213.1%	0.2
Financial expenses	-0.2	-0.1	13.5%	0.0
PROFIT BEFORE TAXES	11.7	11.5	1.7%	0.2
Income tax	-2.5	-2.4	1.5%	0.0
RESULT FOR THE PERIOD	9.3	9.1	1.7%	0.2

Revenue

The following table presents F-Secure's revenue by channel for the periods indicated:

In EUR million	1 January to 31 March		Change	
	2022	2021	%	MEUR
	IFRS (unaudited)		(unaudited)	
Sales channels				
Revenue from external customers				
Partner channel	21.7	20.8	4.3%	0.9
Direct channel (E-commerce)	5.7	5.5	3.2%	0.2
Total	27.4	26.3	4.1%	1.1

F-Secure's revenue was EUR 27.4 million and EUR 26.3 million for the three months ended 31 March 2022 and 2021, respectively. Revenue increased by 4.1 per cent for the three months ended 31 March 2022 compared to the three months ended 31 March 2021.

The 4.1 per cent increase in revenue was driven by the sales of the latest F-Secure products. Revenue from the Partner Channel grew by 4.3 per cent with an increase in sales across several regions such as Asia, the Nordic countries and North America. This was offset partially by lower retail sales and a regulatory change in Poland that has a negative impact on adoption rates on the local market. During the quarter, F-Secure continued to work on expanding its market by piloting its products with a large European insurance company. By the end of the quarter, F-Secure started to roll out a new generation of TOTAL through the Partner Channel. The latest version of F-Secure TOTAL combines VPN, endpoint, and identity protection seamlessly into one unified application experience. The increased demand for TOTAL offering enables growth from increased average revenue per user (ARPU) which is a key lever in F-Secure's growth strategy.

Revenue from the Direct Channel increased by 3.2 per cent. F-Secure e-commerce increased sales in Germany. Renewal performance remained steady during the quarter. Average revenue per user continued to grow, as consumers are increasingly interested in bundled security and privacy solutions to secure their digital lives, which drives sales of F-Secure TOTAL.

The following table presents F-Secure's revenue by geographical area for the periods indicated

In EUR million	1 January to 31 March		Change	
	2022	2021	%	MEUR
	IFRS			
	(unaudited)		(unaudited)	
Geographical information				
Revenue from external customers				
Europe excl. Nordics	12.4	12.6	-1.2%	-0.2
Nordic countries	9.6	9.1	5.7%	0.5
North America	4.0	3.4	16.0%	0.5
Rest of world	1.4	1.2	12.9%	0.2
Total	27.4	26.3	4.1%	1.1

During the quarter, revenue grew in North America, the rest of the world (including Asia), and the Nordic countries. Revenue decreased by 1.2 per cent in Europe excluding the Nordic countries.

Operating expenses

The following tables present F-Secure's operating expenses, depreciation, amortisation and impairment losses by function, and operating expenses excluding depreciation, amortisation and impairment losses for the periods indicated:

The following table presents F-Secure's operating expenses for the periods indicated:

In EUR million	1 January to 31 March		Change	
	2022	2021	%	MEUR
	IFRS			
	(unaudited)		(unaudited)	
Operating expenses				
Sales and marketing	-7.4	-6.7	9.3%	-0.6
Research and development	-4.3	-4.3	-0.4%	0.0
Administration	-2.3	-1.7	34.4%	-0.6
Total	-13.9	-12.7	9.4%	-1.2

The following table presents F-Secure's depreciation, amortisation and impairment by functions for the periods indicated:

In EUR million	1 January to 31 March		Change	
	2022	2021	%	MEUR
	IFRS			
	(unaudited)		(unaudited)	
Depreciation, amortisation and impairment losses by function				
Sales and marketing	-0.0	-0.0	5.5%	0.0
Research and development	-0.3	-0.3	15.8%	0.0
Total	-0.4	-0.3	14.7%	0.0

The following table presents F-Secure's operating expenses excluding depreciation, amortisation and impairment for the periods indicated:

In EUR million	1 January to 31 March		Change	
	2022	2021	%	MEUR
	IFRS			
	(unaudited)		(unaudited)	
Operating expenses excluding depreciation, amortisation and impairment losses				
Sales and marketing	-7.3	-6.7	9.4%	-0.6
Research and development	-3.9	-4.0	-1.6%	0.1
Administration	-2.3	-1.7	34.4%	-0.6
Total	-13.6	-12.4	9.3%	-1.2

The operating expenses included in F-Secure's carve-out financial information consist of costs directly attributable to the consumer business as well as allocated costs based on centrally provided shared services by WithSecure. Operating expenses excluding depreciation, amortisation and impairment charges increased by EUR 1.2 million, or 9.3 per cent, for the three months ended 31 March 2022 compared to the three months ended 31 March 2021.

Sales and marketing costs excluding depreciation, amortisation and impairment charges increased by EUR 0.6 million, or 9.4 per cent, year-on-year for the three months ended 31 March 2022 due to an increase in marketing activities. Research and development costs excluding depreciation, amortisation and impairment charges decreased by EUR 0.1 million, or 1.6 per cent, year-on-year. Administration costs increased by EUR 0.6 million, or 34.4 per cent, year-on-year. The costs incurred due to the contemplated listing totalled EUR 0.8 million in the quarter and are included as an item affecting comparability, described in "Alternative performance measures" below, and as such, excluded from adjusted measures of EBIT.

Depreciation, amortisation and impairment charges totalled EUR 0.4 million and EUR 0.3 million for the three months ended 31 March 2022 and 2021, respectively. The amortisation charged to the research and development function relates to the amortisation of capitalised development expenditure for development projects.

Other operating income

Other operating income totalled EUR 0.2 million and EUR 0.1 million for the three months ended 31 March 2022 and 2021, respectively. The income relates mainly to government grants received for certain research and development projects. The government grants are recognised as income at the same time as the corresponding research and development expenses arise.

Operating profit (EBIT)

In EUR million	1 January to 31 March		Change	
	2021	2020	%	MEUR
	(unaudited)		(unaudited)	
Revenue	27.4	26.3	4.1%	1.1
EBITA ¹⁾	11.9	11.8	0.1%	0.0
EBITA margin, %	43.3%	45.0%		
Adjusted EBITA ¹⁾	12.7	11.8	6.9%	0.8
Adjusted EBITA margin, %	46.3%	45.0%		
EBIT ¹⁾	11.5	11.6	-0.3%	0.0
EBIT margin, %	42.1%	43.9%		
Adjusted EBIT ¹⁾	12.3	11.6	6.7%	0.8
Adjusted EBIT margin, %	45.0%	43.9%		
Result for the period	9.3	9.1	1.7%	0.2
Result for the period margin, %	33.8%	34.6%		

¹⁾In addition to EBIT and EBITA, F-Secure uses Adjusted EBIT and Adjusted EBITA as key performance indicators when measuring performance between periods. Adjusted EBIT and Adjusted EBITA exclude items that affect comparability. Items affecting comparability are associated with cost related to contemplated listing. Adjusted EBIT and Adjusted EBITA are presented in addition to EBIT and EBITA to reflect the underlying business performance and to enhance comparability between periods. F-Secure believes that these comparable performance measures provide meaningful supplemental information by excluding items outside normal business operations, which reduce comparability between the periods.

The following table reconciles F-Secure's Adjusted EBIT, Adjusted EBITA and EBITA the periods indicated:

In EUR million	For the three months ended 31 March	
	2022	2021
	(unaudited)	
Adjusted EBIT	12.3	11.6
Amortisation and impairment losses	0.3	0.3
Adjusted EBITA	12.7	11.8
Adjustments to EBIT and EBITA		
Costs related to contemplated listing	-0.8	-
EBITA	11.9	11.8
Amortisation and impairment losses	-0.3	-0.3
EBIT	11.5	11.6

F-Secure's EBIT amounted to EUR 11.5 million and EUR 11.6 million for the three months ended 31 March 2022 and 2021, respectively. EBIT for the three months ended 31 March 2022 decreased slightly by 0.3 per cent year-on-year due to the increase in operating expenses. The increase in operating expenses exceeded the increase in revenue and gross margin as well as the increase in other operating income, which resulted in a decrease in EBIT.

Operating profit before tax, net financial items, amortisation and impairment (EBITA)

F-Secure's EBITA amounted to EUR 11.9 million and EUR 11.8 million for the three months ended 31 March 2022 and 2021, respectively. There were no material changes year-on-year in EBITA for the three months ended 31 March 2022.

Financial income and expenses, net

F-Secure's financial income and expenses on a net basis amounted to net financial income of EUR 0.2 million for the three months ended 31 March 2022. Financial income and financial expenses were EUR 0.1 million and EUR 0.1 million respectively for the three months ended 31 March 2021. Foreign exchange gains and losses accounted for the majority of F-Secure's financial income and expenses in each period presented.

Income tax

Income tax calculated for F-Secure on a carve-out basis in the carve-out financial information amounted to income tax expenses of EUR 2.5 million and EUR 2.4 million for the three months ended 31 March 2022 and 2021, respectively. For the three months ended 31 March 2022, the income tax expense increased by 1.5 per cent, as compared to the three months ended 31 March 2021. Income tax relates mainly to current income tax in each period presented.

Profit for the period

F-Secure's profit for the period was EUR 9.3 million and EUR 9.1 million for the three months ended 31 March 2022 and 2021, respectively. F-Secure's profit for the three months ended 31 March 2022 increased by 1.7 per cent as compared to the three months ended 31 March 2021. The reasons for changes in profit for the period are described above for each period presented.

Comparison of the years ended 31 December 2021, 2020 and 2019

The following table presents a summary of F-Secure's carve-out combined statements of income for the periods indicated:

In EUR million	For the financial year ended 31 December			Change			
	2021	2020	2019	2021-2020	2020-2019	2021-2020	2020-2019
				%		MEUR	
		IFRS (audited)		(unaudited)			
REVENUE	106.3	100.1	94.8	6.1%	5.5%	6.1	5.3
Cost of revenue	-8.8	-8.0	-7.9	9.6%	1.2%	-0.8	-0.1
GROSS MARGIN	97.4	92.1	86.9	5.8%	5.9%	5.4	5.2
Other operating income	0.5	0.3	0.4	50.3%	-7.1%	0.2	0.0
Sales and marketing	-28.7	-27.0	-30.5	6.3%	-11.3%	-1.7	3.4
Research and development	-16.9	-15.3	-14.6	10.7%	4.2%	-1.6	-0.6
Administration	-8.8	-5.5	-5.2	61.8%	5.6%	-3.4	-0.3
EBIT	43.5	44.7	37.0	-2.6%	20.8%	-1.2	7.7
Financial income	0.3	1.0	0.5	-72.3%	96.0%	-0.7	0.5
Financial expenses	-0.2	-2.0	-0.7	-89.4%	172.8%	1.8	-1.2
PROFIT BEFORE TAXES	43.6	43.7	36.8	-0.3%	18.8%	-0.1	6.9
Income tax	-9.1	-9.5	-8.1	-3.9%	17.4%	0.4	-1.4
RESULT FOR THE FINANCIAL YEAR	34.4	34.2	28.6	0.8%	19.2%	0.3	5.5

Revenue

The following table presents F-Secure's revenue by channel for the periods indicated:

In EUR million	For the financial year ended 31 December			Change			
	2021	2020	2019	2021- 2020	2020- 2019	2021- 2020	2020- 2019
				%		MEUR	
				(unaudited)			
Sales channels							
Revenue from external customers							
Partner channel	84.2	78.8	74.8	6.8%	5.4%	5.4	4.0
Direct channel (E-commerce)	22.1	21.3	20.1	3.7%	6.2%	0.8	1.2
Total	106.3	100.1	94.8	6.1%	5.5%	6.1	5.3

F-Secure's revenue was EUR 106.3 million, EUR 100.1 million and EUR 94.8 million for the years ended 31 December 2021, 2020 and 2019, respectively. Revenue increased by 6.1 per cent year-on-year for the financial year ended 31 December 2021 compared to the financial year ended 31 December 2020. The 6.1 per cent increase in revenue was due to business growth in both the Partner Channel and Direct Channel. Revenue from the Partner Channel grew by 6.8 per cent year-on-year driven by the sale of core endpoint protection solutions in addition to partners expanding their offering to F-Secure's new consumer products. In 2021, the majority of revenue came from the product F-Secure SAFE. Revenue from direct sales to consumers grew by 3.7 per cent year-on-year, which was driven by the increasing share of the bundled solution, F-Secure TOTAL. The overall renewal performance continued to be steady in 2021.

Revenue increased by 5.5 per cent for the financial year ended 31 December 2020 compared to the financial year ended 31 December 2019. The Partner Channel revenue grew by 5.4 per cent year-on-year which stemmed mainly from sales of the core endpoint protection solutions. The close cooperation with the global operator partner network and boost in digitalisation since the outbreak of the COVID-19 pandemic generated an increase in product activation and usage rates. Revenue from direct sales to consumers grew by 6.2 per cent year-on-year which was due primarily to a one-off item related to changes in sales commissions. The overall renewal performance was steady throughout the year.

Revenue was EUR 94.8 million for the financial year ended 31 December 2019. F-Secure worked closely with its broad, global network of partners to increase product activation rates. During 2019, F-Secure signed nine new operator contracts in Europe, the United States, and Asia. In direct sales, renewals stayed at a good level throughout 2019 while demand shifted increasingly from sole endpoint protection (F-Secure SAFE) to a bundle of consumer products in the form of F-Secure TOTAL.

The following table presents F-Secure's revenue by geographical area for the periods indicated

In EUR million	For the financial year ended 31 December			Change			
	2021	2020	2019	2021- 2020	2020- 2019	2021- 2020	2020- 2019
				%		MEUR	
				(unaudited)			
Geographical information							
Revenue from external customers							
Europe excl. Nordics	49.6	48.9	46.8	1.4%	4.6%	0.7	2.2
Nordic countries	36.9	33.2	31.2	11.1%	6.3%	3.7	2.0
North America	14.6	13.7	12.6	6.1%	8.9%	0.8	1.1
Rest of world	5.2	4.3	4.3	21.4%	0.0%	0.9	0.0
Total	106.3	100.1	94.8	6.1%	5.5%	6.1	5.3

During the periods presented, revenue grew in the Nordic countries, North America and the rest of Europe (excluding the Nordic countries). Revenue grew by 21.4 per cent in the rest of the world in 2021 compared to 2020 primarily due to business growth in Japan. Revenue in the rest of the world remained at the previous year's level in 2020.

Operating expenses

The following tables present F-Secure's operating expenses, depreciation, amortisation and impairment losses by function, and operating expenses excluding depreciation, amortisation and impairment losses for the periods indicated

The following table presents F-Secure's operating expenses for the periods indicated:

In EUR million	For the financial year ended 31 December			Change			
	2021	2020	2019	2021- 2020	2020- 2019	2021- 2020	2020- 2019
				%		MEUR	
	IFRS (audited)			(unaudited)			
Operating expenses							
Sales and marketing	-28.7	-27.0	-30.5	6.3%	-11.3%	-1.7	3.4
Research and development	-16.9	-15.3	-14.6	10.7%	4.2%	-1.6	-0.6
Administration	-8.8	-5.5	-5.2	61.8%	5.6%	-3.4	-0.3
Total	-54.5	-47.8	-50.3	14.0%	-5.1%	-6.7	2.5

The following table presents F-Secure's depreciation, amortisation and impairment by functions for the periods indicated:

In EUR million	For the financial year ended 31 December			Change			
	2021	2020	2019	2021- 2020	2020- 2019	2021- 2020	2020- 2019
				%		MEUR	
IFRS (audited)			(unaudited)				
Depreciation, amortisation and impairment losses by function							
Sales and marketing	-0.2	-0.3	-0.4	-23.6%	-25.5%	-0.1	-0.1
Research and development	-1.3	-1.8	-2.0	-26.6%	-12.3%	-0.5	-0.3
Total	-1.5	-2.1	-2.4	-26.0%	-14.3%	-0.5	-0.3

The following table presents F-Secure's operating expenses excluding depreciation, amortisation and impairment for the periods indicated:

	For the financial year ended 31 December			Change			
				2021- 2020	2020- 2019	2021- 2020	2020- 2019
In EUR million	2021	2020	2019	%		MEUR	
	IFRS (audited)			(unaudited)			
Operating expenses excluding depreciation, amortisation and impairment							
Sales and marketing	-28.5	-26.8	-30.1	6.6%	-11.1%	-1.8	3.4
Research and development	-15.6	-13.5	-12.6	15.7%	6.9%	-2.1	-0.9
Administration	-8.8	-5.5	-5.2	61.8%	5.6%	-3.4	-0.3
Total	-53.0	-45.7	-47.9	15.8%	-4.6%	-7.2	2.2

The operating expenses included in the F-Secure's carve-out financial information consist of costs directly attributable to the consumer business as well as allocated costs based on centrally provided shared services by WithSecure. Operating expenses excluding depreciation, amortisation and impairment charges increased by 15.8 per cent year-on-year for the financial year ended 31 December 2021 compared to the financial year ended 31 December 2020. During the comparative period, operative expenses were at an unusually low level due to the COVID-19 pandemic.

Sales and marketing costs excluding depreciation, amortisation and impairment charges increased by 6.6 per cent year-on-year for the financial year ended 31 December 2021 due to an increase in marketing activities and higher sales commissions. Research and development costs excluding depreciation, amortisation and impairment charges increased by 15.7 per cent year-on-year due to an increase in headcount. In addition, F-Secure experienced salary inflation in several markets. Administration costs increased by EUR 3.4 million, or 61.8 per cent, year-on-year due primarily to the review

and evaluation of different strategic options performed in 2021. The costs incurred by the strategic review totalled EUR 2.4 million in 2021 and are included as an item affecting comparability, described in “Alternative performance measures” below, and as such, excluded from adjusted measures of EBIT.

Operating expenses excluding depreciation, amortisation and impairment charges decreased by 4.6 per cent year-on-year for the financial year ended 31 December 2020 compared to the financial year ended 31 December 2019. The reduction in operating expenses was primarily due to lower sales and marketing activity as a result of the COVID-19 pandemic.

In 2019, WithSecure conducted restructuring and organisational changes that impacted mainly the Group functions that provide centrally shared services. While there was no direct impact on the consumer business, the allocated restructuring costs on the consumer business totalled EUR 0.7 million, and were included in administration expenses for the financial year ended 31 December 2019. The restructuring costs are included in items affecting comparability, described in “Alternative performance measures” below and as such, excluded from adjusted measures of EBIT.

Depreciation, amortisation and impairment charges totalled EUR 1.5 million, EUR 2.1 million and EUR 2.4 million for the years ended 31 December 2021, 2020 and 2019, respectively. The amortisation charged to the research and development function relates to the amortisation of capitalised development expenditure for development projects. In 2020, there was an impairment charge of EUR 0.3 million related to the impairment of capitalised development work for one of F-Secure’s development projects. The remaining carrying value of the development project was written off based on the latest estimate of the recoverable amount in 2020.

Other operating income

Other operating income totalled EUR 0.5 million, EUR 0.3 million and EUR 0.4 million for the years ended 31 December 2021, 2020 and 2019 respectively. The income relates mainly to government grants received for certain research and development projects. The government grants are recognised as income at the same time as the corresponding research and development expenses arise.

Operating profit (EBIT)

The following table presents F-Secure's operating profit (EBIT), net financial items, amortisation and impairment losses (EBITA), and the result for the year for the periods indicated. Adjusted measures of EBIT and EBITA are also presented as alternative performance measures as described below.

In EUR million	For the financial year ended 31 December			Change			
	2021	2020	2019	2021-2020	2020-2019	2021-2020	2020-2019
	(unaudited unless otherwise indicated)			%		MEUR	
				(unaudited)			
Revenue	106.3 ¹⁾	100.1 ¹⁾	94.8 ¹⁾	6.1%	5.5%	6.1	5.3
EBITA ²⁾	44.8	46.5	39.1	-3.7%	18.9%	-1.7	7.4
EBITA margin, %	42.2%	46.5%	41.2%				
Adjusted EBITA ²⁾	47.2	46.5	39.9	1.5%	16.7%	0.7	6.6
Adjusted EBITA margin, %	44.4%	46.5%	42.0%				
EBIT ²⁾	43.5 ¹⁾	44.7 ¹⁾	37.0 ¹⁾	-2.6%	20.8%	-1.2	7.7
EBIT margin, %	40.9%	44.6%	39.0%				
Adjusted EBIT ²⁾	45.9	44.7	37.7	2.7%	18.4%	1.2	6.9
Adjusted EBIT margin, %	43.2%	44.6%	39.8%				
Result for the financial year	34.4 ¹⁾	34.2 ¹⁾	28.6 ¹⁾	0.8%	19.2%	0.3	5.5
Result for the financial year margin, %	32.4%	34.1%	30.2%				

¹⁾Audited

²⁾In addition to EBIT and EBITA, F-Secure uses Adjusted EBIT and Adjusted EBITA as key performance indicators when measuring performance between periods. Adjusted EBIT and Adjusted EBITA exclude items that affect comparability. Items affecting comparability are associated with restructuring activities and strategic reviews. Adjusted EBIT and Adjusted EBITA are presented in addition to EBIT and EBITA to reflect the underlying business performance and to enhance comparability between periods. F-Secure believes that these comparable alternative performance measures provide meaningful supplemental information by excluding items outside normal business operations, which reduce comparability between the periods.

The following table reconciles F-Secure's EBIT, EBITA and Adjusted EBITA for the periods indicated:

In EUR million	For the financial year ended 31 December		
	2021	2020	2019
	(audited unless otherwise indicated)		
Adjusted EBIT¹⁾	45.9	44.7	37.7
Amortisation and impairment losses	1.3	1.9	2.1
Adjusted EBITA¹⁾	47.2	46.5	39.9
Adjustments to EBIT and EBITA			
Costs related to strategic review ¹⁾	-2.4	-	-
Costs related to restructuring ¹⁾	-	-	-0.7
EBITA¹⁾	44.8	46.5	39.1
Amortisation and impairment losses	-1.3	-1.9	-2.1
EBIT	43.5	44.7	37.0

¹⁾Unaudited

F-Secure's EBIT amounted to EUR 43.5 million, EUR 44.7 million and EUR 37.0 million for the years ended 31 December 2021, 2020 and 2019, respectively. For the financial year ended 31 December 2021, F-Secure's EBIT decreased by 2.6 per cent, as compared to the financial year ended 31 December 2020, when F-Secure's EBIT increased by 20.8 per cent, as compared to the financial year ended 31 December 2019.

EBIT for the financial year ended 31 December 2021 decreased by 2.6 per cent due to the increase in operating expenses. The increase in operating expenses exceeded the increase in revenue and gross margin which resulted in a decrease in EBIT. EBIT for the financial year ended 31 December 2020 increased by 20.8 per cent due to the increase in revenue and gross margin and the decrease in operating expenses.

Operating profit before tax, net financial items, amortisation and impairment (EBITA)

F-Secure's EBITA amounted to EUR 44.8 million, EUR 46.5 million and EUR 39.1 million for the years ended 31 December 2021, 2020 and 2019, respectively. For the financial year ended 31 December 2021, F-Secure's EBITA decreased by 3.7 per cent, as compared to the financial year ended 31 December 2020, when F-Secure's EBITA increased by 18.9 per cent, as compared to the financial year ended 31 December 2019.

EBITA for the financial year ended 31 December 2021 decreased by 3.7 per cent due to the increase in operating expenses. The increase in operating expenses exceeded the increase in revenue and gross margin which resulted in a decrease in EBITA. EBITA for the financial year ended 31 December 2020 increased by 18.9 per cent due to the increase in revenue and gross margin and the decrease in operating expenses.

Financial income and expenses, net

F-Secure's financial income and expenses on a net basis amounted to net financial income of EUR 0.1 million, a net financial expense of EUR 1.0 million and a net financial expense of EUR 0.2 million for the years ended 31 December 2021, 2020 and 2019, respectively. Foreign exchange gains and losses accounted for the majority of F-Secure's financial income and expenses in all years presented.

F-Secure's financial income and expenses on a net basis amounted to net financial income of EUR 0.1 million for the financial year ended 31 December 2021, compared to a net financial expense of EUR 1.0 million for the financial year ended 31 December 2020. Foreign exchanges losses of EUR 2 million were only partially offset by foreign exchange gains of EUR 1.0 million for the financial year ended 31 December 2020. F-Secure's financial income and expenses on a net basis amounted to a net expense of EUR 1.0 million for the financial year ended 31 December 2020, compared to a net expense of EUR 0.2 million for the financial year ended 31 December 2019. Foreign exchanges losses of EUR 0.7 million were only partially offset by foreign exchange gains of EUR 0.5 million for the financial year ended 31 December 2019.

Income tax

Income tax calculated for F-Secure on a carve-out basis in the carve-out financial information amounted to income tax expenses of EUR 9.1 million, EUR 9.5 million and EUR 8.1 million for the years ended 31 December 2021, 2020 and 2019, respectively. For the financial year ended 31 December 2021, the income tax expense decreased by 3.9 per cent, as compared to the financial year ended 31 December 2020, when the income tax expense increased by 17.4 per cent, as compared to the financial year ended 31 December 2019. Income tax relates mainly to current income tax in all years presented. The changes in income tax expenses during the years presented were mainly due to changes in taxable income.

Profit for the year

F-Secure's profit for the year was EUR 34.4 million, EUR 34.2 million and EUR 28.6 million for the years ended 31 December 2021, 2020 and 2019, respectively. For the financial year ended 31 December 2021, F-Secure's profit for the year remained at the previous year's level, as compared to the financial year ended 31 December 2020, when F-Secure's profit for the year increased by 19.2 per cent, as compared to the financial year ended 31 December 2019. The reasons for changes in profit for the year are described above for all years presented.

Liquidity and Capital Resources

General

Historically, F-Secure has not operated as an independent company and consequently has not been capitalised or financed as such. WithSecure has managed its cash resources centrally including cash generated by F-Secure. Therefore, F-Secure's historical cash flows described below are not indicative of the cash flows to be expected from an independent entity following the Effective Date. As F-Secure has been self-funded historically, no external loans have been allocated to the carve-out financial statements.

Following the Effective Date, F-Secure's operations are expected to be financed with cash flow from operating activities. F-Secure's principal liquidity requirements are expected to arise from working capital and investments. In connection with the Demerger process, WithSecure has agreed on a revolving credit facility that will transfer to F-Secure on the Effective Date.

Financial subsidies

On 7 April 2020, Business Finland decided to grant WithSecure up to EUR 251 thousand financial subsidies relating to a project called "ECSEL19- InSecTT" (which is an EU funded project). On 20 May 2020, WithSecure entered into a grant agreement between EU funded ECSEL Joint Undertaking. Pursuant to a grant agreement, ECSEL Joint Undertaking has granted WithSecure (a beneficiary) certain subsidies relating to a project called Intelligence Secure Trustable Things. As of the date of this Offering Circular, the amount of subsidies EUR 118 thousand has already been granted to cover eligible incurred costs, and EUR 94 thousand remains to be granted subject to the terms and conditions of the grant agreement. On 21 August 2020, WithSecure entered into a grant agreement between EU funded SIFIS-HOME. Pursuant to a grant agreement, SIFIS-HOME has granted WithSecure (a beneficiary) certain subsidies relating to a project called Secure Interoperable Full-Stack Internet of Things for Smart Home. As of the date of this Offering Circular, the amount of subsidies EUR 389 thousand has already been granted to cover eligible incurred costs, and EUR 130 thousand remains to be granted subject to the terms and conditions of the grant agreement. The mentioned subsidies relate to the consumer security business that will be transferred to F-Secure in connection with the Demerger.

Revolving credit facility

WithSecure has negotiated on behalf of F-Secure a revolving credit facility with Nordea Bank Abp amounting to EUR 10 million with a maturity of three years and with an equity ratio-based margin grid. Financial covenants include Net Debt to EBITDA and an equity ratio and other standard covenants to similar unsecured transactions. The credit facility agreement was signed by Nordea Bank Abp in May 2022. The revolving credit facility will transfer to F-Secure on the Effective Date.

Assets and liabilities formed in connection with separation of consumer business conducted by foreign subsidiaries

Before the completion of the Demerger, WithSecure's consumer business conducted by its foreign subsidiaries will be separated into separate companies through business acquisitions or similar transactions in each relevant country. In these transactions, WithSecure or its subsidiary is the buying entity if the transferring business is a corporate security business, and F-Secure or its subsidiary is the buying entity if the transferring business is a consumer security business. The transaction prices vary between approximately EUR 70 thousand and EUR 3 million. The payback time for the debt is primarily three years from the effective date of each local transaction, and prepayment is allowed. The interest rate for the unpaid transaction price varies by country. For more information, see section "Summary of the demerger – Separation of consumer business conducted by foreign subsidiaries".

Cash flows

The following table sets forth a summary of F-Secure's cash flow statements on a carve-out basis for the periods indicated:

In EUR million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	(unaudited)		(audited)		
Cash flow from operations	8.3	5.9	36.1	34.5	32.0
Cash flow from investments	-0.6	-0.2	-1.6	-1.7	-3.1
Cash flow from financing activities	-7.8	-5.8	-34.5	-32.8	-28.9

No material changes have taken place in F-Secure's cash flows between 31 March 2022 and the date of this Offering Circular.

Cash flow from operating activities

For the three months ended 31 March 2022, F-Secure's cash flow from operating activities amounted to EUR 8.3 million, an increase of EUR 2.4 million as compared to F-Secure's cash flow from operating activities of EUR 5.9 million for the three months ended 31 March 2021. The increase in cash flow from operating activities was primarily due to changes in working capital. The main change related to current receivables, from an increase of EUR 4.4 million for the three months ended 31 March 2021, compared to an increase of EUR 1.6 million for the three months ended 31 March 2022, resulting in a change of EUR 2.8 million which was partially offset by the change of EUR 0.4 million in non-interest bearing liabilities.

For the financial year ended 31 December 2021, F-Secure's cash flow from operating activities amounted to EUR 36.1 million, an increase of EUR 1.6 million as compared to F-Secure's cash flow from operating activities of EUR 34.5 million for the financial year ended 31 December 2020. The increase in cash flow from operating activities was primarily due to changes in working capital. The main changes related to non-interest bearing liabilities, from a reduction of EUR 3.1 million for the financial year ended 31 December 2020 compared to an increase of EUR 1.4 million for the financial year ended 31 December 2021, which was partially offset by an increase of EUR 1.8 million in current receivables.

For the financial year ended 31 December 2020, F-Secure's cash flow from operating activities amounted to EUR 34.5 million, an increase of EUR 2.5 million as compared to F-Secure's cash flow from operating activities of EUR 32.0 million for the financial year ended 31 December 2019. The increase in cash flow from operating activities was primarily due to the increase in the result for the financial year, partially offset by the change in net working capital. The main change in net working capital related to current receivables, from a reduction of EUR 1.4 million in current receivables for the financial year ended 31 December 2019 compared to a reduction of EUR 0.1 million for the financial year ended 31 December 2020.

Cash flow from investments

For the three months ended 31 March 2022, F-Secure's cash flow used in investments amounted to EUR 0.6 million, an increase of EUR 0.4 million as compared to F-Secure's cash flow used in investments of EUR 0.2 million for the three months ended 31 March 2021. The increase in cash used in investments was primarily due to an increase in capitalised expenditure for F-Secure's development projects for the three months ended 31 March 2022.

For the financial year ended 31 December 2021, F-Secure's cash flow used in investments amounted to EUR 1.6 million, a decrease of EUR 0.1 million as compared to F-Secure's cash flow used in investments of EUR 1.7 million for the financial year ended 31 December 2020. The decrease in cash used in investments was primarily due to a decrease in capitalised expenditure for development projects for the financial year ended 31 December 2021.

For the financial year ended 31 December 2020, F-Secure's cash flow used in investments amounted to EUR 1.7 million, a decrease of EUR 1.4 million as compared to F-Secure's cash flow used in investments of EUR 3.1 million for the financial year ended 31 December 2019. The decrease in cash used in investments was primarily due to a decrease in capitalised expenditure for development projects for the financial year ended 31 December 2020.

Cash flow from financing activities

For the three months ended 31 March 2022, F-Secure's cash flow used in financing activities amounted to EUR 7.8 million, an increase of EUR 2.0 million as compared to F-Secure's cash flow used in financing activities of EUR 5.8 million for the three months ended 31 March 2021. The increase in cash used in financing activities was primarily due to intercompany transactions including cash transfers between F-Secure and WithSecure, reflected as equity financing in the carve-out financial statements.

For the financial year ended 31 December 2021, F-Secure's cash flow used in financing activities amounted to EUR 34.5 million, an increase of EUR 1.7 million as compared to F-Secure's cash flow used in financing activities of EUR 32.8 million for the financial year ended 31 December 2020. The increase in cash flow used in financing activities was primarily due to intercompany transactions including cash transfers between F-Secure and WithSecure, reflected as equity financing in the carve-out financial statements.

For the financial year ended 31 December 2020, F-Secure's cash flow used in financing activities amounted to EUR 32.8 million, an increase of EUR 3.9 million as compared to F-Secure's cash flow used in financing activities of EUR 28.9 million for the financial year ended 31 December 2019. The increase in cash flow used in financing activities was primarily due to intercompany transactions including cash transfers between F-Secure and WithSecure, reflected as equity financing in the carve-out financial statements.

Combined Balance Sheet Information

The balance sheet information presented below represents the financial position of F-Secure on a carve-out basis as at the dates indicated:

In EUR million	As at 31 March	As at 31 December		
	2022	2021	2020	2019
	IFRS (unaudited)		IFRS (audited)	
ASSETS				
Total non-current assets	6.6	6.4	6.3	6.5
Total current assets	32.7	32.5	30.7	26.7
Total assets	39.2	38.9	37.0	33.2
INVESTED EQUITY AND LIABILITIES				
Invested equity				
Total invested equity	9.3	9.5	9.1	2.0
Liabilities				
Total non-current liabilities	3.7	3.5	3.9	3.4
Total current liabilities	26.3	25.9	24.0	27.8
Total liabilities	30.0	29.4	27.9	31.2
Total invested equity and liabilities	39.2	38.9	37.0	33.2

Assets

Non-current assets total

As at 31 March 2022, F-Secure's non-current assets amounted to EUR 6.6 million, an increase of EUR 0.2 million as compared to F-Secure's non-currents assets of EUR 6.4 million as at 31 December 2021. The increase in non-current assets was primarily due to an increase in assets under construction for F-Secure's development projects, included in intangible assets.

As at 31 December 2021, F-Secure's non-current assets amounted to EUR 6.4 million, an increase of EUR 0.1 million as compared to F-Secure's non-currents assets of EUR 6.3 million as at 31 December 2020. The increase in non-current assets was primarily due to an increase of EUR 0.3 million in intangible assets, partially offset by a decrease of EUR 0.2 million in deferred tax assets. The increase in intangible assets related to an increase in capitalised expenditure for development projects, partially offset by a decrease in assets under construction (incomplete development projects).

As at 31 December 2020, F-Secure's non-current assets amounted to EUR 6.3 million, a decrease of EUR 0.2 million as compared to F-Secure's non-currents assets of EUR 6.5 million as at 31 December 2019. The decrease in non-current assets was primarily due to decreases of EUR 0.1 million and EUR 0.1 million in intangible assets and deferred tax assets, respectively. Decreases totalling EUR 0.8 million in assets under construction (incomplete development projects) and other intangible assets were partially offset by an increase of EUR 0.7 million in capitalised expenditure for development projects.

Current assets total

As at 31 March 2022, F-Secure's current assets amounted to EUR 32.7 million, an increase of EUR 0.1 million compared to F-Secure's current assets of EUR 32.5 million as at 31 December 2021. The increase in current assets was primarily due to an increase of EUR 2.2 million in trade and other receivables, which was partially offset by decreases of EUR 1.8 million and EUR 0.2 million in the related party receivable from WithSecure and accrued income, respectively.

As at 31 December 2021, F-Secure's current assets amounted to EUR 32.5 million, an increase of EUR 1.8 million as compared to F-Secure's current assets of EUR 30.7 million as at 31 December 2020. The increase in current assets was

primarily due to increases of EUR 1.2 million and EUR 0.7 million in trade and other receivables, and accrued income, respectively.

As at 31 December 2020, F-Secure's current assets amounted to EUR 30.7 million, an increase of EUR 4.0 million as compared to F-Secure's current assets of EUR 26.7 million as at 31 December 2019. The increase in current assets was primarily due to an increase of EUR 5.1 million in the related party receivable from WithSecure, partially offset by a decrease of EUR 1.1 million in trade and other receivables.

Equity and liabilities

Invested equity

As at 31 March 2022, F-Secure's invested equity amounted to EUR 9.3 million, a decrease of EUR 0.3 million as compared to F-Secure's invested equity of EUR 9.5 million as at 31 December 2021. The net decrease in invested equity was primarily due to equity transactions with WithSecure which exceeded comprehensive income for the three months ended 31 March 2022.

F-Secure's invested equity was EUR 9.5 million as at 31 December 2021, EUR 9.1 million as at 31 December 2020 and EUR 2.0 million as at 31 December 2019. The net increases in invested equity were primarily due to increases in profit for the year for each year and equity transactions with WithSecure.

Non-current liabilities total

As at 31 March 2022, F-Secure's non-current liabilities amounted to EUR 3.7 million, an increase of EUR 0.2 million as compared to F-Secure's non-current liabilities of EUR 3.5 million as at 31 December 2021. The increase in non-current liabilities was primarily due to an increase of EUR 0.1 million in deferred revenue, included in other non-current liabilities, and an increase of EUR 0.1 million in deferred tax liabilities.

As at 31 December 2021, F-Secure's non-current liabilities amounted to EUR 3.5 million, a decrease of EUR 0.4 million as compared to F-Secure's non-current liabilities of EUR 3.9 million as at 31 December 2020. The decrease in non-current liabilities was primarily due to a decrease of EUR 0.3 million in other non-current liabilities, of which EUR 0.1 million relates to deferred revenue.

As at 31 December 2020, F-Secure's non-current liabilities amounted to EUR 3.9 million, an increase of EUR 0.5 million as compared to F-Secure's non-current liabilities of EUR 3.4 million as at 31 December 2019. The increase in non-current liabilities was primarily due to increases of EUR 0.3 million in deferred tax liabilities and EUR 0.2 million in other non-current liabilities. An increase of EUR 0.3 million in deferred revenue was partially offset by a decrease of EUR 0.1 million in the other balances within other non-current liabilities.

Current liabilities total

As at 31 March 2022, F-Secure's current liabilities amounted to EUR 26.3 million, an increase of EUR 0.4 million as compared to F-Secure's current liabilities of EUR 25.9 as at 31 December 2021. The increase in current liabilities was due to increases of EUR 0.4 million, EUR 0.2 million and EUR 0.1 million in deferred revenue, trade payables and other current liabilities, respectively, partially offset by a decrease of EUR 0.3 million in accrued expenses.

As at 31 December 2021, F-Secure's current liabilities amounted to EUR 25.9 million, an increase of EUR 1.9 million as compared to F-Secure's current liabilities of EUR 24.0 million as at 31 December 2020. The increase in current liabilities was primarily due to increases of EUR 1.7 million in accrued expenses and EUR 0.6 million in deferred revenue, partially offset by a decrease of EUR 0.5 million in other liabilities.

As at 31 December 2020, F-Secure's current liabilities amounted to EUR 24 million, a decrease of EUR 3.8 million compared to F-Secure's current liabilities of EUR 27.8 million as at 31 December 2019. The decrease in current liabilities was primarily due to decreases of EUR 2.3 million in accrued expenses and EUR 1.6 million in deferred revenue. Further, the restructuring provision of EUR 0.7 million recorded in 2019 (described above in section "*Operating and Financial Review — Results of operations*") was used during 2020. The decreases were partially offset by an increase of EUR 0.9 million in other liabilities.

Contractual Obligations and Off-balance-sheet liabilities

The following table sets forth F-Secure's lease liabilities as presented in the balance sheet for the dates indicated:

In EUR million	As at 31 March		As at 31 December		
	2022	2021	2021	2020	2019
	(unaudited)		(audited)		
Lease Liabilities (car leases)					
Amount due for settlement within 12 months	0.1	0.1	0.1	0.1	0.1
Amount due for settlement after 12 months	0.1	0.1	0.1	0.1	0.1
Lease Liabilities Total	0.2	0.2	0.2	0.2	0.3

F-Secure has in connection with the merger made subleasing agreements concerning its future office premises, as well as entered into one new office lease agreement. For more information, see section “*Operating and Financial Review - Other Factors*”.

Secondary Demerger Liability

After the Demerger has taken place F-Secure will have Secondary Demerger Liability. Pursuant to the Finnish Companies Act, all companies participating in a demerger are jointly liable for the debts of the demerging company that have arisen prior to the registration of the completion of the demerger. The liability of a participating company for debts that have in the Demerger Plan been allocated to another participating company is limited to a total amount equal to the value of the net assets received or retained by the first-mentioned participating company in the demerger. A demand for payment based on Secondary Demerger Liability can be made only after it has been established that payment will not be received from the participating company to which such debt was allocated in the Demerger Plan or out of the proceeds of security posted for the relevant liability.

Prior to the Demerger, F-Secure will carry out certain internal arrangements to form the legal standalone subsidiary structure for F-Secure Group in May and June 2022. When F-Secure group structure is formed, WithSecure Group internal purchase consideration related receivables and liabilities will be recognised for the assets and liabilities transferred to new F-Secure group entities. In connection with the Demerger these purchase considerations related receivables and liabilities will become external purchase price receivables from WithSecure or purchase price liabilities to WithSecure. The purchase prices will be paid after three years including interest.

Except for the revolving credit facility, F-Secure has no other off-balance-sheet liabilities that are reasonably likely to have a material effect on F-Secure's business, financial position, results of operations or cash flows.

Investments

The following table sets forth F-Secure's investments in the three months period ended 31 March 2022 and 31 March 2021 and in the financial years ended 31 December 2021, 31 December 2020 and 31 December 2019.

In EUR Million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	(unaudited)		(audited)		
Investments in intangible asset	0.6	0.1	1.6	1.7	3.1
Investments in tangible asset	0.0	0.0	0.0	0.0	0.0
Total	0.6	0.2	1.7	1.7	3.1

F-Secure's investments totalled EUR 0.6 million and EUR 0.2 million for the three months ended 31 March 2022 and 2021, respectively. F-Secure's investments totalled EUR 1.7 million, EUR 1.7 million and EUR 3.1 million for the years ended 31 December 2021, 2020 and 2019 respectively. As described above in “Cash flow from investments”, the majority of investments, in all the periods presented, relate to development projects in F-Secure's research and development function. Investments in tangible assets are mainly related to investments in machinery and equipment during the periods presented.

After the demerger, F-Secure will make key technology investments, both towards reducing the dependencies towards WithSecure, as well as further establishing its awarded consumer-focused cybertechnology capabilities. Additionally, F-Secure will invest in information technology systems, starting with its own finance and HR system.

F-Secure has not made any decisions on significant new investments between 31 March 2022 and the date of this Offering Circular.

Key estimates and judgements

In addition to the carve-out principles, described in detail in section “*Operating and Financial Review – Carve-out financial information and factors affecting comparability – Basis of preparation of carve-out financial information*”, applied in the F-Secure carve-out financial information, the preparation of the carve-out financial information has required the use of estimates and assumptions as well as the use of judgment when applying accounting principles. These affect the contents of the carve-out financial information and it is possible that actual results may differ from estimates. Estimates made in connection with the preparation of the carve-out financial information is based on management's best knowledge at the reporting date. Estimates build upon past experience as well as assumptions on the future development of the economic environment of the F-Secure business. Revisions in estimates and assumptions are recognised in the period they occur and in future periods if the revision affects both current and future periods.

The following areas require significant judgement and estimation:

- Deferred tax assets from tax losses: F-Secure has recognised deferred tax assets from tax losses related to its US operations where the deferred tax asset was EUR 0.2 million as at December 31, 2021. The amount of deferred tax assets is based on management estimation about future recoverability of these tax losses.
- Expected credit losses: The allowance for expected credit losses in F-Secure's balance sheet is EUR 0.6 million as at December 31, 2021. Management has used judgment in estimating the potential impacts of the COVID-19 pandemic on expected credit losses and the allowance has been adjusted accordingly.

Financial Risk Management

Financial risks have been centrally managed by WithSecure in accordance with WithSecure treasury policy. Historically, F-Secure has been self-funded with operating cash flow and therefore no external loans have been allocated to the carve-out financial information. The responsibility for WithSecure's risk management lies with the CEO, management and ultimately with the Board of Directors. The goal of risk management is to identify risks that may hinder the company from achieving its business objectives. The risks related to F-Secure's financial instruments are mainly related to credit risks. Currency risk is monitored also. In connection with the Demerger, F-Secure will establish its own treasury function and develop its own financial risk management policies in order to maintain an effective risk management function.

Credit Risk

F-Secure trades only with recognised, creditworthy third parties. Trade receivables are monitored and collected on an ongoing basis. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables. Trade receivables do not include any major concentrations of credit risk by customer. The top three customers accounted for 9.3 per cent, 9.2 per cent and 6.1 per cent in the financial year 2021 (5.0 per cent, 8.4 per cent and 5.4 per cent in the financial year 2020 and 7.8 per cent, 8.6 per cent and 6.3 per cent in the financial year 2019) of trade receivables.

Liquidity Risk

Liquidity risk arises if the existing liquidity reserves, net cash flows and available additional financing are not sufficient to cover commitments falling due within the next 12 months. Historically, WithSecure has managed liquidity risk for its businesses by centralising the management of cash and liquid assets and thereby optimising the use of liquid funds for operational and refinancing needs. WithSecure monitors cash balances and cash forecasts across all its businesses to keep liquidity risk at a manageable level. WithSecure's cash and bank balance was at a solid level throughout years 2021, 2020 and 2019. WithSecure has not identified any significant concentrations of liquidity risks in its sources of available financing and accordingly, F-Secure's position is the same.

Foreign Currency Risk

F-Secure operates globally and is exposed to a currency risk arising from exchange rate fluctuations against its reporting currency euro. Transaction risk is related to foreign currency transactions in sales and expenses. Translation risk arises from F-Secure's net investments outside the euro zone.

Transaction Risk

Transaction risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The majority of sales is invoiced in Euro. The other main currencies for invoicing are US dollar (USD), the Swedish krona (SEK), the pound sterling (GBP) and the Japanese yen (JPY). The currency risk arising from sales invoicing is reduced by operational expenses arising in the same currencies as the sales invoicing. The transaction risk is managed centrally such that the F-Secure operations mainly have transactions in their legal entities' functional currency and intercompany transactions are carried out in the group entities functional currencies. The main foreign currency risk arises from USD denominated sales invoicing, purchases and intercompany transactions at the WithSecure parent entity level, creating volatility in the financial income and expenses.

Translation risk

Translation risk arises from the F-Secure's net investments in foreign currencies. Translation differences arise from translating balances related to F-Secure operations within WithSecure companies' balance sheets into euro using exchange rates prevailing on the reporting date. Internal loans are granted mainly in subsidiaries' home currencies. According to current policy, F-Secure does not hedge investments made in its subsidiaries.

Foreign exchange translation differences range from EUR 0.1 million (31 December 2021) to EUR 0.3 million (31 December 2020) for the periods reported with limited sensitivity to foreign exchange rate fluctuations.

THE BOARD OF DIRECTORS, LEADERSHIP TEAM AND AUDITORS

General

Pursuant to the provisions of the Finnish Companies Act and Articles of Association of F-Secure, the management and governance of F-Secure are divided between the shareholders, the Board of Directors and the CEO.

The shareholder participates in the administration and management of F-Secure through resolutions passed at the General Meetings of Shareholders, which are convened upon notice given by the Board of Directors. In addition, a General Meeting of Shareholders is held when requested in writing by the auditor of the Company or by shareholders representing at least one-tenth of all the Shares in order to discuss a certain matter.

Corporate Governance

In addition to applicable laws and regulations, the rules and recommendations of Nasdaq Helsinki, and the Articles of Association of F-Secure, the Company will apply the Finnish Corporate Governance Code 2020 and does not intend to deviate from any of its recommendations.

The Finnish Corporate Governance Code 2020 is issued by the Finnish Securities Market Association and it is publicly available on the website of the Finnish Securities Market Association at <https://cgfinland.fi/en/corporate-governance-code/>.

Decision Making Prior to the Effective Date

Since F-Secure will not be incorporated until the Effective Date, the Board of Directors and the CEO of WithSecure have the right to make certain decisions, which fall within their respective competences, on behalf of the Company in accordance with the Demerger Plan prior to the Effective Date.

Board of Directors

According to F-Secure's Articles of Association, F-Secure's Board of Directors will consist of a minimum of three (3) and a maximum of seven (7) members. The term of office of the members of the Board of Directors expires at the end of the first Annual General Meeting following their election.

The number of members in the Board of Directors of F-Secure shall be decided, and such members shall be elected, by the shareholders' Extraordinary General Meeting of WithSecure resolving on the Demerger to be held on 31 May 2022. After the Extraordinary General Meeting, where the members of the Board of Directors shall be elected, the Board of Directors will elect the chairman of the Board of Directors from among its members. It is expected that the Board of Directors will elect Pertti Ervi as the chairman of the Board of Directors. The decisions may be changed later by a shareholders' General Meeting of WithSecure prior to the Effective Date, if necessary.

The term of office of F-Secure's members of Board of Directors shall commence upon the registration of the completion of the Demerger on the Effective Date and shall expire at the end of the first Annual General Meeting of F-Secure following the Effective Date.

The Board of Directors is responsible for F-Secure's strategy and overseeing and monitoring F-Secure's business. The CEO, assisted by the Leadership Team of F-Secure, are responsible for managing F-Secure's business and implementing its strategic and operational targets.

WithSecure has proposed to elect the following members to the Board of Directors of F-Secure:

Name	Position	Born	Nationality
Pertti Ervi	Chairman	1957	Finnish
Risto Siilasmaa	Member	1966	Finnish
Petra Teräsaho	Member	1966	Finnish
Thomas Jul	Member	1967	Danish
Madeleine Lassoued	Member	1990	Swedish
Calvin Gan	Member	1988	Malaysian

Pertti Ervi (born 1957) has been a member of the Board of Directors of WithSecure since 2003, and he is the Chairman of WithSecure's Audit Committee. He has been a member of the Board of Directors of Pointsharp Holding AB since 2021, Chairman of the Board of Directors of QPR Software Corporation since 2021. Additionally, Mr. Ervi has been the Chairman of the Board of Directors of Efecte Corporation since 2011 (a member of the Board of Directors since 2008). Further, Mr. Ervi has been the Chairman of the Board of Directors of Mintly Oy between 2017 and 2022, member of the Board of Directors of Teleste Corporation between 2009 and 2020 (Chairman: 2017 – 2020), Chairman of the Board of Directors of Comptel Corporation between 2011 and 2017, as well as Chairman of the Board of Directors of Stonesoft Corporation between 2004 and 2007. In addition, he has served as a Board member for several listed and growth companies. Currently, Mr. Ervi is an independent management consultant and a professional board member. Additionally, Mr. Ervi has been the Co-CEO and a member of the Executive Board of Computer 2000 AG between 1995 and 2000 and Co-Founder and Managing Director of Computer 2000 Finland Corporation between 1983 and 1995. Mr. Ervi holds a Bachelor of Science degree in electronics, and he is a Finnish citizen.

Risto Siilasmaa (born 1966) has been the Chairman of the Board of Directors of WithSecure since 2006 (member of the Board of Directors since 1988), and Mr. Siilasmaa holds various board memberships and public duties. Mr. Siilasmaa has been a member of the Board of Directors of Pixieray Oy since 2021, the Chairman of the Ministry of Finance's Technology Advisory Board since 2020, a member of the Global Advisory Board of Yonsei University School of Business since 2020, a member of the Komatsu International Advisory Board since 2020, a member of the International Advisory Board of IESE since 2019, a member of the Board of Directors of Futurice Corporation since 2018, a member of the Global Tech Panel, an initiative of the EU High Representative for foreign affairs and security policy since 2018 and the Founding Partner and the Chairman of the Board of Directors of First Fellow Partners since 2016. In addition, Mr. Siilasmaa was the Chairman of the Board of Directors between 2016 and 2018, Vice-Chairman of the Board of Directors between 2013 and 2015 (a member of the Board of Directors between 2007 and 2019) of the Federation of Finnish Technology Industries. Further, Mr. Siilasmaa was a member of the Board of Nokia Corporation between 2008 and 2020 (Chairman: 2012 – 2020). Mr. Siilasmaa has acted as a Senior Advisor at the Boston Consulting Group since 2020. Further, Mr. Siilasmaa acted as an interim CEO at Nokia Corporation between 2013 and 2014. He is also the Founder of WithSecure and acted as the CEO at WithSecure between 1988 and 2006. Mr. Siilasmaa holds a Master of Science degree in engineering and is a Finnish citizen.

Petra Teräsaho (born 1966) has been a member of the Board of Directors at Paulig Ab since May 2020, and she is the Chairman of Paulig Ab's Audit Committee. Additionally, Mrs. Teräsaho has acted as the CFO at ENFO Group since May 2022. She has also acted as a (Senior Vice President) Group Controller at Stora Enso between 2016 and April 2022 and as a (Vice President) Group Controller at Outotec Group between 2014 and 2015. Further, she has worked at Nokia Corporation between 1993 and 2014 in both Mobile Phones and Mobile Telecom Networks businesses, and she has held several leadership positions in finance, marketing and strategy during her career at Nokia Corporation. For example, Mrs. Teräsaho acted as the Head of Finance in Global Marketing between 2012 and 2014 and as the CFO of Nokia Mobile Phones operations in India between 2007 and 2012. At Nokia Networks, she acted as the Head of Business Planning of Mobile Applications unit between 2000 and 2001, and as a Head of Value-Based Marketing between 1999 and 2001. Mrs. Teräsaho holds a Master of Science in Accounting and Finance and is a Finnish citizen.

Thomas Jul (born 1967) has acted as the CEO of Inpay since 2021. Mr. Jul is also a Co-founder of MATTA Holding ApS and acted as MATTA Holding ApS's CEO between 2019 and 2021. Further, Mr. Jul has acted as the CEO and Country Director at the Nets Group in Denmark between 2017 and 2019. Before these positions, Mr. Jul worked several years at Ericsson as the President and the CEO of PT Ericsson Indonesia between 2014 and 2017, as the Head of the Customer Unit in Central Europe between 2012 and 2014 and as the President of Ericsson Austria GmbH between 2012 and 2013. Additionally, Mr. Jul has held several positions at Nokia Siemens Networks, where he acted as the Head of West Europe between 2011 and 2012, as the CEO of the Danish Branch between 2007 and 2010 and as the Head of Nordics between 2006 and 2009. Further, Mr. Jul acted as the Head of the Global Customer Business Team at Deutsche Telekom between 2009 and 2011. Mr. Jul holds a Master of Science degree in Computer Software Engineering and is a Danish citizen.

Madeleine Lassoued (born 1990) has been a member of the Board of Directors of NEWS Group AB since 2021. Further, Mrs. Lassoued has acted as the Head of Marketing at Volvo Car Mobility since 2019 and as the Growth and Marketing Advisor at Coupleness since 2021. Additionally, Mrs. Lassoued is a Co-founder of Plansmaid. She also acted as the Head of Digital Marketing (2017 – 2019) and as a Digital Marketing Team Leader (2016 – 2017) at Bisnode. Further, she has held various positions at BannerFlow, Aevy and HappyNation Barcelona. Ms. Lassoued holds a Master of Business Administration degree in International Economics and a Bachelor of Business Administration degree in International Marketing. Mrs. Lassoued is a Swedish citizen.

Calvin Gan (born 1988) has acted at F-Secure as a Senior Manager at F-Secure Corporation since 2020, as a Manager between 2017 and 2020, as a Security Vulnerability Expert between 2014 and 2017, as a Team Lead between 2013 and

2014, and as a Malware Analyst between 2010 and 2013. Mr. Gan holds a Bachelor of Science degree in Computing, Cyber Security and is a Malaysian citizen.

Committees of the Board of Directors

The Board of Directors may establish permanent committees to assist the Board of Directors in the preparation and performance of the Board of Directors' duties and responsibilities and determine their sizes, compositions and tasks. The proposed members of the Board of Directors of F-Secure have agreed that if they will be elected to serve as members of the Board of Directors, they will establish an audit committee (the "**Audit Committee**") and adopt a written charter setting forth the purpose, composition, operation and duties of the Audit Committee as well as qualifications for committee membership. The Board would elect the members and the chairman of the committee from among its members. Members are appointed for a term of office which expires at the closing of the next Annual General Meeting of the Company. In addition to the Audit Committee and other possible permanent committees, the Board of Directors may in individual cases appoint ad hoc committees for the preparation of specific matters. Such ad hoc committees do not have Board of Directors approved charters and the Board of Directors does not release information on their term, composition, the number of meetings or the members' attendance rates.

Audit Committee

The following description of the Audit Committee is based on the planned framework for the Audit Committee as agreed upon by the proposed Board members. The Audit Committee has not less than three (3) and not more than four (4) members. The Audit Committee monitors and evaluates risk management, internal controls, IT strategy and practices, financial reporting as well as auditing of the accounts. The Audit Committee also prepares a proposal for the election of auditor to the Board of Directors and regularly considers the need for a separate internal audit function. Members of the Audit Committee must have broad business knowledge, as well as sufficient expertise and experience with respect to the committee's area of responsibility and the mandatory tasks relating to auditing. Without limiting the applicable requirements, at least one Audit Committee member shall have special expertise in accounting, bookkeeping or auditing, and the Audit Committee members as a whole shall have sufficient expertise and experience of F-Secure's operating environment. The majority of members of the Audit Committee shall be independent from F-Secure Corporation and at least one member shall be independent of the Company's significant shareholders. The Audit Committee calls in experts to its meetings when necessary for the issues to be discussed. Materials of the Audit Committee meetings are made available for all members of the Board of Directors. The proposed members of the Board of Directors have informed WithSecure that assuming they are elected as the members of the Board of Directors of F-Secure, the following members will form the Audit Committee: Petra Teräsaho as the Chairman and Pertti Ervi and Risto Siilasmaa as members.

The Leadership Team

The table below presents the members of F-Secure's Leadership Team whose appointment will take effect on the Effective Date.

Name	Position	Born	Nationality
Timo Laaksonen	President & Chief Executive Officer	1961	Finnish
Antero Norkio	Senior Vice President, Corporate Development	1972	Finnish
Paul Palmer	Senior Vice President, Partner Business	1967	British
Toby White	Chief Technology Officer	1977	British
Sari Somerkallio	Chief Financial & Legal Officer	1972	Finnish
Kitta Virtavuo	Chief People & Culture Officer	1972	Finnish
Richard Larcombe	Chief Marketing Officer	1974	British
Perttu Tynkkynen	Senior Vice President, Direct Business	1974	Finnish
Mikko Kestilä	Vice President, Operations	1967	Finnish
Steven Offerein	Vice President, Portfolio Management	1986	Dutch
Michal Iwan	Vice President, Security Suite Business Team	1976	Polish
Dmitri Vellikok	Vice President, Network Security Business Team	1984	Finnish

Timo Laaksonen (born 1961) has been appointed as the President and Chief Executive Officer of F-Secure. Currently, Mr. Laaksonen is a member of WithSecure's leadership team and acts as the Executive Vice President of Consumer Security, and he has held various positions at WithSecure since 2012. Before his time at WithSecure, Mr. Laaksonen was a Chief Commercial Officer at Tecnotree Corporation between 2010 and 2012 and the CEO at Xtract between 2008 and

2010. Mr. Laaksonen has also acted as the CEO at First Hop between 2001 and 2008, as the Executive Vice President at Sonera SmartTrust between 1998 and 2001, as the Vice President at Teamware Group Ltd between 1993 and 1998, and as a Marketing Manager at ICL Travel Systems between 1992 and 1993. Mr. Laaksonen has also been a member of the Board of Finnish American Chamber of Commerce in New York between 2018 and 2019, a member of the Board of Directors of Broadband Multimedia Marketing Association (USA) between 2018 and 2019, and as a member of the Board of Directors of Kvalion Ltd between 2008 and 2011. Mr. Laaksonen holds a Master of Science degree in Economics (international marketing and international trade law) and is a Finnish citizen.

Antero Norkio (born 1972) has been appointed as the Senior Vice President of Corporate Development of F-Secure. Currently, he is the Vice President of Product Management at WithSecure. Mr. Norkio has worked at WithSecure since 2011, first as a Director of Product Management between 2011 and 2016, after which he has worked in his current role as a Vice President of Product Management. Before WithSecure, Mr. Norkio has acted as a Director of Product Management and as the Head of Global Channel Partners at Airwide Solutions between 2002 and 2011 (including the acquisition of First Hop 2007), as Vice President of Product Management at Taika Technologies Oy between 2001 and 2002, and as a Director of Product Management at Sonera SmartTrust between 1997 and 2001. Mr. Norkio holds a Master of Science degree in industrial engineering and management (Strategy and International Business) and is a Finnish citizen.

Paul Palmer (born 1967) has been appointed as the Senior Vice President of Partner Business of F-Secure. Mr. Palmer has worked at WithSecure since 2014. During that time, he has worked as a Vice President of Service Provider Business since 2021, as a Vice President of Business Development and Head of Asia Pacific region, Middle East and Africa between 2020 and 2021, as a Director of Business Development between 2018 and 2020, Head of Region in UK, Ireland, France and Benelux between 2015 and 2018 and as a Vice President of Sales in Asia Pacific region between 2014 and 2015. Before WithSecure, Mr. Palmer has acted as a Vice President of Global Sales in Bubbly between 2011 and 2014 and, as a Vice President of Sales in the Asia Pacific in Adaptive Mobile between 2009 and 2011, as a Business Development Director in the Asia Pacific region in Ubiquisys between 2008 and 2009, at Asia mFormation Technologies as a Regional Director in Asia between 2006 and 2008, as a Strategic Account Director between 2004 and 2006 and as a Director of Pre Sales in Europe, Middle East and Africa between 2002 and 2004. Further, Mr. Palmer acted as a Manager of Pre Sales Technical Support at Lucent Technologies between 1998 and 2002. Mr. Palmer has also held various positions of trust. He has been a Director at Bridge This Gap since 2019 and a member of the Board of Mobile Ecosystem Forum between 2015 and 2017. Mr. Palmer holds a Bachelor of Science degree in Electronics and Computing and he is British citizen.

Toby White (born 1977) has been appointed as the Chief Technology Officer of F-Secure. Mr. White has acted as a Vice President of Consumer Security in Research and Development at WithSecure since 2020. Before WithSecure, Mr. White acted as a Vice President of Digital Engineering at Wärtsilä between 2017 and 2020, as a Group CTO at GlobalData Plc between 2014 and 2017, as a Founder and CTO at Timetric between 2008 and 2016, as a Research Associate at Cambridge University Earth Sciences between 2003 and 2008, as a Unified Model System Developer in Met Office in 2003 and as a Research Associate at Cambridge University Chemical Laboratory between 2002 and 2003. Mr. White holds a Master of Chemistry degree in Chemistry and a Doctor of Philosophy degree in Theoretical Chemistry. Mr. White is a British citizen.

Sari Somerkallio (born 1972) has been appointed as the Chief Financial and Legal Officer of F-Secure, accountable for finance and legal. Mrs. Somerkallio has been acting as the Head of Finance in Consumer Security at WithSecure since February 2022. Previously, Mrs. Somerkallio has held various positions at Fiskars Group between 2008 and 2021. For example, she acted as Vice President of Business Finance between 2020 and 2021, as a Senior Vice President of Finance & Business Development between 2019 and 2020, and as a Manager of Development Projects between 2009 and 2011. Further, Mrs. Somerkallio acted at Wärtsilä Corporation as a Project Manager as well as a Process Manager between 2002 and 2008 and as Investor Relations Manager between 1999 and 2002. Additionally, she has worked as an Analyst at Merita Stockbrokers between 1997 and 1999, as well as at Interbank between 1996 and 1997. Mrs. Somerkallio holds a Master of Science degree in Mathematics and a Master of Science degree in economics (Finance) and is a Finnish citizen.

Kitta Virtavuo (born 1972) has been appointed as the Chief People and Culture Officer of F-Secure. Mrs. Virtavuo is also responsible for internal communications and facility management. Previously Mrs. Virtavuo has acted at Fiskars Group as a Vice President of HR, Sales since 2020, as a Vice President of HR, Living Business between 2017 and 2020 and as a HR Director of Business Region Europe between 2016 and 2017. Further, she has held various international HR leadership positions at Nokia Corporation and Nokia Siemens Networks being based in Finland and Latin America between 1999 and 2016. Mrs. Virtavuo holds a Bachelor of Business Administration degree in Business Management and Marketing and is a Finnish citizen.

Richard Larcombe (born 1974) has been appointed as the Chief Marketing Officer of F-Secure. Mr. Larcombe has acted as the Chief Marketing Officer in the Consumer Services at WithSecure since December 2021. Previously, he has acted as the Vice President of Global Marketing at WithSecure between 2019 and 2021. Before working at WithSecure, Mr. Larcombe co-founded ismybillfair.com and acted as its Chief Marketing Officer between 2017 and 2019. Between the years 2015 and 2017, Mr. Larcombe acted as Brand and Marketing Director at Tesco Bank. He has also acted as a Chief Marketing Officer and Director of Advertising and Sponsorship at Virgin Media between 2010 and 2015, as the Head of Marketing at The Times, Sunday Times and Times Online between 2004 and 2010 and as an Account Director at AMV BBDO between 1998 and 2004 and at Grey between 1996 and 1998. Mr. Larcombe holds a degree in Psychology (BA Hons) and is a British citizen.

Perttu Tynkkynen (born 1974) has been appointed as the Senior Vice President of Direct Business of F-Secure. Mr. Tynkkynen has acted as the Vice President of WithSecure's Global Consumer Sales and Marketing since 2015. Before that, he served as a Director of WithSecure's Direct Consumer Business between 2011 and 2015. Mr. Tynkkynen has also served as Business Manager of Consumer Sales at WithSecure in Finland between 2008 and 2011. Prior to his career at WithSecure, he acted as Region Sales Manager at Logitech between 2005 and 2008 and in various roles at PC-Super-Store between 1997 and 2005. He holds a Bachelor of Science degree in Business Administration and is a Finnish citizen.

Mikko Kestilä (born 1967) has been appointed as the Vice President of Operations of F-Secure, accountable for customer support, IT and cyber security. Mr. Kestilä has worked at WithSecure for over six years in different positions since 2016. Currently he is the Vice President of Operations, before which he worked e.g. as the Head of Business Operations and as a Director of Operational Excellence (in enterprise and channel sales). Mr. Kestilä also worked in Director Services at WithSecure for seven months starting in 2014, after which he worked as a Director in Product Management at Synchroon Technologies for over a year between 2015 and 2016, before getting back to WithSecure in 2016 as a Director of Partner Experience. Before this, Mr. Kestilä worked as a Vice President at Goodmill Systems Ltd. Between 2012 and 2014, as a Vice President of Customer Operations at Xtract Oy between 2009 and 2012, as a Vice President of Professional Services and R&D at Airwide Solutions between 2008 and 2009, as a Vice President and as a Manager at First Hop between 2004 and 2008, in several different roles at Tellabs between 1994 and 2004 and as a Project Manager and Software Engineer at Nokia Corporation between 1990 and 1994. Mr. Kestilä holds a Master of Science degree in electrical engineering and is a Finnish citizen.

Steven Offerein (born 1986) has been appointed as the Vice President of Portfolio Management of F-Secure. Mr. Offerein has acted as a Director of Business Development at WithSecure since 2021 and as a Business Development Manager between 2020 and 2021. Before WithSecure, Mr. Offerein has acted as the Head of Product Management between 2018 and 2019 and in various product management roles at TalkTalk between 2014 and 2018. Further, he has acted as a Product Manager at NewMotion between 2013 and 2014, as a Product Manager at VodafoneZiggo between 2010 and 2013 and as a Business Analyst between 2008 and 2010 and as an Information and Business Analyst at @home (previously Essent Kabelcom) between 2006 and 2008. Mr. Offerein has studied Management Sciences and is a Dutch citizen.

Michal Iwan (born 1976) has been appointed as the Vice President of Security Suite Business Team of F-Secure. Mr. Iwan has worked at WithSecure for 17 years. During this time, Mr. Iwan has acted as a Regional Vice President of Service Provider Business in Central & Eastern Europe since 2020, Head of Region of Operator Sales in DAHC, Iberia, Italy, Poland and Balkans between 2015 and 2020, as a Country Manager in Poland between 2006 and 2015 and as a Channel Manager in Poland between 2005 and 2006. Additionally, Mr Iwan has been a member of the Supervisory Board of Salumanus Sp. Z.o.o since 2022. Mr. Iwan holds a master's degree in Economy and Investments and is a Polish citizen.

Dmitri Vellikok (born 1984) has been appointed as the Vice President of Network Security Suite Business Team of F-Secure. Mr. Vellikok worked at WithSecure between 2008 and 2022. Mr. Vellikok started his career at WithSecure as a Technical Service Manager in 2008, after which he has held various positions at WithSecure and is currently a Director of Business Development in the Americas. Before starting at WithSecure, Mr. Vellikok worked as a Technical Support Engineer at IBM between 2007 and 2008 and as a Microsoft Sales Specialist at Techdata in 2007. Mr. Vellikok is a graduate of Helsinki Business College (commercial institute) in information technology services and marketing. He is a Finnish citizen.

Litigation Statement Concerning F-Secure's Directors and Officers

On the date of this Offering Circular, the CEO of F-Secure and none of the members of its Board of Directors or Leadership Team have in the previous five years:

- been convicted in relation to fraudulent crimes or offences;
- held an executive position, been included in the executive management, or been a member of the administrative management or supervisory bodies of any company, or acted as a general partner in a limited partnership at the time of or preceding any bankruptcy, administration of an estate or liquidation (excluding liquidations executed to dissolve a company due to reasons related to taxation or streamlining of group structure); or
- been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Conflicts of Interests

The provisions regarding the conflicts of interest of the Board of Directors and the CEO are set forth in the Finnish Companies Act. Pursuant to Chapter 6, Section 4 of the Finnish Companies Act, the members of the Board of Directors or the CEO may not participate in the handling of a contract between them and the company. Pursuant to Chapter 6, Section 4(a) of the Finnish Companies Act, a member of the Board of Directors of a publicly listed company may not participate, in the Board of Directors of the company or of its subsidiary, in the handling of a matter pertaining to a contract between the company and a third party, should the member in question be in a related party relationship with such third party and the action in question does not fall within the ordinary course of business of the company or is not concluded on customary commercial terms. A decision concerning such a matter is valid if it is supported by the required majority of those members of the Board of Directors of the publicly listed company or its Finnish subsidiary who are not in a related party relationship with the matter at hand. The CEO is subject to the above-mentioned provisions related to the incapacity of a member of the Board of Directors of a public listed company in the decision-making of its subsidiary. What is stated above regarding the agreement is also applicable to other legal acts and legal proceedings, and to the exercise of the right to speak. The Finnish Companies Act contains no provisions on the conflicts of interest of the members of the Leadership Team.

All members of the Board of Directors of F-Secure are independent of the Company and its significant shareholders, except for Risto Siilasmaa, who is not independent of the Company's significant shareholders, as he is a significant shareholder of the Company with an ownership of 34.4 per cent of all the shares and votes in the Company⁴², as well as Calvin Gan, who is not independent of the Company, as he is employed by the Company. There are no family relationships between F-Secure's CEO, members of the Company's Board of Directors or the members of its Leadership Team.

Leadership Team Remuneration

Compensation of the Members of the Board of Directors

Pursuant to the proposed Articles of Association of F-Secure, the General Meeting of Shareholders determines the remuneration payable to the members of the Board of Directors. Resolutions on the remuneration on the Board of Directors will be passed in the Extraordinary General Meeting of WithSecure resolving on the Demerger. F-Secure will be solely responsible for paying the remuneration of the Board of Directors of F-Secure and all other costs and liabilities related thereto also as regards the remuneration or any cost or liability that may potentially relate wholly or partially to the period preceding the Effective Date.

The Board of Directors of WithSecure has proposed upon recommendation of the Personnel Committee that the remuneration for the term of the Board of Directors of F-Secure shall be paid as follows: EUR 80,000 for the Chairman of the Board of Directors, EUR 48,000 for the Chairman of each Committee, EUR 38,000 for the members of the Board of Directors, and EUR 12,667 for the member of the Board of Directors employed by F-Secure.

⁴² On 10 May 2022, Risto Siilasmaa is the largest shareholder of WithSecure with ownership of 34.4 per cent of all of WithSecure's shares and votes. After the Demerger and Listing, Risto Siilasmaa will own a total of approximately 34.4 per cent of the issued and outstanding Shares and votes in F-Secure, assuming that there are no changes in the ownership of the largest shareholders of WithSecure and the number of WithSecure's treasury shares between 10 May 2022 and the Effective Date.

Further, the Board of Directors proposes upon recommendation of the Personnel Committee that approximately 40 per cent the remuneration be paid as shares in F-Secure repurchased from the market and that F-Secure pay any transfer tax levied on the repurchase of shares. F-Secure will repurchase the shares or transfer shares held by F-Secure as treasury shares in the name and on behalf of the members of the Board of Directors of F-Secure. The travel expenses and other costs of the members of the Board of Directors of F-Secure directly related to board work are paid in accordance with F-Secure's compensation policy in force from time to time. Each member of the Board of Directors of F-Secure is paid a predetermined travel fee in addition to travel expenses for meetings held outside their country of residence in accordance with F-Secure's travel policy in force from time to time.

The proposal for the remuneration of the members of the Board of Directors of F-Secure covers the participation in and support actions required for the preparation of the Demerger by the proposed members of the Board of Directors also for the period preceding the registration of the completion of the Demerger. For the sake of clarity, F-Secure will be responsible for the remuneration of the members of the Board of Directors of F-Secure, also to for the remuneration relating to the period preceding the completion of the Demerger on the Effective Date, as described in the Demerger Plan.

Remuneration of the Group Leadership Team and CEO

Pursuant to the CEO's contract of service with Timo Laaksonen, Laaksonen's remuneration consists of a fixed monthly salary, in addition to which Laaksonen is entitled to customary fringe benefits and incentives in accordance with incentive programmes as in force from time to time, as well as bonuses in accordance with the bonus programmes of F-Secure. The CEO's contract of service may be terminated on a six (6) months' notice. Upon termination of the contract by the Company for reasons other than a breach of the contract, the CEO shall be entitled to receive severance payment equivalent to six (6) months' salary in addition to the salary for the notice period. The Company shall subscribe for the CEO a life insurance with an amount equalling to the annual gross salary of the CEO.

The remuneration of the other members of the Group Leadership Team consists of monthly salary, customary fringe benefits and incentives as in force from time to time.

The pension benefits of the members of the Group Leadership Team are determined in accordance with applicable law or collective bargaining agreements.

Incentive Programmes

WithSecure has share-based incentive programmes for the key personnel of WithSecure and its group companies. The share-based incentive programs can be based on long-term financial and strategic performance or solely on the increase of the value of WithSecure's shares. In programs based on WithSecure's share value increase, the participants may be granted subscription or purchase rights at a predetermined price. In performance-based incentive programs, the achievement of performance criteria is evaluated after each performance period by the Board of Directors of WithSecure and the amount of the reward is determined based on the extent to which the targets have been reached during the performance period. The reward from incentive program based on WithSecure's share value increase is defined by the future valuation of the WithSecure share. In accordance with the incentive plans, no reward can be given to any participating employee, whose employment has terminated or a notice of termination has been given before the distribution of the share reward.

WithSecure has the following share-based incentive programs pursuant to which share rewards remain to be paid on the date of this Offering Circular:

- Performance Share Plan 2020–2022 with earning periods 2020–2022, 2021–2023 and 2022–2024,
- Restricted Share Plan with earning periods 2020–2021, 2021–2022, 2021–2023 and 2022–2024

According to the Demerger Plan, the Board of Directors of WithSecure may resolve on the effects that the Demerger has on the share-based incentive programs in accordance with their terms and conditions prior to the registration of the completion of the Demerger. The Board of Directors of WithSecure may make such decisions also with respect to program participants who will transfer to F-Secure in connection with the Demerger, and those decisions, if any, will be binding towards WithSecure, F-Secure and the relevant participants. The Board of Directors of WithSecure may also resolve on adopting new share-based incentive programs for the personnel of WithSecure, including the participants who will transfer to F-Secure (including without limitation new earning periods for the share-based incentive programs) until the Effective Date. After the Effective Date the Board of Directors of F-Secure will decide on any programs for the transferring personnel, as well as the measurement criteria, targets and participants of such programs.

F-Secure intends to continue WithSecure's share-based incentive programmes with as minimal changes as possible by amending the terms of the incentive programmes so that that remuneration paid pursuant to the incentive programmes will be paid in shares of F-Secure instead of shares of WithSecure to members of the Leadership Team and certain other key personnel of F-Secure. However, the Board of Directors of F-Secure will resolve on the details of the share-based incentive plans only after the Effective Date. The allocation principles for converting the share remuneration granted under WithSecure's existing incentive plans into F-Secure's share remuneration will be determined according to the price formation of the shares of F-Secure after the Listing.

In accordance with the plans in force as at the date of this Offering Circular, F-Secure will have the following share-based incentive plans:

- share-based long-term incentive plan 2020–2022, in which the performance period continues until February 2023 and based on which the maximum number of share rewards to be paid is 340,000 shares in F-Secure;
- share-based long-term incentive plan 2021–2023, in which the performance period continues until February 2024 and based on which the maximum number of share rewards to be paid is 372,000 shares in F-Secure;
- share-based long-term incentive plan 2022–2024, in which the performance period continues until February 2024 and based on which the maximum number of share rewards to be paid is 324,000 shares in F-Secure; and
- restricted share-based incentive plan 2021–2022, in which the performance period continues until January 2023 and based on which the maximum number of share rewards to be paid is 40,000 shares in F-Secure.

The payment of share rewards is conditional on the fulfilment of certain performance criteria set out in the terms and conditions of the incentive plans and on the continuation of the person's employment or service relationship with F-Secure and that no notice of termination of employment or service agreement has been given before the payment of the share reward.

Ownership of the members of the Board and the Leadership Team

Based on the shareholders' register of WithSecure, the members of F-Secure's Board of Directors, the CEO and the members of the Group Leadership Team held, on 10 May 2022, approximately 34.4 per cent of the shares and votes in WithSecure. According to the Demerger Plan, the shareholders of WithSecure will receive as demerger consideration one (1) F-Secure share for each WithSecure share that they hold on the Effective Date.

The following table presents the number of WithSecure's shares owned by the members of F-Secure's Board of Directors and the Group Leadership Team according to shareholders' register of WithSecure as at 10 May 2022:

	Position	Shares
Board of Directors		
Pertti Ervi	Chairman of the Board of Directors	70,990
Risto Siilasmaa	Member of the Board of Directors	60,017,365
Petra Teräsaho	Member of the Board of Directors	0
Thomas Jul	Member of the Board of Directors	0*
Madeleine Lassoued	Member of the Board of Directors	0
Calvin Gan	Member of the Board of Directors	0
Group Leadership Team		
Timo Laaksonen	President & Chief Executive Officer	7,250
Antero Norkio	Senior Vice President, Corporate Development	37,526
Paul Palmer	Senior Vice President, Partner Business	0
Toby White	Chief Technology Officer	0
Sari Somerkallio	Chief Financial & Legal Officer	2,298
Kitta Virtavuo	Chief People & Culture Officer	0
Richard Larcombe	Chief Marketing Officer	0
Perttu Tynkkynen	Senior Vice President, Direct Business	6,288
Mikko Kestilä	Vice President, Operations	2,229
Steven Offerein	Vice President, Portfolio Management	0
Michal Iwan	Vice President, Security Suite Business Team	639
Dmitri Vellikok	Vice President, Network Security Business Team	0

* As at 10 May 2022, Jul owns approximately 25 per cent of shares in Matta Holding ApS, and Matta Holding ApS owns 8,570 shares in WithSecure.

Auditors

The carve-out financial statements of F-Secure as at and for the years ended 31 December 2021, 2020 and 2019 have been audited by PricewaterhouseCoopers Oy, Authorised Public Accountants, with Authorised Public Accountant Janne Rajalahti as the auditor with the principal responsibility. Janne Rajalahti is registered in the register of auditors referred to in chapter 6, section 9 of the Finnish Auditing Act (1141/2015, as amended).

Pursuant to Article 7 of F-Secure's Articles of Association, F-Secure will have one (1) auditor, which shall be an auditing firm as referred to in the Finnish Auditing Act (1131/2015, as amended). The auditor of the Company is elected annually by the Annual General Meeting and the auditor's term shall expire at the end of the next Annual General Meeting following the appointment.

The Board of Directors of WithSecure has proposed that the audit firm PricewaterhouseCoopers Oy be elected as the auditor of F-Secure for a term ending at the end of the first Annual General Meeting of F-Secure. PricewaterhouseCoopers Oy has stated that Janne Rajalahti, APA, will act as the responsible auditor.

OWNERSHIP STRUCTURE

As at 10 May 2022, WithSecure had 174,598,739 shares and one (1) share corresponds to one (1) vote. The shareholders of WithSecure will receive as Demerger Consideration one (1) share in F-Secure for each share in WithSecure owned; that is, the Demerger Consideration will be issued to the shareholders of WithSecure in proportion to their existing shareholding with a ratio of 1:1. No Demerger Consideration will be issued in respect of treasury shares held by WithSecure (71,795 as at 10 May 2022).

Shareholders owning five (5) per cent or more of the shares or proportion of voting rights in WithSecure have an interest in the company's share capital which is notifiable pursuant to the Finnish Securities Markets. The following table sets forth the ten (10) largest shareholders of WithSecure and their share ownership, based on information available to WithSecure as at 10 May 2022:

	Shareholder	Total number of shares	Percentage of the Company's shares and votes (%)
1	Risto Siilasmaa	60,017,365	34.4
2	Nordea Nordic Small Cap Fund	11,557,976	6.6
3	Mandatum Life Insurance Company Limited	7,354,057	4.2
4	Ilmarinen Mutual Pension Insurance Company	6,020,000	3.4
5	Elo Mutual Pension Insurance Company	3,998,047	2.3
6	Varma Mutual Pension Insurance Company	3,970,660	2.3
7	The State Pension Fund of Finland (VER)	3,900,000	2.2
8	Nordea Finnish Stars Fund	2,700,381	1.5
9	Kaleva Mutual Insurance Company	1,967,073	1.1
10	OP-Suomi Pienyhtiöt	1,816,411	1.0

Assuming that there are no changes in the ownership of the largest shareholders of WithSecure and the number of WithSecure's treasury shares between 10 May 2022 and the Effective Date, the ownership structure of WithSecure will correspond to F-Secure's ownership structure.

As far as WithSecure is aware, F-Secure will not be directly or indirectly owned or controlled by any party under chapter 2, section 4 of the Finnish Securities Markets Act.

RELATED PARTY TRANSACTIONS

F-Secure has related party transactions with the parent company WithSecure Corporation, WithSecure Group companies and key management personnel. The key management personnel include WithSecure's CEO and other members of the Leadership Team and members of the Board of Directors of WithSecure.

Risto Siilasmaa, the Founder of WithSecure, is the Chairman of the Board of Directors of WithSecure since 2006. As at 10 May 2022, he holds approximately 34.4 per cent of the total shares in WithSecure with 34.4 per cent of total votes. The Extraordinary General Meeting resolving on the Demerger will also elect the members of the Board of Directors of F-Secure for a term commencing upon the completion of the Demerger. The intention is that Risto Siilasmaa will be proposed to be elected as a member of the Board of F-Secure. Due to his ownership in the WithSecure Risto Siilasmaa has had significant influence in With-Secure, thus also in F-Secure during the periods presented.

As F-Secure has not had a separate Leadership Team and separate Board of Directors during the periods presented, a share of the employee benefits of WithSecure's key management personnel has been allocated to F-Secure and recognised in the carve-out financial statements. Following the Effective Date, business transactions between F-Secure and WithSecure will not be related party transactions.

The share allocated to F-Secure of share-based payments granted to the key management personnel is included in the share-based payments expense of the share plans.

As F-Secure did not operate as a stand-alone public company during the financial periods presented, the amounts presented above are not indicative of the compensation of F-Secure's key management personnel in the future.

The table below presents the portion of the employee benefits of the key employees belonging to WithSecure's management allocated to F-Secure in the carve-out financial statements, as F-Secure has not had a separate Leadership Team for the financial years ended 31 December 2021, 2020 and 2019 and for the three months period ended 31 March 2022 and 2021:

In EUR million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	(unaudited)		(audited)		
Salaries, bonuses and fringe benefits	0.3	0.2	0.8	0.7	0.8
Pensions	0.0	0.0	0.1	0.1	0.1
Share-based payments	0.1	0.1	0.1	0.1	0.1
Total	0.4	0.4	1.0	0.9	1.1

The board expenses allocated to F-Secure in the carve-out financial statements were as follows: EUR 0.1 million in 2021, EUR 0.1 million in 2020 and EUR 0.0 million in 2019.

The historical carve-out financial information includes transitional services agreements and other transactions between F-Secure and WithSecure. Additionally, F-Secure has sold consumer products to WithSecure and purchased corporate products from WithSecure.

The following table presents F-Secure's transactions with WithSecure on a carve-out basis for the periods indicated:

In EUR million	1 January to 31 March		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	(unaudited)		(audited)		
Revenue	0.0	0.1	0.4	0.5	0.6
Purchases	0.1	0.1	0.4	0.6	0.9

In addition, WithSecure has equity and financing transactions with F-Secure, which have led to the recognition of receivable with WithSecure on a carve-out basis.

The following table presents F-Secure's outstanding balances with WithSecure on carve-out basis as at the dates indicated:

In EUR million	As at 31 March		As at 31 December		
	2022	2021	2021	2020	2019
	(unaudited)			(audited)	
Receivables	10.3	11.5	12.1	12.2	7.1

Equity transactions made with WithSecure during the years ended 31 December 2021, 2020 and 2019 as well as for the three months period ended 31 March 2022 and 2021 have been presented in the changes in invested equity in the combined balance sheet.

There have not been any material changes in the remuneration of the key employees belonging to WithSecure's management and in the principles of allocating such costs to F-Secure for the carve-out financial information purposes since 31 December 2021. More information on the remuneration of F-Secure's Board of Directors, the Group Leadership Team and the CEO after the Demerger is presented in section "*The Board of Directors, Leadership Team and Auditors – Leadership Team Remuneration*".

SHARES AND SHARE CAPITAL

Since F-Secure will not be incorporated until the Effective Date, the following information is based on the Demerger Plan and information available as the date of this Offering Circular regarding the consumer security business. The Demerger Plan is attached to this Offering Circular as Appendix A.

Information on F-Secure

The registered name of the company to which all of the assets, debts and liabilities relating to WithSecure's consumer security business will transfer in the Demerger is proposed to be F-Secure Oyj in Finnish and F-Secure Corporation in English. F-Secure will be domiciled in Helsinki, Finland. F-Secure will be a public limited liability company incorporated in Finland and organised under the laws of Finland. F-Secure will be registered in the Finnish Trade Register under business identity code 3269349-7. The address of F-Secure will be Tammasaarenkatu 7, 00180 Helsinki, Finland.

According to paragraph 2 of the Articles of Association of F-Secure, F-Secure's field of business is to design, manufacture, publish and provide products, including without limitation hardware and software products, and services relating in each case to information technology and cybersecurity, and to carry out import and export of any of the above or any equipment related to any of the above. The company may also trade in securities.

Shares and Share Capital of F-Secure

F-Secure's share capital will amount to EUR 80,000. Upon the completion of the Demerger, the shareholders of WithSecure will receive as Demerger Consideration one (1) new share in F-Secure for each share they hold in WithSecure; that is, the Demerger Consideration will be issued to WithSecure's shareholders in proportion to their existing shareholdings with a ratio of 1:1. Treasury shares held by WithSecure do not entitle to the Demerger Consideration. On the date of this Offering Circular, WithSecure holds 71,795 treasury shares. Assuming that no changes in the aggregate number of issued and outstanding shares in WithSecure occur between the date of this Offering Circular and the Effective Date, the aggregate number of shares of F-Secure shares as at the Effective Date will therefore be 174,526,944 shares. F-Secure will have one (1) share class, and the shares of F-Secure shall not have a nominal value. Each share of F-Secure will entitle its holder to one vote in the General Meeting of shareholders and carries equal rights to distribution of funds. F-Secure's shares will be registered in the Finnish book-entry system. F-Secure's shares will be applied for trading on the official list of Nasdaq Helsinki. The trading code of F-Secure's shares on Nasdaq Helsinki will be FSECURE. The ISIN code for F-Secure's shares will be FI4000519236. Neither F-Secure nor its subsidiaries will own any shares in F-Secure on the Effective Date.

Listing of the Shares of F-Secure

Nasdaq Helsinki has assessed that F-Secure fulfils the listing requirements of Nasdaq Helsinki, subject to certain conditions described in detail under "*Summary of the Demerger – General Description*". In accordance with Nasdaq Helsinki's listing process, F-Secure intends to apply for admission to trading on Nasdaq Helsinki at the latest on the business day preceding the first day of trading. Shares in F-Secure will be quoted in euros on Nasdaq Helsinki. The trading in the F-Secure shares on Nasdaq Helsinki is expected to begin on the first business day following the Effective Date or as soon as reasonable possible thereafter.

Authorisations Proposed by the Board of Directors of WithSecure

Authorising the Board of Directors of F-Secure to Decide on the Issuance of Shares as well as the Issuance of Options and Other Special Rights entitling to Shares

The Board of Directors of F-Secure is proposed pursuant to the Demerger Plan to be authorised to decide on the issuance of a maximum of 15,000,000 Shares in F-Secure in total through a share issue as well as by issuing options or other special rights entitling to Shares pursuant to Chapter 10, Section 1 of the Finnish Companies Act in one or several tranches. The authorisation concerns both the issuance of new Shares and the transfer of treasury Shares held by F-Secure.

The authorisation entitles the Board of Directors to decide on all terms related to the Share issue as well as the issuance of options or other special rights entitling to Shares. The issuance of Shares may be carried out in deviation from the shareholders' pre-emptive subscription right (directed issue). The authorisation may be used for carrying out potential acquisitions or other arrangements, shares-based incentive programs or otherwise for purposes decided by the Board of Directors. The Board of Directors is also entitled to decide on the sale of treasury shares on a regulated market on Nasdaq Helsinki in accordance with its rules and guidelines.

The authorisation is valid until the end of the first Annual General Meeting following the Effective Date, however in no case later than 30 June 2023.

Authorising the Board of Directors of F-Secure to Decide on the Repurchase of own Shares

The Board of Directors of F-Secure is proposed pursuant to the Demerger Plan to be authorised to decide on the repurchase of a maximum of 15,000,000 of F-Secure's own Shares in total in one or several tranches and with F-Secure's unrestricted equity.

The authorisation entitles the Board of Directors to decide on the repurchase also in deviation from the proportional holdings of the shareholders (directed repurchase). The authorisation comprises the repurchase of Shares either on trading price determined in public trading or otherwise on the market at the time of repurchase, or with a purchase offer to the shareholders in which case the repurchase price must be the same for all shareholders. F-Secure's own Shares may be repurchased to be used for carrying out acquisitions or implementing other arrangements related to F-Secure's business, for optimising F-Secure's capital structure, as part of the implementation of F-Secure's incentive programs or otherwise to be transferred further or cancelled. The authorisation includes the right of the Board of Directors to decide on all other terms related to the repurchase of F-Secure's own shares.

The authorisation is valid until the end of the first Annual General Meeting following the Effective Date, however in no case later than 30 June 2023.

Dividend Policy

According to F-Secure's dividend policy, F-Secure's target is to distribute a dividend of 50 per cent or more of its net profit.

Under the Finnish Companies Act, the General Meeting decides on the distribution of dividends based on a proposal by the Company's Board of Directors. Dividends are generally declared once every financial year and may be paid only after the General Meeting of Shareholders has approved the Company's financial statements. If dividends are distributed, all of the Shares are entitled to the same dividend. There can be no assurance regarding any financial period as to the amount of dividends to be distributed or as to whether the Company will distribute dividends at all. The dividends paid by the Company for any financial period will not be indicative of the dividends to be paid after the said financial period. For a further description of the restrictions applicable to dividend distributions, see section "Shareholder rights – Dividend and Distribution of Unrestricted Equity".

SHAREHOLDER RIGHTS

Since F-Secure will not be incorporated until the Effective Date, the following information is based on the Demerger Plan and information available as the date of this Offering Circular regarding the consumer security business. The Demerger Plan is attached to this Offering Circular as Appendix A.

F-Secure's Shares and Share Capital

F-Secure's share capital will amount to EUR 80,000. Upon the completion of the Demerger, the shareholders of WithSecure will receive as Demerger Consideration one (1) new share in F-Secure for each share they hold in WithSecure; that is, the Demerger Consideration will be issued to WithSecure's shareholders in proportion to their existing shareholdings with a ratio of 1:1. Treasury shares held by WithSecure do not entitle to the Demerger Consideration. On the date of this Offering Circular, WithSecure holds 71,795 treasury shares.

Assuming that no changes in the aggregate number of issued and outstanding shares in WithSecure occur between the date of this Offering Circular and the Effective Date, the aggregate number of shares of F-Secure shares as at the Effective Date will therefore be 174,526,944 shares. F-Secure will have one (1) share class, and the shares of F-Secure shall not have a nominal value. F-Secure's shares will be registered in the Finnish book-entry system. F-Secure's shares will be applied for trading on the official list of Nasdaq Helsinki. The trading code of F-Secure's shares on Nasdaq Helsinki will be FSECURE. The ISIN code for F-Secure's shares will be FI4000519236.

Further information on F-Secure's shares and share capital is presented in "*Shares and Share Capital*".

Pre-Emptive Subscription Rights

Under the Finnish Companies Act, existing shareholders have a pre-emptive subscription right to subscribe for new shares in the company in proportion to their existing shareholding, unless prescribed otherwise by the decision of a General Meeting or the Board of Directors. A resolution to issue new shares as well as a resolution to grant option rights or other special rights entitling to the company's shares derogating from the shareholder's pre-emptive subscription right requires at least two-thirds of all votes cast and shares represented at a General Meeting. In addition, such a resolution requires that there is a weighty financial reason for the company to do so. According to the Finnish Companies Act, resolving on a share issue without payment derogating from the shareholder's pre-emptive subscription right requires that there is an especially weighty financial reason for the same, both for the company and with regard to the interests of all shareholders in the company.

Certain shareholders who reside or whose registered address is outside of Finland, including shareholders residing in the United States, may not necessarily be able to exercise their pre-emptive subscription rights unless the shares have been registered in accordance with the securities legislation in force in the relevant country or unless such legislation includes an exemption from registration or other similar requirements.

General Meeting

According to the Finnish Companies Act, shareholders exercise their power of decision on corporate matters at General Meetings which must be held as a physical meeting in the place where the company's registered office is located, unless it is otherwise provided for in the articles of association. According to F-Secure's Articles of Association entering into force on the Effective Date, F-Secure's general meeting may, in addition to the Company's domicile Helsinki, be held in Espoo or Vantaa. Holding the meeting at another location requires an especially weighty reason. Under the Finnish Act 375/2021 which temporarily deviates from some of the provisions of the Finnish Companies Act in order to limit the spread of the COVID-19 pandemic, listed companies may organise their General Meetings solely through remote participation (i.e. without shareholders' participation at the meeting venue) or solely through a proxy representative. The temporary act is in force until 30 June 2022.

According to the Finnish Companies Act, a company's Annual General Meeting shall be held annually within six months from the end of the financial year. The General Meeting handles the matters required by the Finnish Companies Act or the Articles of Association or presented to it by the Board of Directors. According to F-Secure's Articles of Association entering into force on the Effective Date, the Annual General Meeting shall be held annually within a period of six months from the end of the financial period, on a date and at a time determined by the Board of Directors. At the Annual General Meeting, the financial statements consisting of the income statement, balance sheet, cash flow statement and notes relating to each such document, as well as the consolidated financial statements shall be presented to the shareholders for approval. At the Annual General Meeting, the shareholders shall pass resolutions on, among others, on the use of the profit shown

on the balance sheet, discharge from liability for the members of the Board of Directors and the CEO and elections of the members of the Board of Directors and the auditor as well as their remuneration. Extraordinary General Meeting shall be held in order to deal with certain matters when considered necessary by the Board of Directors, or when requested in writing by the auditor of a company or by shareholders representing together at least one tenth of all issued and outstanding shares of a company. As a general rule, the General Meeting is summoned by the Board of Directors.

According to the Finnish Companies Act, the notice of a General Meeting shall be delivered no earlier than three (3) months prior to the record date of the meeting and no later than three (3) weeks prior to the meeting, provided that the date of the publication must be at least nine (9) days before the record date of the meeting. According to F-Secure's Articles of Association, such notice shall be published on the company's website. According to the Finnish Companies Act, specific notice periods are applied in some situations. For instance, when the General Meeting is to decide on a demerger, the notice shall be delivered no earlier than three months and no later than one month prior to the record date of the meeting. In order to have the right to attend to a General Meeting, a shareholder shall give an advance notice of participation to F-Secure no later than on the date and time mentioned in the notice of the General Meeting, which may not be earlier than ten (10) days before the General Meeting.

In order to have the right to attend and vote at a General Meeting, a shareholder must be registered in the shareholders' register kept by Euroclear Finland in accordance with the Finnish Act on the Book-Entry System and Settlement Activities (348/2017, as amended) no later than eight (8) business days prior to the relevant General Meeting (i.e. the record date). For further information, see "*Finnish Securities Market – Finnish Book-Entry Securities System*". A nominee-registered shareholder wishing to attend and vote at the General Meeting should seek a temporary registration in the shareholders' register kept by Euroclear Finland. The notification of such temporary registration shall be made no later than on the date set out in the notice of the General Meeting, which must be after the record date of the General Meeting. The notification of the temporary registration to the company's shareholder's register concerning a nominee-registered shareholder is considered as a notice of participation in the General Meeting. There are no quorum requirements for General Meetings stipulated in the Finnish Companies Act or F-Secure's Articles of Association.

Voting Rights

Shareholders may use their right to attend and vote in a General Meeting in person or through a proxy representative. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his or her right to represent a shareholder in a General Meeting. Additionally, it is permitted that each shareholder or proxy representative may have an assistant present in the General Meeting. In a General Meeting of F-Secure, each share entitles its holder to one (1) vote. If the shareholder's shares are recorded in more than one book-entry account, the shareholder has the right to use a different proxy representative for each book-entry account, and the shares based on which each proxy representative represents the shareholder shall be identified in connection with the registration for the General Meeting. If a holder of a nominee-registered share wishes to attend a General Meeting and exercise the voting rights attached to such share, the holder must be notified for a temporary entry in F-Secure's shareholders' register.

In the General Meeting, most resolutions are passed by a simple majority of the votes cast. However, certain resolutions, such as amending the Articles of Association, deviations from the shareholders' pre-emptive subscription right to subscribe for shares in a new share issue as well as resolutions on a merger, a demerger or a dissolution of the company require at least a majority of two-thirds of the votes cast and the shares represented at the meeting. In addition, certain decisions, such as mandatory redemption of shares in deviation from shareholders' holdings require consent of all shareholders.

Dividend and Distribution of Unrestricted Equity

A General Meeting resolves on the payment of dividend and other distribution of funds by the majority of the votes cast. All shares in F-Secure carry equal rights to distribution of funds. Dividend is paid after the General Meeting has adopted the company's financial statements and resolved on the Board of Directors' proposal for the distribution of dividend. Furthermore, according to the Finnish Companies Act, a decision on the payment of dividend may be made by, in addition to the General Meeting, the Board of Directors by virtue of an authorisation by the General Meeting. The distribution of dividend shall be based on the latest adopted and audited financial statements, however, a company may also decide to pay an interim dividend based on the earnings of the ongoing financial year if an Extraordinary General Meeting adopts new audited financial statements. As a general rule, the General Meeting cannot resolve to distribute assets in excess of what the Board of Directors has proposed or accepted.

According to the Finnish Companies Act, the equity of a company shall be divided into restricted equity and unrestricted equity. Restricted equity consists of the share capital and of the fair value reserve and the revaluation reserves under the

Finnish Accounting Act (1336/1997, as amended) as well as of any possible legal reserve and share premium reserve formed before 1 September 2006 in accordance with the Act on the Implementation of the Limited Liability Companies Act (625/2006) before the entry into force of the Finnish Companies Act. Other reserves of equity are included in the unrestricted equity. Accordingly, unrestricted equity includes the profit or loss from the preceding year, retained earnings from previous years and other unrestricted equity items, including the invested unrestricted equity fund. The company may distribute its reserves of unrestricted equity, less the reported loss and the possible assets that are to be left undistributed under the Articles of Association and, in addition, certain other non-distributable funds ("**Distributable Assets**"). According to the Finnish Companies Act, the amount of dividends to be distributed may not exceed company's Distributable Assets or be distributed if the distribution will cause insolvency of the company. Accordingly, companies are entitled to pay dividends and otherwise distribute assets from reserves of unrestricted equity for a certain financial period after the General Meeting has adopted the financial statements of the company concerning the certain period in question and after the General Meeting has resolved on the distribution of dividend or other unrestricted equity in accordance with the proposal of the Board of Directors. According to the Finnish Companies Act, distribution of dividend or other unrestricted equity may also be based on financial statements concerning another period than the most recent previous accounting period provided that the General Meeting of the company has adopted such financial statements. However, essential changes in the financial position of the company, which have occurred after the completion of the financial statements on which the distribution will be based, shall be taken into consideration when deciding on the distribution of profits.

The Finnish Companies Act emphasises the maintenance of the company's solvency in connection with the distribution of assets, and, consequently, no assets may be distributed if, when making the decision on the distribution, it was known or should have been known that the company was insolvent or that it would become insolvent due to the distribution of funds.

According to the Finnish Companies Act, the amount of dividend may not exceed the amount proposed or accepted by the Board of Directors. However, shareholders holding at least ten (10) per cent of all the shares may demand at the Annual General Meeting that the company shall distribute as dividend at least one-half of the profit of the company for the last financial year, less the possible amounts that the Articles of Association of the company may require to be left undistributed and the possible prior dividends already paid in respect of the financial year in question. However, the dividend so paid may neither exceed the amount that may be distributable without the company's creditors' consent nor eight (8) per cent of the equity of the company.

Under the Finnish Companies Act, dividends and other distributions are paid to the shareholders or custodial nominee account holders who have been entered in the shareholders' register on the relevant record date. The shareholder register is maintained by Euroclear Finland through account operators. No dividend shall be distributed to shareholders who are not registered in the shareholder's register. In the Finnish book-entry securities system, dividends are paid by wire transfer to the shareholders' accounts recorded into the book-entry register. All shares in F-Secure carry equal rights to all assets distributed by F-Secure (including the distribution of assets in case F-Secure were to be dissolved).

The Demerger Consideration Shares entitle their holders to dividends and other assets distributed by F-Secure as well as other shareholder rights after being registered in the Finnish Trade Register. As a general rule, the right to dividends is forfeited after three years from the date on which the dividend is due to be paid.

The distribution of other unrestricted equity than retained earnings is affected essentially in the same way as described above regarding the distribution of dividend.

Additional information on the taxation of dividends is presented in the section "*Taxation*".

Own Shares

According to the Finnish Companies Act, a company may acquire or redeem its own shares. The General Meeting shall decide upon the acquisition or redemption of the company's own shares unless the General Meeting has authorised the Board of Directors to decide upon the acquisition of the company's own shares by using unrestricted equity. In a public company, the authorisation may be in force for no more than 18 months at a time. Own shares may be acquired in deviation from the proportion of shares held by the shareholders only if there is a weighty financial reason for the company to do so. As a general rule, own shares may be redeemed in deviation from the proportion of shares held by the shareholders only by the consent of all shareholders. In a public company, a decision to acquire or redeem own shares or to accept them as pledge may not be made in such way that the treasury shares in the possession of, or held as pledges by, the company and its subsidiaries would exceed ten (10) per cent of all the shares. Shares held by the company itself or its

subsidiaries do not entitle to participate in a General Meeting. Shares held by the company itself are not entitled to dividend distribution.

Transfer of Shares in the Finnish Book-Entry Securities System

When selling shares incorporated in the book-entry securities system, the shares are transferred by wire transfer from the seller's book-entry account to the buyer's book-entry account. For the purpose of the sale, allocation data is entered into the Infinity system of Euroclear Finland and, if necessary, a reservation regarding the book-entry security is entered into the book-entry account. The transaction is recorded as a pre-trade until it has been cleared and the shares have been paid, after which the buyer is automatically entered into the company's shareholders' register. Trades are normally cleared in Euroclear Finland's automated clearing and settlement system (Infinity system) on the second banking day after the trade date unless otherwise agreed by the parties. If the shares are nominee registered and the shares of both the seller and the buyer are held in the same custodial nominee account, the sale of shares does not cause any entries to the book-entry system unless the custodial nominee account holder changes or the shares are transferred from such custodial nominee account as a result of a sale.

Exchange Control

Foreigners may acquire shares in a Finnish company without any specific exchange control authorisation. Foreigners may also receive dividends without any specific exchange control authorisation, but the company distributing the dividend must deduct the tax-at-source from the funds transferred outside Finland unless otherwise stated in applicable law or an applicable tax treaty. Foreigners who have acquired shares in a Finnish company may receive shares in connection with a capitalisation issue or participate in a rights issue without any specific exchange control authorisation. Foreigners may sell their shares in a Finnish company in Finland, and the assets acquired in connection with such sale may be transferred outside Finland in any convertible currency. There are no exchange control rules in force in Finland which would restrict the selling of shares in a Finnish company from one foreigner to another.

FINNISH SECURITIES MARKET

The following summary is a general description of the Finnish securities market and it is based on the laws in force in Finland on the date of this Offering Circular. The following summary is not exhaustive.

Overview

The securities market in Finland is supervised by the FIN-FSA. The principal statute governing the Finnish securities market is the Finnish Securities Markets Act, which contains regulations with respect to, among other matters, company and shareholder disclosure obligations, prospectuses as well as public tender offers. The listing of shares on a stock exchange is regulated by the Act on Trading in Financial Instruments (1070/2017). In addition, the Market Abuse Regulation ((EU) No 596/2014, as amended, the “**MAR**”), regulates, among other things, insider dealing, unlawful disclosure of inside information, market manipulation, the obligation of the issuer’s management to notify transactions, and public disclosure of inside information. The role of the FIN-FSA is to monitor compliance with these provisions. The FIN-FSA may issue more detailed regulation under the Finnish Securities Markets Act and other acts.

The Finnish Securities Markets Act and the MAR specify minimum disclosure requirements for companies applying to have their shares listed on Nasdaq Helsinki or whose securities are traded on a regulated market or who offer their securities to the public in Finland. Inside information must be made public in a manner that enables fast access and complete, correct and timely assessment of the information by the public. A Finnish listed company, i.e. a company that has issued shares that are traded on a regulated market, is responsible for regularly publishing financial information on the company as well as for informing the markets of any matters concerning the company that, if made public, would be likely to have a material effect on the prices of the securities of the issuer. Pursuant to the MAR, the issuer of a security that is traded on a regulated market or that has been applied for trading on a regulated market has the obligation to inform the public as soon as possible of inside information that directly concerns that issuer. An issuer may delay disclosure to the public of inside information provided that all of the conditions set forth in the MAR are met. The disclosed information has to provide an investor with adequate information for making an informed assessment of the security and its issuer.

A shareholder is required, without undue delay, to notify a listed company and the FIN-FSA when its voting interest in, or its percentage of ownership of, the total number of shares in such Finnish listed company reaches, exceeds or falls below 5 per cent, 10 per cent, 15 per cent, 20 per cent, 25 per cent, 30 per cent, 50 per cent, 66.67 per cent (two third) or 90 per cent, calculated in accordance with the Finnish Securities Markets Act. A flagging notification must also be made when a shareholder is entitled to acquire, on the basis of a financial instrument, a number of shares that will reach, exceed or fall below the flagging threshold. Financial instrument also refers to financial instruments the value of which is determined on the basis of the target company’s share and which have a similar economic effect as a financial instrument that entitles its holder to receive shares of the target company. A flagging notification must be made regardless of whether the underlying asset of the financial instrument will be settled physically or in cash. A flagging notification must also be made when the aggregate amount of a shareholder’s per centage of holding or votes as well as its holdings based on a financing instrument reaches, exceeds or falls below the flagging threshold as well as when the shareholder takes possession of the shares underlying the financial instrument. Holdings and votes owned by an entity or foundation controlled by the shareholder will be counted towards the shareholder’s holdings requiring a flagging notification. The flagging notification must be submitted without undue delay, however no later than on the following trading day after the shareholder was informed or should have known about such a change in the shareholder’s voting rights or ownership. The shareholder shall be deemed to have been informed of said transaction no later than two trading days after the transaction. When the target company receives flagging notification, it must disclose such information without undue delay as a stock exchange release and deliver it to the main media.

Pursuant to the Finnish Securities Markets Act, a shareholder whose holding in a listed company increases above 30 per cent or above 50 per cent of the total voting rights attached to the shares in the company (mandatory offer threshold) after the commencement of a public trading of such shares on a regulated market (mandatory offeror) must make a public tender offer to purchase the remaining shares and other securities entitling holders to shares in such company at fair value (mandatory tender offer). When calculating the mandatory offer threshold, a voting restriction based on legislation or the articles of association is not taken into consideration. If the securities that caused the above-mentioned limits to be reached have been purchased pursuant to a public tender offer that has been made for all shares in the target company and other securities entitling holders to shares in such company, or have been otherwise acquired during the tender offer period of such public tender offer, the obligation to make a tender offer is not triggered. If the securities that caused the mandatory offer threshold to be reached have otherwise been purchased pursuant to a public tender offer, the obligation to make a tender offer is not triggered until the voting rights borne by the securities purchased through the tender offer have been transferred to the offeror. If the target company has one shareholder whose holding of the voting rights exceeds the

mandatory offer threshold, other shareholders will not be obliged to make a mandatory tender offer until their holding exceeds the holding of the first shareholder.

If a shareholder exceeds the mandatory offer threshold due solely to acts of the company or another shareholder, such shareholder is not required to make a tender offer before acquiring or subscribing for more shares in the target company or otherwise increasing its holding of voting rights in the target company. If the mandatory offer threshold is exceeded due to the shareholders acting in concert when making a voluntary tender offer, the obligation to make a mandatory tender offer is not triggered if the concerted actions are limited only to such public tender offer.

There is no obligation to make a mandatory tender offer if a shareholder or another party who is acting in concert with such shareholder gives up its voting rights in excess of the mandatory offer threshold within one month after such limit was exceeded by conveying shares in the company or otherwise reducing its share of votes in the company. In order to be released from the obligation to make an offer, the mandatory offeror and the parties acting in concert with it cannot exercise voting rights in the company during said time. The mandatory offeror must also publish its intention to convey the voting rights in excess of the mandatory offer threshold in conjunction with the publication of the information of the obligation to make a mandatory tender offer. Information on the voting rights falling below the mandatory offer threshold must be published without delay.

In accordance with the Finnish Companies Act, a shareholder with more than nine tenths (9/10) of all shares and votes in the company (redeemer) shall have the right to redeem the shares of the other shareholders at the fair price (squeeze-out). In addition, a shareholder whose shares can be redeemed in the above-mentioned manner (minority shareholder) is entitled to demand redemption of his/her shares (sell-out). The Finnish Companies Act includes detailed rules that apply to the calculation of the majority shareholder's proportion of shares and votes.

Under the Finnish Securities Markets Act, a Finnish listed company must directly or indirectly belong to an independent body, established in Finland, that broadly represents the business sector which has, in order to promote compliance with good securities markets practice, issued a recommendation which relates to the actions of the management of the target company regarding a public tender offer (the "**Helsinki Takeover Code**"). Pursuant to the Finnish Securities Markets Act, a listed company must provide an explanation in case it is not committed to complying with the Helsinki Takeover Code.

Net short positions relating to shares tradeable on Nasdaq Helsinki must be disclosed to the FIN-FSA in accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council on short selling and certain aspects of credit default swaps. The obligation to disclose net short positions applies to all investors and market participants. A net short position regarding shares admitted to trading on a regulated market must be disclosed when the position reaches, exceeds or falls below 0.2 per cent of the issued share capital of the target company. A new notification must be disclosed for each 0.1 per centage point exceeding the above threshold. The FIN-FSA publishes the notified net short positions on its website, if the net short position reaches, exceeds or falls below 0.5 per cent of the issued share capital of the target company.

The Criminal Code of Finland (39/1889, as amended) contains provisions relating to breach of disclosure requirements, the misuse of inside information, unlawful disclosure of inside information and market manipulation. Pursuant to the MAR, the Finnish Securities Markets Act and the Act on the Financial Supervisory Authority (878/2008, as amended), the FIN-FSA has the right to impose administrative sanctions to the extent the offence does not fall within the scope of the Penal Code. The FIN-FSA may, for example, issue a public warning or impose an administrative fine or penalty payment for the breach of disclosure requirements of a public tender offer, insider register, notification of managers' transactions or market abuse provisions. The disciplinary board of Nasdaq Helsinki may give a warning or note or impose a disciplinary fine or order the company to be removed from the stock exchange list.

Trading on Nasdaq Helsinki

Share trading on Nasdaq Helsinki occurs through automatic order matching. In carrying out share trades, Nasdaq Helsinki uses the INET Nordic trading platform, which is an order-based system in which buying and selling orders are matched as trades when the price and the volume information as well as other conditions tally. In the INET Nordic trading platform, the trading day consists of the following main trading phases: pre-trading, continuous trading, the closing auction and post-trading.

During the pre-trading session from 9:00 a.m. to 9:45 a.m., orders may be entered, changed or deleted. The opening call begins at 9:45 a.m. and ends at 10:00 a.m. Round lot orders entered during the pre-trading session and existing orders that are valid for more than one day are automatically transferred into the opening call. Continuous trading takes place from 10:00 a.m. to 6:25 p.m. Continuous trading begins sequentially immediately after the end of the opening call at

10:00 a.m., at which time the first share's opening price is determined, after which continuous trading in said share commences. Approximately ten minutes later, the opening prices of all the shares have been determined and trading based on market demand continues until 6:25 p.m. The closing auction begins at 6:25 p.m. and ends at approximately 6:30 p.m., when the closing prices are determined and when continuous trading ends as well. In post-trading between 6:30 p.m. and 7:00 p.m., the only trades that may be registered are contract trades for shares in after-hours trading. The shares will be registered at prices established during the trading day.

Trades are primarily cleared by determining them in the system of the central counterparty (for example European Central Counterparty N.V.) and by executing them in the system of Euroclear Finland on the second (2nd) banking day after the trade date (T+2) unless otherwise agreed by the parties. Trading in securities on Nasdaq Helsinki and clearing of trades in Euroclear Finland takes place in euros, with the minimum tick size for trading quotations depending on the tick size table of the share and being a minimum of EUR 0.0001. The price information is produced and published only in euros.

Finnish Book-Entry Securities System

Overview

The book-entry securities system refers to a system in which physical share certificates have been changed to book entries registered in book-entry accounts. The Finnish book-entry securities system is centralised at Euroclear Finland, which offers national clearing, settlement and registration services for securities. Euroclear Finland maintains the book-entry securities register for both equity and debt securities. The book-entry form is mandatory for all securities traded on markets. The registered office of Euroclear Finland is Urho Kekkosen katu 5C, FI-00100 Helsinki, Finland.

Euroclear Finland maintains a company-specific register of shareholders for each company participating in the book-entry securities system. The account operators, which consist of, among others, banks, investment services companies and other institutions licensed to act as account operators by Euroclear Finland, administer book-entry accounts and are entitled to make entries in the book-entry register.

Registration

Shareholders of all companies registered in the book-entry securities system must establish a book-entry account with an account operator or enter an agreement with an account operator to keep the book-entries on a nominee account. The book-entries of a foreigner, foreign entity or trust may be deposited in a custodial nominee account, in which case the book-entries are registered in the name of a nominee in the company's register of shareholders. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book-entries owned by one or more beneficial owners may be registered in a custodial nominee account. In addition, the shares owned by a foreigner, foreign entity or trust may be registered in a nominee-registered book-entry account opened in the name of such foreigner, foreign entity or trust, but the holding may be registered in the name of a nominee in the company's shareholders' register. Finnish shareholders are not allowed to hold their shares through a nominee registered book-entry account in the Finnish book-entry system.

For shareholders who have not transferred their shares into book-entries, a joint book-entry account shall be opened, the registered holder of which shall be the issuer. All transfers of securities entered into the book-entry securities system are executed as computerised book-entry transfers to the extent they are executed in the book-entry securities system. The account operator regularly submits to the holder of the respective book entry account, at least four times a year, a notification indicating book-entries made to the account after the previous notification. The book-entry account holders also receive an annual statement of their holdings at the end of each calendar year.

Each book-entry account is required to contain specific information with respect to the account holder and other holders of rights to the book-entries entered into the account as well as information on the account operator administering the book-entry account. The required information also includes the type and number of book-entries registered as well as the rights and restrictions pertaining to the account and to the book-entries registered in the account. Euroclear Finland and the account operators are required to observe strict confidentiality. Certain information (e.g. the name and number of shares of each shareholder) contained in the register of shareholders maintained by Euroclear Finland must be made available to the public by the company, except in the case of custodial nominee registration.

Each account operator is strictly liable for errors and omissions in its registration activity, and for any unauthorised disclosure of information. If an account holder has suffered a loss as a result of a faulty registration or other mistake or defect relating to the entries and the account operator has not compensated such loss due to insolvency that is not temporary, such account holder is entitled to receive compensation from the statutory registration fund. The capital of the registration

fund must be at least 0.0048 per cent of the average of the total market value of the book-entries kept in the book-entry securities system during the last five (5) calendar years and it must be no less than EUR 20 million. The compensation to be paid to an injured party is equal to the amount of damage suffered subject to a limit of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each incident is limited to EUR 10 million.

Custody of the securities and nominee registration

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organisation approved by Euroclear Finland) to act as a nominee on its behalf. Rights pertaining to shares registered in the name of a nominee do not entitle one to exercise other rights of the owner in relation to the issuer than the right to withdraw funds, to convert or exchange the book-entry and to participate in an issue of shares or other book-entries. A holder of nominee registered shares who wishes to attend and vote at the general meeting of shareholders must seek temporary registration of their shares in the register of shareholders if the shares bestow the shareholder the right to be entered in the shareholders' register as at the record date of the general meeting. The temporary registration must be carried out no later than on the date set out in the notice to convene the meeting.

Upon request by the FIN-FSA or the relevant company, a nominee is required to disclose the name of the beneficial owner of any shares registered in such custodial nominee's name, provided the beneficial owner is known, as well as the number of shares owned by such beneficial owner. If the name of the beneficial owner is not known, the custodial nominee account holder is required to disclose corresponding information on the representative acting on behalf of the beneficial owner and to submit a written declaration of the representative to the effect that the beneficial owner of the shares is not a Finnish natural person or legal entity.

Shareholders wishing to hold their shares in the book-entry securities system in their own name but who do not maintain a book-entry account in Finland are required to open a book-entry account at an account operator as well as a bank account denominated in euros in Finland.

Investors' compensation fund and deposit guarantee fund

The Finnish Act on Investment Services sets forth a compensation fund for investors. The act divides investors into professional and non-professional investors. The definition of professional investor includes business enterprises and public entities, which are deemed to understand the securities markets and their associated risks. An investor may also provide notice in writing that, on the basis of his/her professional skills and experience in the securities markets, he/she is a professional investor. However, natural persons are presumed to be non-professional investors.

Companies offering investment services must belong to the investor's compensation fund. The membership requirement does not apply to an investment firm that solely transmits orders, provides investment advisory services or organises multilateral trading as investment service and that does not have client funds in its custody or under its management. The compensation fund safeguards payment of clear, indisputable and due claims of the investors when an investment firm or credit institution is, for a reason other than temporary insolvency, not capable of paying claims of the investors within a determined period of time. The compensation fund only compensates claims of non-professional investors. For valid claims, the compensation fund will pay 90 per cent of the investor's claim against each investment firm or credit institution, up to a maximum of EUR 20,000. The compensation fund does not provide compensation for losses due to decreases in stock value or bad investment decisions, whereby the investors remain responsible for the consequences of their investment decisions.

Pursuant to the Act on the Financial Stability Authority (1195/2014, as amended), depositary banks must belong to the deposit guarantee system, which is intended to safeguard payments of receivables in the depositary bank's account or receivables in the forwarding of payments that have not yet been entered into an account if the depositary bank becomes insolvent and the insolvency is not temporary. The customers of a depositary bank can be compensated by the deposit guarantee fund up to a maximum of EUR 100,000. An investor's funds can be safeguarded either by the deposit insurance fund or the compensation fund. However, an investor's funds cannot be safeguarded by both funds at the same time.

TAXATION

The following summary is based on the tax laws of Finland as in effect on the date of this Offering Circular. Any changes in tax laws, case law and tax practice or in statements of the tax authorities may affect taxation and they may also have a retroactive effect on tax consequences.

The following summary is not exhaustive and does not take into account or deal with the tax laws of any country other than Finland. Prospective investors are advised to consult their own professional tax advisors as to the Finnish or foreign tax consequences of the Demerger and the purchase, ownership and disposition of the Demerger Consideration Shares. The tax legislation of prospective investors' Member State and the Company's country of incorporation may have an impact on the income received from the Demerger Consideration Shares and other Shares. Prospective investors who may be affected by the tax laws of other jurisdictions should consult their tax advisors with respect to the tax consequences applicable to their particular circumstances.

Finnish Taxation

The following is a description of the material Finnish income, transfer, and value added tax consequences that may be relevant with respect to this Demerger. The following description of Finnish domestic tax legislation relating to the Demerger, dividend distributions and capital gains arising from the sale of Demerger Consideration Shares is applicable to natural persons and limited liability companies both resident and non-resident in Finland.

The following description does not address tax considerations applicable to the holders of the Demerger Consideration Shares that may be subject to special tax rules, including, among other things, different restructurings of corporations, controlled foreign corporations (CFC), non-business carrying entities, income tax-exempt entities, or general or limited partnerships. Furthermore, this description addresses neither Finnish inheritance nor gift tax consequences.

This description is based primarily on the following acts:

- The Finnish Income Tax Act (1535/1992), as amended;
- The Finnish Business Income Tax Act (360/1968), as amended;
- The Finnish Act on Taxation of Non-residents' income (627/1978), as amended;
- The Finnish Value Added Tax Act (1501/1993), as amended;
- The Finnish Transfer Tax Act (931/1996), as amended; and
- The Finnish Act on Assessment Procedure (1558/1995), as amended.

In addition, relevant case law as well as decisions and statements made by the tax authorities in effect and available on the date of this Offering Circular have been taken into account.

All of the foregoing is subject to change. The changes could affect the tax consequences described below and may also be applicable retroactively.

General

Residents and non-residents of Finland are treated differently for tax purposes. The worldwide income of persons resident in Finland is subject to taxation in Finland. Non-residents are taxed on Finnish source income only. In addition, any income received by a non-resident from a permanent establishment located in Finland is subject to taxation in Finland. Finnish tax treaties may limit the applicability of domestic tax legislation and also preclude the right to tax non-resident's Finnish source income.

Generally, an individual is deemed resident in Finland for tax purposes if such individual stays in Finland for more than six consecutive months or if the permanent home and dwelling of such individual is located in Finland. A Finnish citizen who has left Finland to live in a foreign country is deemed resident in Finland for tax purposes during the tax year of their relocation and three following years, unless they can demonstrate that no material ties between them and Finland have existed during relevant tax year.

Earned income, including salary, is taxed at progressive tax rates. Capital income is currently taxed at a rate of 30 per cent. However, if capital income exceeds EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 per cent. Corporate entities established under the laws of Finland and foreign corporate entities whose place of effective management is in Finland are regarded as residents in Finland for tax purposes and are subject to corporate income tax in

Finland on their worldwide income. Non-residents are liable to pay corporate income tax on the income of permanent establishments located in Finland. Currently, the corporate income tax rate is 20 per cent.

The following is a summary of certain Finnish tax consequences relating to the acquisition, ownership and disposal of the Demerger Consideration Shares by Finnish resident and non-resident shareholders, as well as of general tax consequences of the Demerger.

Tax Implications of the Demerger

A partial demerger is a corporate reorganisation in which a company transfers one or several business units to one or several companies and leaves at least one of the business units in the demerging company. In accordance with section 52c of the Finnish Business Income Tax Act, a company demerging through a partial demerger is not deemed to be dissolved for tax purposes, and the principles of this provision will be applied to the demerger in taxation, i.e. the demerger will be treated as a tax neutral demerger. Shareholders of the demerging company receive as demerger consideration shares in the receiving company in proportion to the shares held by them in the demerging company.

The demerging company received a binding advance tax ruling from the Finnish Tax Administration on the tax treatment of the Demerger. According to the advance tax ruling, the Demerger will be treated as a partial demerger as defined in section 52c, subsection 1, paragraph 2 of the Finnish Business Income Tax Act.

A partial demerger completed in accordance with section 52c, subsection 1, paragraph 2 of the Finnish Business Income Tax Act, in which the demerger consideration is paid in shares in the receiving company, is not considered a transfer of shares from the viewpoint of the demerging company's shareholders and, therefore, such a demerger does not cause any direct income tax consequences for the shareholders.

As a main rule, the acquisition cost of shares in a demerging company is allocated between the shares in the demerging company and shares in the receiving company in accordance with the net assets of the respective companies calculated in accordance with the Act on Valuation of Assets for Tax Purposes (in Finnish: *Laki varojen arvostamisesta verotuksessa* 1142/2005, as amended). The acquisition cost of shares in the demerging company is such portion of the acquisition costs that represents the portion of the net assets that remain with the demerging company. The acquisition cost of shares in the receiving company is such portion of the acquisition costs that represents the portion of the net assets that are transferred to the receiving company.

However, if it is apparent that the proportion of the net assets remaining with the demerging company and transferring to the receiving company significantly deviates from the market value of the shares in the demerging company and the receiving company, respectively, the acquisition cost of the shares will be divided proportionally according to the market values of the shares in the demerging company and the receiving company, respectively. The Finnish tax authorities have considered a deviation of at least approximately 20 per cent to be material.

The allocation of the acquisition cost of shares in WithSecure and F-Secure, respectively, can be determined only after the calculations presenting the allocation of net assets between WithSecure and F-Secure as well as the weighted average price of the shares in WithSecure and F-Secure, respectively, on the first trading day and the corresponding average price of the shares on the first five trading days are known. Trading of shares in F-Secure is expected to commence on the official list of the Nasdaq Helsinki on the Effective Date.

The Demerger does not affect the taxation of possible dividend payments to shareholders.

A demerger carried out in accordance with section 17 of the Finnish Companies Act that is considered tax neutral under Finnish tax legislation will not cause any transfer tax consequences for the shareholders of the demerging or receiving company when the demerger consideration is paid in new shares of the receiving company.

The deductible expenses relating to the transferring business units will be deducted in the taxation of the receiving company as they would have been deducted in the taxation of the demerging company (principle of continuity). Following a demerger, the possible losses that have been confirmed as deductible in the taxation of the demerging company will transfer to the receiving company to the extent that it is apparent that those losses have occurred in the business of the transferring units. Other losses will be transferred proportionally with the net assets of the companies. A precondition for the transfer of losses is that the receiving company or its shareholders have owned more than one-half of the demerging company's shares since the beginning of the year during which the loss occurred.

A demerger, as a general succession, is outside the scope of the Finnish Value Added Tax Act, which means that the Demerger will not have any value added tax consequences.

Taxation of Dividends and Equity Returns

Distribution of funds from a reserve for unrestricted equity (chapter 13, section 1, subsection 1 of the Finnish Companies Act) by a listed company as referred to in section 33a, subsection 2 of the Finnish Income Tax Act (“**Listed Company**”) is taxed as distribution of dividends. Therefore, the following applies also to distribution of funds from a reserve for unrestricted equity.

Resident individuals

85 per cent of dividends paid by a Listed Company to an individual shareholder is considered capital income of the recipient, taxable at the rate of 30 per cent (however, should overall capital income exceed EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 per cent), the remaining 15 per cent being tax-exempt. If the shares form part of resident individual shareholder’s business activities, 85 per cent of dividends paid by a Listed Company is considered business income which is taxed partly as earned income at progressive tax rates and partly as capital income at the tax rate of 30 per cent (however, if the overall capital income exceeds EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 per cent), the remaining 15 per cent being tax-exempt.

A Listed Company distributing dividends is obligated to withhold tax from dividends paid to resident individuals. Currently, the tax withheld is 25.5 per cent of the paid dividend. The tax withheld by the distributing company is credited against the final tax payable by the individual shareholder for the dividend received. A 50 per cent tax prepayment will be withheld on the dividends of the nominee account if the dividend paying company or registered custodian cannot identify the recipient of the dividend.

Resident individuals must review their pre-completed tax form to confirm that the received dividend income during the tax year is correct and, if necessary, correct the amount of dividend income and the amount of prepaid income tax on the pre-completed tax form.

Regulations concerning the taxation of a dividend based on a nominee-registered share have been amended and the new provisions concerning Finnish tax residents entered into force on 1 January 2020. According to the new provisions, a 50 per cent tax prepayment will be withheld on the dividends of the nominee account if the dividend paying company or registered custodian cannot identify the recipient of the dividend.

Dividends paid for shares kept on a share savings account constitute proceeds of the share savings account, which are regarded as taxable capital income when the proceeds are withdrawn from the share savings account. For the taxation of the proceeds of share savings accounts, see below “– *Taxation of capital gains*”.

Resident companies

Dividends received by a Listed Company from another Listed Company are generally tax-exempt. However, in case the shares are included in the investment assets of the shareholder (only financial, insurance, and pension institutes may have investment assets referred to in this context), 75 per cent of the dividend is taxable income, the remaining 25 per cent being tax-exempt.

Dividends received by a resident non-listed company from a Listed Company are generally taxable income with respect to 100 per cent of the dividend. However, in cases where the non-listed company directly owns 10 per cent or more of the share capital of the Listed Company distributing the dividend, the dividend received on such shares is tax-exempt provided that the shares are not included in investment assets of the shareholder. However, if the shares are included in investment assets of the shareholder, 75 per cent of the dividend is taxable income, the remaining part of the dividend being tax-exempt.

According to the new rules concerning the taxation of a dividend based on a nominee-registered share, a 50 per cent tax prepayment will be withheld on the dividends of the nominee account if the dividend paying company or registered custodian cannot identify the recipient of the dividend.

Non-residents

Dividends paid by a Finnish company to non-residents are subject to Finnish withholding tax. The company distributing the dividend is liable to withhold the withholding tax as a final tax at the time of dividend payment. The withholding tax rate for dividend received by non-resident individual shareholder is 30 per cent whereas the withholding tax rate for dividend received by a non-resident company is 20 per cent, unless otherwise set forth in an applicable double taxation treaty. Any Finnish withholding tax withheld in excess can be applied to be refunded by the Finnish Tax Administration provided that the non-resident shareholder can prove to be entitled to a lower withholding tax rate under the applicable tax treaty.

Finland has entered into double tax treaties with many countries pursuant to which the withholding tax rate is reduced on dividends paid to persons entitled to the benefits under such treaties. For example, in the case of treaties with the following countries, Finnish withholding tax regarding dividends of portfolio shares is generally reduced to the following rates: Austria: 10 per cent; Belgium: 15 per cent; Canada: 15 per cent; Denmark: 15 per cent; France: zero per cent; Germany: 15 per cent; Ireland: zero per cent; Italy: 15 per cent; Japan: 15 per cent; the Netherlands: 15 per cent; Norway: 15 per cent; Spain: 15 per cent; Sweden: 15 per cent; Switzerland: 10 per cent; the United Kingdom: zero per cent; and the United States: 15 per cent. This list is not exhaustive. A further reduction in the withholding tax rate is usually available to corporate shareholders for dividend distributions on qualifying holdings (usually ownership of at least 10 or 25 per cent of the share capital or voting rights of the distributing company). The benefit of reduced withholding rate in an applicable tax treaty will be available if the person beneficially entitled to the dividend has provided the payer of the dividend the necessary details on the applicability of the tax treaty.

The withholding taxation rules concerning dividends paid to nominee registered shares were amended on 1 January 2021 when Finland implemented the OECD Treaty Relief and Compliance Enhancement (TRACE) model. The new register for authorised intermediaries has replaced the previous register for foreign custodian intermediaries. Furthermore, the simplified procedure that was previously applied to shares held through a nominee account is no longer applicable to the withholding taxation of nominee-registered shares' dividends. Instead of applying the general withholding tax rate under the Finnish tax laws (20 per cent or 30 per cent) or a reduced withholding tax rate under a tax treaty, a 35 per cent withholding tax will be withheld on nominee registered shares' dividends if the payer or the registered custodian does not have identifying information of the dividend beneficiary. Any Finnish withholding tax withheld in excess can be applied to be refunded by the Finnish Tax Administration provided that the non-resident shareholder can prove to be entitled to a lower withholding tax rate under the Finnish tax laws or applicable Tax Treaty.

Generally, no withholding tax is levied on dividends paid to non-resident individuals for shares kept on a foreign savings account, if it is sufficiently comparable to a Finnish share savings account. The dividends paid for shares kept on a share savings account constitute proceeds of the share savings account. For the taxation of the proceeds of share savings accounts, see below “ – *Taxation of capital gains*”.

Foreign companies residing in the EU Member States

No withholding tax is levied under Finnish tax laws on dividends paid to foreign corporate entities that reside, and are subject to corporate tax, in an EU member state as specified in Article 2 of the Parent Subsidiary Directive (2011/96/EU), as amended, and that directly hold at least ten per cent of the capital of the dividend distributing Finnish company.

Foreign companies residing in the European Economic Area

Dividends paid to certain foreign companies residing in the EEA are either tax-exempt in full or a lowered rate of withholding tax is applied to them depending on how the dividend would be taxed if paid to a corresponding Finnish corporate entity.

No withholding tax will be levied in Finland on dividends paid by a Finnish company to a non-resident entity, if (i) the entity receiving the dividend resides in the EEA; (ii) the Council Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, as amended by the Council Directive (EU) 2015/2376 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the recipient of the dividend; and (iii) the company receiving dividend is equivalent to a Finnish entity defined in the Finnish Income Tax Act Section 33 d Subsection 4 or in Section 6 a of the Finnish Business Income Tax Act; (iv) the dividend would be tax-exempt in full if paid to a corresponding Finnish corporation (see above “ – *Resident companies*”); and (v) the entity provides a report (a certificate from the home member state's tax authority) clarifying that in accordance with tax treaties applicable in the home state of the recipient of dividends, the withholding tax cannot be credited in full.

If dividend is paid to a foreign entity that fulfils the requirements presented above in section (iii) and resides in a country which fulfils the criteria set out in sections (i) and (ii), but the dividend would be only partly tax exempt if it was paid to a corresponding Finnish entity (see above “ – *Resident companies*”), a withholding tax will be withheld on the dividends in Finland (see above “ – *Non-residents*”), but the withholding tax for such dividends will be lowered to 15 per cent (instead of 20 per cent). Thus, notwithstanding entities as defined in the Parent Subsidiary Directive, which fulfil the criteria for tax exemption by directly owning at least 10 per cent of the capital of the Finnish company paying the dividends (see above “ – *Foreign companies residing in the EU Member States*”), the withholding tax rate of 15 per cent will be applied to dividends paid to a foreign entity, if the shares of the Finnish company paying dividends belong to investment assets of the company receiving the dividends. Depending on the applicable double taxation treaty, the applicable withholding tax rate can also be less than 15 per cent (see “ – *Non-residents*” above).

Foreign individuals residing in the European Economic Area

The dividends paid to a foreign non-resident individual can upon request by the individual in question be taxed, not in accordance with rules concerning withholding tax (see above “ – *Non-residents*”), but instead in accordance with the Finnish Act on Assessment Procedure, and thus, as resident individuals in Finland are taxed (see above “ – *Resident individuals*”), provided however that (i) the individual receiving the dividend resides in the EEA; (ii) the Council Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, as amended by the Council Directive (EU) 2015/2376 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the dividend recipient; and (iii) the individual provides a report (a certificate from the home member state’s tax authority) clarifying that in accordance with the double taxation treaties applicable in the home state of the recipient of dividends, the withholding tax cannot be credited in full.

Taxation of Capital Gains

Resident individuals

Capital gain or loss arising from the sale of shares or subscription rights (other than in the context of business activities) is taxable as capital gain, or as capital loss deductible from capital gains of resident individuals. Capital gains are currently taxed at a rate of 30 per cent (however, should overall capital income exceed EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 per cent). If the disposition of shares is connected to business activities (business income source) of the seller, any gain arising from the sale is deemed to be the seller’s business income, which will be divided according to the Finnish Income Tax Act to be taxed as earned income at a progressive tax rate and capital income at a rate of 30 per cent (however, should the overall capital income exceed EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 per cent).

Any capital gain or loss is calculated by deducting from the sales price the original acquisition cost and expenses related to the sale. Alternatively, individuals may, instead of deducting the actual acquisition costs, choose to apply a so-called presumptive acquisition cost, which is equal to 20 per cent of the sales price or, if the shares have been held for at least ten years, 40 per cent of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any expenses related to the sale are deemed to be included therein and, therefore, may not be separately deducted from the sales price.

A capital loss arising from the sale of securities, such as the Demerger Consideration Shares, is deductible primarily from the resident individual’s capital gains and secondarily from other capital income arising in the same year and during the following five calendar years. Capital losses will not be taken into account when calculating the capital income deficit for the calendar year in question. Thus, such capital losses do not affect the amount of the deficit credit deductible from earned income.

Notwithstanding the above, capital gains arising from the sale of assets, such as the Demerger Consideration Shares, are exempt from tax, provided that proceeds of all assets sold by the resident individual during the calendar year do not, in the aggregate, exceed EUR 1,000 (not including proceeds of assets the sale of which is tax-exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during the calendar year do not, in the aggregate, exceed EUR 1,000, and proceeds of all assets sold by the resident individual during the same calendar year do not, in the aggregate, exceed EUR 1,000.

The profit gained on the disposal of the assets kept on a share savings account is not taxable income. The proceeds of a share savings account are considered taxable capital income when the proceeds are withdrawn from the share savings

account. The current capital income tax rate is 30 per cent (however, should the overall capital income exceed EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 per cent).

The loss resulting from the disposal of the assets kept on a share savings account is not deductible. The losses of a share savings account are deductible from the taxable capital income only in the year during which the share savings account is closed. The losses of a share savings account are deducted from the net capital income after the capital losses and before other deductions from the capital income. To the extent that the losses have not been deducted from the taxable capital income in the tax year, it will be taken into account when calculating the capital income loss. The losses of a share savings account are not taken into account when calculating the capital income deficit, and hence, no deficit credit is granted. The capital income loss will be deducted from the capital income over the course of the subsequent 10 years as capital income is accumulated.

An individual resident in Finland has to enter information regarding the sale of securities, such as the Demerger Consideration Shares, occurred during the relevant calendar year on the pre-completed tax form.

Resident companies

Generally, capital gain from shares is taxable income of a company with the general corporate tax rate of 20 per cent.

The following applies only to resident companies that are taxed in accordance with the Finnish Business Income Tax Act. With effect from tax year 2020, the application of the Finnish Income Tax Act has been restricted significantly, and, as a rule, the Business Income Tax Act is applied in calculating the taxable income of most corporations (with certain exceptions, such as certain real estate companies, or calculating taxable agricultural income).

Shares may be fixed assets, current assets, investment assets (only financial, insurance, and pension institutes may have investment assets as referred to in this context), financial assets or other assets of a company. The taxation of a disposal and value decrease of shares may vary according to the asset type for which the shares qualify.

Any sales price from sale of securities is generally business income of a resident company. Correspondingly, the acquisition cost of the shares is deductible from business income upon disposal of the shares. However, a participation exemption for capital gains on share disposals is available for resident companies, provided that certain strict requirements are met. Apart from companies carrying out private equity business, capital gain arising from sale of shares that are part of fixed assets of the selling company is not considered taxable business income and, correspondingly, capital losses incurred on sale of such shares are not tax deductible, provided, among others, that (i) the selling company has continuously owned at least 10 per cent of the share capital in the company whose shares are sold and such sold shares have been owned for at least one year, which period has ended no later than one year prior to the sale, (ii) the company whose shares have been sold is not a real estate or residential housing company or a limited liability company whose activities, on a factual basis, mainly consist of ownership or possession of property, and (iii) the company whose shares are sold is resident in Finland or a company meant in Article 2 of the Parent Subsidiary Directive or resident in a country with which Finland has entered into a double taxation treaty applicable to dividends. Furthermore, in order for the capital gain to be tax-exempt, an operational connection between the company selling the shares and the company whose shares are sold has been required in case law. Sales proceeds is, however, taxable to the extent the difference on the sales proceeds and non-tax depreciated acquisition cost relates to the tax depreciation made on the shares.

Tax deductible capital losses arising from sale of shares (other than shares sold under the participation exemption) that are part of fixed assets of the selling company can only be deducted from capital gains arising from sale of shares part of fixed assets during the same tax year and five subsequent tax years. Capital losses arising from sale of shares that belong to current assets, investment assets or financial assets are tax deductible from taxable income in the same fiscal year and the subsequent ten years in accordance with the general rules concerning losses carried forward. Should the capital loss result from sale of shares belonging to other assets, the capital loss can be deducted from capital gains accruing from sale of assets belonging to other assets the same tax year and five subsequent tax years. However, in accordance with a transitional provision, capital losses which have been calculated according to the Finnish Income Tax Act and have not been offset before tax year 2020, can be carried forward for five years following the tax year of the disposal of the asset, and will primarily be deductible from capital gains on disposals of other assets, and secondarily from capital gains on disposal of shares or real property belonging to fixed assets.

Non-residents

Non-residents are generally not liable to tax in Finland on capital gains realised on sale of shares in a Finnish company, unless the non-resident taxpayer is deemed to have a permanent establishment in Finland according to the Finnish Income

Tax Act and the applicable tax treaty, and the shares are considered as assets of that permanent establishment, or more than 50 per cent of the assets of the company whose shares are sold comprises one or multiple real properties located in Finland.

If a non-resident individual has a share savings account in Finland, the proceeds withdrawn from the share savings account may, however, be taxed in Finland as the non-resident's income, if there is no tax treaty in place preventing the taxation of the income. If there is no tax treaty in place preventing the levying of the withholding tax, the proceeds withdrawn from the share savings account will be subject to withholding tax at the rate of 30 per cent.

The loss resulting from the closing of a share savings account cannot be deducted from a non-residents' income subject to withholding tax. The loss of a share savings account can, however, be deducted from the capital income generated in Finland which is subject to taxation under the Finnish Act on Assessment Procedure, if the non-resident has such income. However, the loss of a share savings account cannot be deducted from the capital income and will not be taken into account when calculating the capital income loss if a tax treaty prevents the taxation of the proceeds paid from a share savings account in Finland.

Transfer Tax

Transfer tax is generally not payable on transfer of shares subject to public trading against fixed cash consideration. The transaction is not subject to transfer tax provided that an investment service company or a foreign investment service company or another investment service provider, as defined in the Finnish Act on Investment Services, is brokering or serving as a party to the transaction or that the transferee has been approved as a trading party in the market where the transfer is executed. If the transferee's broker or other party to the transfer is not a Finnish investment service company, Finnish credit institution, or Finnish branch or office of a foreign investment service firm or credit institution, the transfer will be tax-exempt provided that the transferee liable to tax notifies the Finnish tax authorities of the transfer within two months thereof or that the broker submits an annual declaration concerning the transfer to the Finnish Tax Administration as set forth in the Finnish Act on Assessment Procedure. The tax exemption does not apply to transfers executed as capital investments or distribution of funds or to transfers in which consideration comprises in full or in part work contribution, or to certain other transfers set out in the Finnish Transfer Tax Act. Accordingly, in case law it has been considered that if an incentive scheme remuneration of key persons is paid in money and the recipient of the remuneration is obliged to purchase shares of the Listed Company with a part of the remuneration, consideration of the share purchase comprises in full or in part of work contribution, and is thus subject to transfer tax.

The buyer is liable to pay transfer tax amounting to 1.6 per cent of the transaction price in share transfers that do not fulfil the above criteria (2.0 per cent on transfers of shares in a company qualified as a real estate company). If the buyer in that case is not resident in Finland for tax purposes or a Finnish branch of a foreign credit institution, investment service firm, fund management company or EEA alternative investment fund manager, the seller must charge the tax to the buyer. If the broker is a Finnish stockbroker or credit institution or the Finnish branch or office of a foreign stockbroker or credit institution, it is liable to charge the transfer tax to the buyer and execute the payment on behalf of the buyer. If neither party to the transaction is resident in Finland or the Finnish branch of a foreign credit institution, investment service firm, fund management company or EEA alternative investment fund manager, no transfer tax is payable on the transfer of shares (excluding transfers of shares in real estate company, as defined in the Finnish Transfer Tax Act). No transfer tax is payable if the amount of transfer tax is less than EUR 10. However, a transfer tax return must be filed in such situations.

LEGAL MATTERS

Certain legal matters in connection with the Demerger and admission of the Demerger Consideration Shares and Shares in F-Secure to public trading will be passed upon for WithSecure by Castrén & Snellman Attorneys Ltd as to matters of Finnish law.

DOCUMENTS AVAILABLE FOR REVIEW

The duplicates of the following documents are available for review during the validity period of this Offering Circular within standard business hours at the registered office of WithSecure at Tammasaarenkatu 7, FI-00180 Helsinki, Finland:

- this Offering Circular;
- the Finnish Prospectus;
- the Articles of Association and the extract from the Finnish Trade Register of WithSecure as in force on the date of this Offering Circular; and
- independent auditor's assurance report on the compilation of pro forma financial information included in the Offering Circular to the Board of Directors of WithSecure;

The documents listed above and the Demerger Plan are available in their entirety online on or about 13 May 2022 at www.withsecure.com/en/about-us/investor-relations/demerger.

CARVE-OUT FINANCIAL INFORMATION

F-Secure

**Set of carve-out Financial Statements as at and for
the years ended December 31, 2021, 2020 and 2019**

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COMBINED STATEMENT OF COMPREHENSIVE INCOME

(EUR 1,000)	Note	2021	2020	2019
REVENUE	(3)	106,250	100,106	94,844
Cost of revenue	(7)	-8,806	-8,038	-7,943
GROSS MARGIN		97,444	92,068	86,901
Other operating income	(4)	523	348	375
Sales and marketing	(5, 6, 7)	-28,746	-27,049	-30,496
Research and development	(5, 6, 7)	-16,891	-15,256	-14,639
Administration	(5, 6, 7)	-8,831	-5,457	-5,168
EBIT		43,499	44,654	36,972
Financial income	(9)	276	997	509
Financial expenses	(9)	-208	-1,969	-722
PROFIT BEFORE TAXES		43,567	43,682	36,758
Income tax	(10)	-9,148	-9,520	-8,111
RESULT FOR THE FINANCIAL YEAR		34,418	34,162	28,647
Other comprehensive income				
Items that may be reclassified to profit or loss:				
Exchange difference on translation of foreign operations		75	314	134
COMPREHENSIVE INCOME FOR THE YEAR		34,493	34,476	28,781

COMBINED STATEMENT OF FINANCIAL POSITION

(EUR 1,000)	Note	2021	2020	2019
ASSETS				
NON-CURRENT ASSETS				
Tangible assets	(5, 11)	278	294	280
Intangible assets	(11)	5,908	5,568	5,709
Deferred tax assets	(18)	223	411	531
Total non-current assets		6,409	6,273	6,519
CURRENT ASSETS				
Inventories	(12)	51	74	107
Accrued income	(14)	1,285	550	469
Trade and other receivables	(13, 14, 17)	19,105	17,925	19,037
Related party receivable from WithSecure	(13)	12,099	12,174	7,062
Total current assets		32,540	30,722	26,675
TOTAL ASSETS		38,949	36,996	33,194
INVESTED EQUITY AND LIABILITIES				
TOTAL INVESTED EQUITY		9,546	9,053	1,972
NON-CURRENT LIABILITIES				
Interest bearing liabilities, non-current	(5, 16, 17)	109	132	121
Deferred tax liabilities	(18)	227	287	11
Other non-current liabilities	(19)	3,158	3,497	3,298
Total non-current liabilities		3,494	3,917	3,429
CURRENT LIABILITIES				
Interest bearing liabilities, current	(5, 16, 17)	136	118	141
Trade and other payables	(17, 19)	9,213	7,927	9,292
Provisions	(19)	-	-	740
Other current liabilities	(19)	16,560	15,981	17,620
Total current liabilities		25,909	24,026	27,793
TOTAL INVESTED EQUITY AND LIABILITIES		38,949	36,996	33,194

COMBINED STATEMENT OF CASH FLOWS

(EUR 1,000)	Note	2021	2020	2019
Cash flow from operations				
Result for the financial year		34,418	34,162	28,647
Adjustments		11,088	12,395	12,336
Depreciation, amortisation and impairments	(6)	1,524	2,053	2,394
Other adjustments		484	-151	1,618
Financial income and expenses	(9)	-68	972	213
Income taxes	(10)	9,148	9,520	8,111
Cash flow from operations before change in working capital		45,506	46,556	40,983
Change in net working capital				
Current receivables, increase (-), decrease (+)	(13, 14)	-1,810	53	1,384
Inventories, increase (-), decrease (+)	(12)	23	33	288
Non-interest bearing liabilities, increase (+), decrease (-)	(19)	1,385	-3,112	-2,978
Cash flow from operations before financial items and taxes		45,105	43,530	39,676
Interest expenses paid	(9)	-25	-10	-27
Interest income received	(9)	7	-16	36
Other financial income and expenses	(9)	58	124	-48
Income taxes paid	(10)	-9,020	-9,124	-7,652
Cash flow from operations		36,125	34,505	31,985
Cash flow from investments				
Investments in intangible and tangible assets	(11)	-1,665	-1,729	-3,111
Proceeds from sale of intangible and tangible assets	(11)	37	-	-
Cash flow from investments		-1,628	-1,729	-3,111
Cash flow from financing activities				
Repayments of lease liabilities	(5)	-225	-210	-241
Equity financing with WithSecure, net		-34,272	-32,566	-28,633
Cash flow from financing activities		-34,497	-32,776	-28,874
Change in balance¹	(1)	-	-	-
Cash and cash equivalents at the beginning of the period		-	-	-
Cash and cash equivalents at period end		-	-	-

¹ Refer to the section on Cash management and financing in Note 1, Carve-out principles and accounting principles.

COMBINED STATEMENT OF CHANGES IN EQUITY

Attributable to the owners of F-Secure

(EUR 1,000)	Note	Invested equity and retained earnings
Invested equity December 31, 2018		3,494
Result of the financial year		28,647
Translation difference		134
Total comprehensive income for the year		28,781
Cost of share-based payments	(15)	137
Equity transactions with WithSecure		-30,441
Invested equity December 31, 2019		1,972
Result of the financial year		34,162
Translation difference		314
Total comprehensive income for the year		34,476
Cost of share-based payments	(15)	-91
Equity transactions with WithSecure		-27,303
Invested equity December 31, 2020		9,053
Result of the financial year		34,418
Translation difference		75
Total comprehensive income for the year		34,493
Cost of share-based payments	(15)	401
Equity transactions with WithSecure		-34,402
Invested equity December 31, 2021		9,546

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

INFORMATION ABOUT F-SECURE

Background

WithSecure Corporation, formerly F-Secure Corporation, ("WithSecure Oyj") with its subsidiaries ("WithSecure") provides cyber security products and services globally for consumers and businesses. On March 16, 2022 the Annual General Meeting of the shareholders decided to change the business name of the parent company F-Secure Corporation to WithSecure Corporation.

On February 17, 2022, the Board of Directors of WithSecure Corporation announced its decision to pursue the separation of its consumer security business ("Consumer Security Business") and approved a demerger plan according to which all assets and liabilities of the Consumer Security Business shall be transferred to a company to be incorporated in connection with the partial demerger ("Demerger") and to be named F-Secure Corporation ("F-Secure"). The decision is based on the outcome of a review and evaluation of different strategic options. WithSecure will, after the Demerger, concentrate on its corporate security business ("Corporate Security Business").

The Demerger is subject to, among other things, approval by a majority of two-thirds of votes cast and shares represented in the Extraordinary General Meeting. The Demerger is expected to become effective as of June 30, 2022. WithSecure intends to apply for the shares in F-Secure to be admitted to trading on the official list of Nasdaq Helsinki. The trading in F-Secure's shares on Nasdaq Helsinki is expected to begin on or about July 1, 2022, or as soon as reasonably possible thereafter. The shareholders of WithSecure will receive as demerger consideration one new share in the F-Secure for each share they hold in WithSecure as demerger consideration. The final number of the shares in F-Secure issued as demerger consideration will be determined based on number of shares in WithSecure (excluding shares owned by WithSecure) on the effective date of the Demerger.

F-Secure has not formed a legal sub-group within WithSecure and it has not prepared consolidated group financial statements prior to the Demerger. In preparation for the proposed Demerger, WithSecure will carve out and transfer relevant entities' assets and liabilities to F-Secure corporation. WithSecure has prepared a set of carve-out financial statements for the years ended December 31, 2021, December 31, 2020 and December 31, 2019 for F-Secure to illustrate the business' result of operations, assets and liabilities and cash flows that will be carved out from WithSecure.

The carve-out financial statements are prepared according to the basis of preparation and accounting policies described in the following sections. The carve-out financial statements are prepared for inclusion in F-Secure's demerger and listing prospectus which is prepared by WithSecure for approval of the partial demerger by the extraordinary shareholder's meeting and for listing of the shares of F-Secure on the Nasdaq Helsinki Stock Exchange. These carve-out financial statements are approved by the Board of directors of WithSecure to be published on May 13, 2022.

F-Secure's business

F-Secure is a Finnish and globally operating cybersecurity company. F-Secure designs and offers security and privacy products and services that help millions of consumers to protect themselves against online threats. F-Secure's offering includes a comprehensive range of security and privacy products and services related to endpoint security, privacy protection, password management and digital identity protection, and router security that protects consumers' entire connected home. The majority of F-Secure's sales come from selling products and services through its extensive and global Channel Partner network, including approximately 170 Channel Partners. Channel Partners include, for example, communication service providers, retailers, banks, and insurance companies. In addition to selling products through Channel Partners, F-Secure makes standalone and all-in-one security offerings available to consumers through various e-commerce channels such as mobile application stores and its own online store. F-Secure operates globally with offices in multiple cities, and its headquarters is located in Helsinki.

1. CARVE-OUT PRINCIPLES AND ACCOUNTING PRINCIPLES

Basis of preparation and accounting principles applied in F-Secure's carve-out financial statements.

Basis of preparation

The carve-out financial statements of F-Secure have been prepared on a carve-out basis from WithSecure's consolidated financial statements using the historical book values for income and expenses, assets and liabilities and cash flows attributable to the Consumer Security Business. F-Secure has historically operated worldwide in legal entities that comprise both Consumer Security Business and Corporate Security Business, including the parent company WithSecure Oyj. Therefore assets, liabilities, income, revenue and expenses and cash flows which are either directly attributable to, have been allocated to or will transfer to F-Secure have been included in the carve-out financial statements.

The carve-out financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU by December 31, 2021, and in consideration of the principles described in "Carve-out principles applied in the F-Secure carve-out financial statements" for determining which assets and liabilities, income and expense as well as cash flows are to be allocated to the F-Secure carve-out financial statements.

IFRS does not provide direct guidance for the preparation of carve-out financial statements, and accordingly in preparing the carve-out financial statements, certain accounting conventions commonly used for the preparation of historical carve-out financial statements for inclusion in a prospectus have been applied as described below.

Carve-out financial statements may not necessarily represent its combined results of operations, financial position and cash flows that would have been had F-Secure been managed as a stand-alone consolidated group, preparing consolidated financial statements for the periods presented, separate from WithSecure. Further, the carve-out financial statements may not be indicative of F-Secure's future performance, financial position or cash flows.

The carve-out financial statements are presented in thousands of euros unless otherwise stated. All figures have been rounded which may cause the sum of individual figures to deviate from the sum of the presented line-item totals.

Carve-out principles applied in the F-Secure carve-out financial statements

The following summarises the carve-out principles applied in preparing these carve-out financial statements.

The carve-out financial statements reflect the revenue and expenses attributable to F-Secure. Revenue and operating expenses of F-Secure that have been specifically identified as pertaining to F-Secure have been attributed directly without separate allocation and apportionment.

Balance sheet items have been generally attributed based on their actual use during the periods presented, that is, if assets and liabilities are primarily used by and relate to F-Secure, they have been attributed to the carve-out statement of financial position. If the asset or liability is not legally transferring to F-Secure in connection with the Demerger, the corresponding cost of using the asset/liability has been included in the carve-out combined statement of comprehensive income as described in more detail below.

The carve-out financial statements also include the separate allocation of income, expense, assets, liabilities and cash flows which are based on management judgement, assumptions and estimates as described below. The most significant estimates, judgements and assumptions relate to the allocation of the costs of certain centrally provided shared services, leasing arrangements, shared tangible and intangible assets, cash management and financing, determination on current and deferred income taxes and invested equity.

Management considers that the allocations described below have been made on a reasonable basis, but they are not necessarily indicative of the income and costs that would have been incurred if F-Secure had been a standalone entity preparing consolidated financial statements for the periods presented.

The structure of the carve-out financial statements

F-Secure does not represent a separate group of legal entities but combines operations that are dedicated to Consumer Security Business but that have historically operated as part of the WithSecure entities including also Corporate Security Business. The following represents an overview of the WithSecure legal entities that comprised the portion of the results of operations and financial position dedicated to the Consumer Security Business and thus form the basis for the carve-out financial statements:

- F-Secure Oyj, Finland
- F-Secure Inc, United States
- F-Secure GmbH, Germany
- F-Secure (UK) Ltd, United Kingdom
- F-Secure KK, Japan
- F-Secure AB, Sweden
- F-Secure Srl, Italy
- F-Secure Sp z.o.o., Poland
- F-Secure B.V., the Netherlands
- F-Secure Iberia SL, Spain,
- F-Secure Corporation (M) Sdn Bhd, Malaysia
- F-Secure SARL, France
- F-Secure Pvt Ltd, India
- F-Secure Danmark A/S, Denmark
- F-Secure do Brasil tecnol. Da informacao Ltda, Brazil
- F-Secure Norge AS, Norway

F-Secure's carve-out financial statements do not represent the legal structure subject to the Demerger at a future date.

Inter-company transactions and transactions with related parties

Intercompany transactions, including assets and liabilities between the Consumer Security Business within WithSecure legal entities have been eliminated from these F-Secure carve-out financial statements. Intercompany transactions and balance sheet items between the Consumer Security Business and the Corporate Security Business, previously considered as intercompany transactions in WithSecure reporting, have been reported as transactions with related parties in the carve-out financial statements. Related party receivables from the remaining WithSecure operations are presented separately in the balance sheet.

Income statement transactions are presented within the related combined statement of comprehensive income line item. F-Secure sells consumer products to WithSecure and the amounts were as follows during the periods presented: EUR 407 thousand in 2021, EUR 471 thousand in 2020 and EUR 555 thousand in 2019. F-Secure purchases corporate products from WithSecure and the amounts were as follows during the periods presented EUR 415 thousand in 2021, EUR 576 thousand in 2020 and EUR 907 thousand in 2019.

Centrally provided shared services

WithSecure has historically provided shared support services to Consumer Security and Corporate Security Businesses. WithSecure support functions include Security Research & Technologies ("SRT") and Information & Business Services ("IBS"). SRT is a common R&D unit supporting the whole WithSecure. IBS contains a 24/7 customer support and IT services. WithSecure also has the following common shared functions: People, Operations & Culture, Finance, Legal, Strategy, Marketing and Management ("Other Functions"). SRT, IBS and Other Functions are defined together as "Group Functions".

Historically, WithSecure shared Group Function costs have been allocated to businesses using pre-defined allocation methods. The allocation methods used have been defined to reflect the nature of the underlying function and the utilisation of the services of the functions. In the carve-out financial statements, the WithSecure shared Group Function costs have been allocated to F-Secure based on utilisation of the services such as certain server hosting costs that have been allocated based on the usage of the service or cloud servers and customer care related costs that have been allocated based on the support provided to F-Secure or using pre-defined allocation keys such as revenue or number of employees.

Management considers these allocations to be a reasonable reflection of the utilisation of services provided. These allocated expenses have been affected by the arrangements that existed in WithSecure and are not necessarily representative of the position that may prevail in the future for F-Secure.

Centrally provided shared services costs allocated to the carve-out financial statements have been split to different profit and loss statement categories as follows:

(EUR 1,000)	2021	2020	2019
Cost of revenue	-4,790	-4,456	-5,963
Other operating income	523	348	375
Sales and marketing	-4,436	-3,934	-5,762
Research and development	-6,685	-5,411	-4,343
Administration	-8,593	-5,189	-4,935
Total	-23,981	-18,642	-20,629

Shared assets and leasing arrangements with remaining WithSecure operations

Historically, Consumer Security Business and Corporate Security Business have operated in shared leased premises and offices in all locations, including the following main premises: Helsinki and Oulu in Finland, Poznan, Poland, and Kuala Lumpur, Malaysia. In the carve-out financial statements, no office lease agreements have been allocated to F-Secure as F-Secure is not a legal owner of the lease agreements and those lease agreements will not transfer to F-Secure in connection with the Demerger. Instead, an expense related to the usage of the premises has been included in the carve-out financial statements. The annual expenses allocated to F-Secure for usage of the leased shared assets during the periods presented were EUR 1,547 thousand in 2021, EUR 1,541 thousand in 2020 and EUR 1,538 thousand in 2019.

Lease expenses related to machinery and cars, that are shared with the remaining WithSecure operations, have been allocated to the carve-out financial statements to reflect usage of these assets. These lease agreements will not transfer to F-Secure in connection with the Demerger. The annual lease expense allocations related to usage by F-Secure during the periods presented were EUR 25 thousand in 2021, EUR 105 thousand in 2020 and EUR 49 thousand in 2019.

All the above lease expenses were presented as part of operating costs and no right-of-use assets or lease liabilities have been allocated to the carve-out financial statements. Lease agreements directly attributable to F-Secure that are transferring to F-Secure in connection with the Demerger have been presented as lease agreements of F-Secure (see notes 5, 11 and 16 for more information).

Certain computers and other IT equipment have been shared between Consumer Security Business and Corporate Security Business. These IT related assets will not transfer to F-Secure in connection with the Demerger. An expense was allocated to the carve-out financial statements to reflect the usage of these assets. The allocated expenses included in the carve-out financial statements during the periods presented were EUR 146 thousand in 2021, EUR 146 thousand in 2020 and EUR 147 thousand in 2019.

Certain intangible assets, mainly computer software, have also been shared between Consumer Security Business and Corporate Security Business. In the carve-out financial statements, these intangible assets have not been allocated to F-Secure as they will remain with WithSecure after the Demerger. Instead, an expense was recognised to reflect the benefit F-Secure has received from these assets during the periods presented. The annual expense related to utilisation of the intangible assets by F-Secure included in these carve-out financial statements during the periods presented were EUR 162 thousand in 2021, EUR 171 thousand in 2020 and EUR 174 thousand in 2019.

The assets and leasing arrangements presented in the carve-out financial statements may differ significantly from the requirements of the future standalone F-Secure. F-Secure will enter into new leasing agreements related to premises, other equipment and machinery for its standalone business operations when the Demerger is consummated.

Share-based payment transactions

Historically, F-Secure key personnel have participated in WithSecure's share-based incentive programs. For carve-out purposes, the expenses related to F-Secure personnel are included in the carve-out financial statements. The portion related to the Group function participants in the share-based incentive programs has also been allocated to the carve-out financial statements as described in the section *centrally provided shared services*. The historical cost allocations may not be indicative of the future expenses that will arise through incentive schemes that will be established for F-Secure key personnel in the future.

Income tax

Historically, the Consumer Security Business has been included within the same WithSecure legal entities as the Corporate Security Business. No tax filings have been made separately for the F-Secure business. The tax expenses in these carve-out financial statements are determined based on the separate tax return method

as if the F-Secure business represented separate taxpayers in the jurisdiction of their primary operations. The current tax expense in the carve-out financial statements is the amount of tax payable or refundable based on hypothetical current year profits of the Consumer Security Business, and have been presented as current tax expense and as a shareholder transaction through invested equity in the carve-out financial statements. Deferred tax has been recorded in F-Secure's temporary differences and the recoverability of deferred tax assets has been assessed as if the F-Secure businesses were separate taxpayers. Tax losses have been included to the extent they directly relate to the F-Secure business. The line-item Income tax paid in the combined cash flow statements represents the estimated tax to be paid by each F-Secure business in different jurisdictions. The tax expenses recorded in these carve-out financial statements might not represent the tax expenses that may arise in the future for the F-Secure business.

Management considers the separate tax return approach to be reasonable, but not necessarily indicative of the tax income or expenses that would have been incurred if the entities and operations were indeed separate taxable entities.

Cash management and financing

Historically, WithSecure has managed the financing of the Consumer Security Business and utilised a centralised approach to cash management. In addition to the cash and cash equivalents balances held directly at legal WithSecure group companies, WithSecure pools cash balances, cash deposits and funding directly with the centralised WithSecure Treasury function and therefore there are no balances directly attributable to F-Secure.

As a result, cash and cash equivalents, cash pool receivables and payables, and related interest expense and income are excluded from the carve-out financial statements. Corporate level debt or related interest expenses were not allocated to F-Secure, as they were not deemed to be attributable to the Consumer Security Business.

In the Demerger, a relative share of the cash related to advance payments received by WithSecure for the sale of F-Secure's products via its direct sales channel, will be paid to F-Secure based on the actual deferred revenue balance as at the effective date of the Demerger. The receivable from the parent company has been recognised in the carve-out statement of financial position to reflect the share attributable to F-Secure during the periods presented. Change in this receivable has been recognised against invested equity.

Transfers of cash between WithSecure and F-Secure are included within the Equity financing with WithSecure, net in the Combined Statement of Cash Flows and Equity transactions with WithSecure in the Combined Statement of Changes in Equity.

The financing presented in the carve-out financial statements may differ significantly from the future financing requirements of F-Secure on a standalone basis.

Invested equity

Total invested equity attributable to shareholders of F-Secure represents WithSecure's interest in the recorded net assets of F-Secure. Historically, F-Secure has not formed a separate legal group or presented any standalone consolidated financial statements, nor does it consist of separate identifiable entities within WithSecure and accordingly, it is not feasible to present share capital or any analysis on equity reserves. The net assets of F-Secure, presented as capital invested in F-Secure, and reported as Invested equity in the combined statement of financial position, are comprised of retained earnings, invested equity and cumulative translation differences.

Changes in net assets allocated to F-Secure are presented separately in the combined statement of changes in invested equity as Equity transactions with WithSecure and in the combined cash flow statement through the line item Equity financing with WithSecure, net reflecting the internal equity financing between WithSecure and F-Secure during the financial periods presented. The amounts are affected by the net assets allocated to the F-Secure business consisting of allocation of income and expense and assets and liabilities from the remaining WithSecure operations.

Translation differences arising from translating the results for the financial year and invested equity are recognised in a separate cumulative translation difference account within total invested equity and the changes are presented in other comprehensive income.

The capital structure attributed to F-Secure in connection with the preparation of these carve-out financial statements is presented as total invested equity attributable to the shareholders of WithSecure, and as such,

is not indicative of the capital structure that F-Secure would have required had it been a standalone entity during the periods presented.

The equity of F-Secure will be formed when the Demerger is consummated and F-Secure will have share capital and other reserves as described in the Demerger plan.

Transactions in foreign currency

The carve-out financial statements are presented in euros, which is the functional and presentation currency of F-Secure's parent company. At each reporting date for the purpose of presenting carve-out financial statements, the income statements of foreign Group companies are translated at the average exchange rates for the reporting period and the balance sheets are translated using the European Central Bank's exchange rates prevailing on the reporting date. Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Exchange rate gains and losses are recognised in financial items in the combined statement of comprehensive income.

Translated balance sheet and income statement items are allocated to F-Secure or to the remaining WithSecure operations. As part of the allocations, a translation difference related to these allocated items is recognised in invested equity and its change is recorded in the combined statement of comprehensive income.

Earnings per share

The carve-out financial statements are prepared on a carve-out basis and it is not possible to measure earnings per share for the periods presented. F-Secure has not had share capital during the presented periods and a portion of WithSecure's outstanding shares cannot be allocated to it. Therefore, management considers that an earnings per share ratio cannot be accurately calculated for the F-Secure and the IAS 33, Earnings per share, disclosure requirements are therefore not complied with.

Summary of Significant Accounting principles

The following describes the accounting principles set out below for all periods presented in these carve-out financial statements:

Management judgment on significant accounting principles and use of estimates

In addition to the carve-out principles, presented in the Carve-out principles applied in the F-Secure carve-out financial statements, the preparation of the carve-out financial statements has required the use of estimates and assumptions as well as the use of judgment when applying accounting principles. These affect the contents of the carve-out financial statements and it is possible that actual results may differ from estimates.

Estimates made in connection with the preparation of the carve-out financial statements are based on management's best knowledge at the reporting date. Estimates build upon past experience as well as assumptions on the future development of the economic environment of the F-Secure business. Revisions in estimates and assumptions are recognised in the period they occur and in future periods if the revision affects both current and future periods.

The following areas require significant judgement and estimation:

- Management judgement and estimates related to carve-out principles have been described in section Carve-out principles applied in the F-Secure carve-out financial statements

- Deferred tax assets from tax losses: F-Secure has recognised deferred tax assets from tax losses related to its US operations where the deferred tax asset was EUR 0.2 million as at December 31, 2021 (see Note 18 Deferred tax). The amount of deferred tax assets is based on management estimation about future recoverability of these tax losses.

- Expected credit losses: The allowance for expected credit losses in F-Secure's balance sheet is EUR 0.6 million as at December 31, 2021 (See Note 13. Financial assets). As described in Covid-19 impacts on financial reporting in 2021 and 2020 (another section of this note), management has used judgment in estimating the potential impacts of the COVID-19 pandemic on expected credit losses and the allowance has been adjusted accordingly.

Revenue recognition

F-Secure provides a comprehensive range of endpoint protection, privacy and password management solutions, and security for all consumers' connected devices at home. Revenue derives from the sale of security products through service provider and direct consumer channels. The majority of revenue comes from the sale of endpoint protection products through the service provider partner channel, and F-Secure also sells consumer products through various retail partners, as well as F-Secure's own web shop. The main products are F-Secure SAFE, F-Secure SENSE, F-Secure FREEDOME, F-Secure ID PROTECTION and F-Secure TOTAL. F-Secure TOTAL combines SAFE, FREEDOME and ID PROTECTION in an all-in-one application that provides complete security, privacy, and identity protection on consumers' personal devices.

Consumer products are treated as Security-as-a-Service as they do not include a license of intellectual property. Customers are provided with access to continuously updated software. Revenue is accounted for as a single performance obligation and recognised over time on a straight-line basis for the contract period. The typical length of a contract period is 12, 24, or 36 months. Generally, the term between invoicing and when payment is due is not significant. Advance payment is customary for customer contracts via the direct consumer channel.

Presentation of receivables and liabilities from contracts with customers

Receivables from contracts with customers are presented in the balance sheet as Accrued income. Liabilities from contracts with customers are presented in the balance sheet as Deferred revenue and included in Total non-current liabilities or Total current liabilities depending on the duration of the liability.

Pensions

All of F-Secure's pension arrangements are in accordance with local statutory requirements, and they are defined contribution plans. Contributions to defined contribution plans are recognised in the combined statement of comprehensive income in the period to which the contributions relate.

Leases

Leases which meet the requirements of IFRS 16, Leases, are recorded in the balance sheet as right-of-use asset with a corresponding lease liability. Right-of-use assets and lease liabilities are initially measured at the present value of the remaining lease payments. An incremental borrowing rate is applied in discounting the remaining payments. F-Secure's incremental borrowing rate varies between 2.45% and 8.45% depending on the company's credit rating, geographical location of the leased asset and lease period, and the lower rate of 2.45% applies to the majority of the right-of-use assets. F-Secure's right-of-use assets are comprised of leased cars.

Changes in estimates are accounted for at each reporting date. In measuring the present value of the liabilities arising from leases, any service-related fees are excluded from the lease payment. F-Secure's lease contracts do not contain residual value guarantees or purchase options. The estimated duration for on-going contracts varies between 2 to 3 years and the total liability from on-going contracts is EUR 245 thousand (see Note 5. Leases and Note 16. Financial liabilities).

As described in the section Shared assets and leasing arrangements with remaining WithSecure operations, F-Secure uses several assets, which are leased by the remaining WithSecure operations and the benefits of using these assets are reflected as expenses in the combined statement of comprehensive income. When planning the future, F-Secure is exploring alternatives to replace these shared leases with individual leases, for example, related to future offices.

Intangible assets

Research and development expenditure

Research expenditure is recognised as an expense at the time it is incurred. Development expenditure on new products or product versions with significant new features are recognised as intangible assets when F-Secure has the technical feasibility to complete the asset, has the ability and intention to use or sell the asset; can demonstrate that the asset will generate future economic benefits; has resources available to complete the asset; and has the ability to measure reliably the expenditure during development. Amortisation is recorded on a straight-line basis over the estimated useful life, which is 3–8 years for these assets.

Other intangible assets

Other intangible assets include intangible rights and software licenses, all with a finite useful life. Other intangible assets are recorded at historical cost less accumulated amortisation and possible impairment. Amortisation is recorded on a straight-line basis over the estimated useful life, which is 3-10 years for these assets.

As described in Shared assets and leasing arrangements with remaining WithSecure operations, F-Secure uses several intangible assets, which are shared with the remaining WithSecure operations such as certain patents and computer software. The benefit of using these assets is reflected as an expense in the combined statement of comprehensive income. When planning the future, F-Secure is exploring alternatives to replace these shared assets with individual solutions.

Tangible assets

Tangible assets are recorded at historical cost less accumulated depreciation and possible impairment. Depreciation is recorded on a straight-line basis over the estimated useful life of an asset. The estimated useful lives of tangible assets are as follows:

Machinery and equipment	3–8 years
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Impairment of assets

At each reporting date, F-Secure assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, F-Secure makes a formal estimate of the recoverable amount. The recoverable amount of intangible assets that are not ready for use are estimated annually regardless of whether any indication of impairment exists.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and the carrying amount is reduced to its recoverable amount. The recoverable amount is the fair value of an asset less costs of disposal or value in use, whichever is higher. An impairment loss is recorded in the combined statements of comprehensive income.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The maximum reversal of an impairment loss amounts to no more than the carrying amount of the asset if no impairment loss had been recognised, net of depreciation.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined by the first-in first-out method. Net realisable value is the estimated selling price that is obtainable, less estimated costs of completion and the estimated costs necessary to make the sale.

Financial instruments

Financial assets

Financial assets are originally measured at fair value. Trade receivables are originally measured with transaction price and later with amortised cost reduced by an expected credit loss for trade receivables. Trade receivables and other receivables are written off from the balance sheet as the rights to associated cash flows end or become transferred to the counterpart. An expected credit loss is recognised for trade receivables according to IFRS 9, Financial Instruments. The amount of expected credit loss is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The expected credit loss is estimated using a provision matrix where trade receivables are grouped based on historical credit loss experience and characteristics that depict the credit risk of receivables (e.g. geographical area and days past due).

Financial liabilities

F-Secure classifies trade payables and other payables as other financial liabilities which are measured at amortised cost. Financial liabilities are classified as current unless F-Secure has an unconditional right to postpone their repayment by at least 12 months from the end date of the reporting period.

Provisions

Provisions are recognised when F-Secure has a present obligation (legal or constructive) as a result of a past event, the outflow of resources is probable, and a reliable estimate of the amount of the obligation can be made. The amount recognised is a best estimate of the consideration required to settle the obligation at each reporting date. Risks and uncertainties are taken into account when making the estimate.

Management has not recognised nor allocated any provisions in the combined statement of financial position as at December 31, 2021

Share-based payment transactions

WithSecure provides incentives to employees in the form of equity-settled share-based instruments. WithSecure's share-based incentive programs are targeted to WithSecure's key personnel. The programs are divided into equity-settled and cash-settled parts. The equity-settled part is valued at fair value at grant date, and the expense is recognised evenly in the combined statement of comprehensive income over the vesting period with the counter-entry in retained earnings. In incentive programs with performance based conditions, the fair value is determined using the market value of the shares of WithSecure. In programs with market based conditions, the fair value is determined by utilising commonly used valuation techniques. The cash-settled part is initially valued at fair value at grant date. At each reporting date, the cash-settled part is revalued to fair value and the expense is recognised in the combined statement of comprehensive income over the vesting period with the counter-entry in liabilities. The cumulative expense recognised is based on WithSecure's estimate of the number of shares that will ultimately vest at the end of the vesting period. If a person leaves the company before vesting, the reward is forfeited. WithSecure updates its estimate of the ultimate number of shares at each reporting date. These changes in the estimate are recorded in the combined statement of comprehensive income.

Presentation of expenses

Classification of the functionally presented expenses has been made by presenting direct expenses in their respective functions and by allocating other expenses to operations on the basis of average headcount in each function.

Operating result

IAS 1, Presentation of Financial Statements, does not define the concept of Earnings before interest and taxes (EBIT). F-Secure has defined it as follows: EBIT is the net amount, which consists of revenue and other operating income less cost of revenue, personnel costs, depreciation and amortisation, possible impairment losses, and other operating expenses.

COVID-19 impacts on financial reporting in 2021 and 2020

According to management's assessment, the COVID-19 pandemic may have an impact on the liquidity of F-Secure's customers in the short and longer term. In 2020, the expected credit losses according to IFRS 9, Financial Instruments, were reassessed to include the increased risk caused by the pandemic. No significant risks realised during 2020, but the prolonging of the pandemic can still impact customers' liquidity. Therefore, the potential impacts of the pandemic have been reassessed for 2021 and a slight risk element in the allowance for expected credit losses has been maintained.

New and amended IFRS Standards that are effective

During 2021 and 2020 there were no changes in WithSecure's accounting principles. The following standards and amendments have been applied starting from January 1, 2019:

Adoption of IFRS 16 Leases

WithSecure adopted the new standard, IFRS 16, Leases that was effective on January 1, 2019. IFRS 16 supersedes IAS 17 Leases and related interpretations and significantly changes the lessee's accounting, as

the distinction between operating leases and finance leases was removed. In accordance with IFRS 16, the lessee recognises most of the leases on the balance sheet.

WithSecure adopted IFRS 16 using the simplified approach and did not restate comparative figures. For leases previously classified as operating leases, the lease liability was measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at January 1, 2019. The right-of-use asset was measured at an amount equal to the lease liability. F-Secure has used hindsight when determining the lease term and applied a single discount rate to leases with similar characteristics.

The lease commitments as at December 31, 2018 were EUR 413 thousand comprising mostly car leases. The lease liabilities recognised as at January 1, 2019 were EUR 407 thousand.

IFRIC 23 Uncertainty over Income Tax Treatments

WithSecure adopted IFRIC 23 on January 1, 2019. The interpretation clarifies the application of IAS 12, Income taxes when there is uncertainty related to the tax treatment. The new interpretation did not have a material impact on WithSecure's income tax treatment and accordingly, no material impact on F-Secure's carve-out financial statements.

New standards and interpretations not yet effective

New or amended standards or interpretations are not expected to have an impact on the carve-out financial statements.

2. Segment information

Consumer Security Business consists of designing and providing a comprehensive range of cybersecurity products and services related to data security, privacy protection as well as privacy protection and digital identity protection of consumers' terminal devices, networks and devices connected to a network, sold, in each case, either directly or indirectly, to consumers.

F-Secure's operations and profitability is reported as a single operating segment which is consistent with the internal reporting and the way that operative decisions and assessment of performance have been made by WithSecure's management team.

Geographical information

F-Secure has global presence.

Geographical information about revenue is presented in Note 3 Revenue.

(EUR 1,000)	2021	2020	2019
Long-term assets			
Nordic countries	6,016	5,703	5,785
Europe excl. Nordics	163	154	195
North America	223	411	531
Rest of world	7	6	9
Total	6,409	6,273	6,519

3. Revenue

The principles of revenue recognition are stated in Note 1 Carve-out principles and accounting principles, section *Revenue recognition*.

Disaggregation of revenue

(EUR 1,000)	2021	2020	2019
Sales channels			
Revenue from external customers			
Partner channel	84,156	78,798	74,778
Direct channel (E-commerce)	22,094	21,308	20,066
Total	106,250	100,106	94,844

(EUR 1,000)	2021	2020	2019
Geographical information			
Revenue from external customers			
Europe excl. Nordics	49,644	48,940	46,765
Nordic countries	36,873	33,180	31,216
North America	14,572	13,733	12,607
Rest of world	5,162	4,254	4,255
Total	106,250	100,106	94,844

No single customer represents 10% or more of revenue.

Assets and liabilities from contracts with customers

Satisfied performance obligations from contracts with customers that have not yet been invoiced on the reporting date are presented in the balance sheet as Accrued income. The balances relate to products delivered to customers and recognised as revenue but not invoiced. Liabilities from contracts with customers are presented in the balance sheet as Deferred revenue and included in Total non-current liabilities or Total current liabilities depending on the duration of the liability. Prior year current deferred revenue is recognised as revenue in the current period. Remaining performance obligations from contracts with customers represent contracted revenue that has not yet been recognised. These balances are presented as Deferred revenue and relate to obligations to provide software subscription services in contracts with a duration of multiple years.

(EUR 1,000)	2021	2020	2019
Accrued income	1,285	550	469
Deferred revenue, non-current	3,112	3,216	2,911
Deferred revenue, current	16,560	15,981	17,620

Increases in deferred revenue resulting from billing were EUR 16,556 thousand for the year ended December 31, 2021 (EUR 16,286 thousand for 2020 and EUR 17,081 thousand for 2019). Decreases in deferred revenue resulting from satisfying performance obligations were EUR 15,981 thousand for the year ended December 31, 2021 (EUR 17,620 thousand for 2020 and EUR 19,550 thousand for 2019).

4. Other operating income

(EUR 1,000)	2021	2020	2019
Government grants	487	273	354
Other	36	75	21
Total	523	348	375

The government grants are received for certain research and development projects and are recognised as income over those periods in which the corresponding expenses arise.

None of the amounts included in Other are individually significant.

5. Leases

The principles of lease accounting are stated in Note 1 Carve-out principles and accounting principles, section Leases.

(EUR 1,000)	2021	2020	2019
Depreciation			
Right of use assets			
Cars	207	193	234
Total	207	193	234
Interest expense on lease liabilities	9	8	9
Right of use assets and liabilities			
Right of use assets			
Cars	250	275	269
Total	250	275	269
Lease liabilities			
Cars	245	250	262
Total	245	250	262
Repayments of lease liabilities	225	210	241

Right of use assets related changes are stated in disclosure Note 11 Non-current assets.

Right of use assets related interest payments are stated in disclosure Note 9 Financial income and expenses.

Maturity of lease liabilities is stated in disclosure Note 16 Financial liabilities.

6. Depreciation, amortisation, and impairment

(EUR 1,000)	2021	2020	2019
Depreciation and amortisation of non-current assets			
Other intangible assets	-	97	117
Capitalised development	1,303	1,494	2,031
Intangible assets	1,303	1,592	2,148
Machinery and equipment			
Right of use assets	207	193	234
Other tangible assets	13	8	12
Tangible assets	221	201	246
Impairment			
Capitalised development	-	260	-
Total impairment	-	260	-
Total depreciation and amortisation	1,524	2,053	2,394
Depreciation and amortisation by function			
Sales and marketing	211	299	356
Research and development	1,313	1,755	2,038
Total depreciation and amortisation	1,524	2,053	2,394

The impairment expense of capitalised development in 2020 related to one of F-Secure's development projects. The carrying value of the development project was written off based on the latest estimate of the recoverable amount in 2020.

7. Personnel expenses

Personnel expenses and the average number of personnel for direct personnel working in the Consumer Security Business are presented in the following tables:

(EUR 1,000)	2021	2020	2019
Personnel expenses			
Wages and salaries	16,114	14,299	16,172
Pension expenses - defined contribution plan	2,246	2,033	2,258
Share-based payments ¹	551	264	562
Other social expenses	1,291	1,158	1,253
Total	20,202	17,754	20,245

¹Share-based payments include a portion of share based payment costs of WithSecure which have been allocated to the carve-out financial statements based on Group function allocation, and are stated in disclosure Note 15 Share-based payment transactions.

Employee benefits of the management are stated in Note 20 Related party transactions.

(EUR 1,000)	2021	2020	2019
Average number of personnel	245	233	223
Personnel by function December 31			
Delivery	23	17	9
Sales and marketing	95	97	119
Research and development	130	129	99
Administration ¹	-	-	-
Total	248	243	227

¹Administration personnel belong to shared Group Functions and therefore costs have been allocated to F-Secure. Refer to the section on *Centrally provided shared services* in Note 1 Carve-out principles and accounting principles.

8. Audit fees

(EUR 1,000)	2021	2020	2019
WithSecure auditor			
Audit fees, PricewaterhouseCoopers	-134	-126	-122
Audit related fees, PricewaterhouseCoopers	-	-	-9
Other consulting, PricewaterhouseCoopers	-347	-16	-11
Total	-481	-142	-142

The expenses presented in the table above consist of the expenses of the WithSecure auditor, which have been allocated to the carve-out financial statements. PricewaterhouseCoopers Oy has provided permissible non-audit services to entities of WithSecure including the above amounts allocated to F-Secure carve-out financial statements, all of which are related to other services. The non-audit fees in 2021 relate to WithSecure's review and evaluation of different strategic options.

(EUR 1,000)	2021	2020	2019
Other auditors			
Audit fees	-24	-24	-37
Total	-24	-24	-37

9. Financial income and expenses

(EUR 1,000)	2021	2020	2019
Financial income			
Exchange gains	266	1,003	470
Interest income from receivables ¹	7	-16	36
Other financial income	3	10	3
Total	276	997	509
Financial expenses			
Exchange losses	-174	-1,952	-686
Other interest expenses	-25	-10	-27
Interest expense from lease liabilities	-9	-8	-9
Total	-208	-1,969	-722

¹ Credit notes related to interest income are presented as negative amounts.

10. Income tax

This note presents F-Secure's income tax expenses included in the F-Secure carve-out financial statements. The accounting principles of income taxes are stated in Note 1 Carve-out principles and accounting principles, section *Income tax*.

(EUR 1,000)	2021	2020	2019
Current income tax for the year	9,020	9,124	7,652
Change in deferred tax	128	397	459
Total	9,148	9,520	8,111

A reconciliation of income tax expense in the combined statement of comprehensive income and income tax calculated at the parent company's country of residence income tax rate (20%):

(EUR 1,000)	2021	2020	2019
Result before taxes	43,567	43,682	36,758
Income tax at Finnish tax rate of 20%	-8,713	-8,736	-7,352
Effect of overseas tax rates	-44	-47	-62
Non-deductible expenses/tax-exempt revenue	-263	-341	-239
Recognised tax losses	-	-	-451
Unrecognised tax losses	60	-277	-7
Other	-188	-120	-
Total	-9,148	-9,520	-8,111

Recognised and unrecognised tax losses included in the carve-out financial statements are historically arising from F-Secure's operations in the United States.

11. Non-current assets

(EUR 1,000)	Intangible assets				Tangible assets		
	Other Intangible	Capitalised development	Advance payments & incomplete development	Total	Machinery & equip.	Right of use assets	Total
Acquisition cost Dec 31, 2018	350	9,459	2,145	11,954	148	-	148
Impact of IFRS 16	-	-	-	-	-	413	413
Acquisition cost Jan 1, 2019	350	9,459	2,145	11,954	148	413	561
Additions	-	-	3,105	3,105	6	90	96
Transfers	-	2,799	-2,799	-	-	-	-
Acquisition cost Dec 31, 2019	350	12,257	2,452	15,059	154	503	657
Additions	-	-	1,711	1,711	17	198	215
Transfers	-	2,452	-2,452	-	-	-	-
Impairment	-	-520	-	-520	-	-	-
Acquisition cost Dec 31, 2020	350	14,189	1,711	16,249	171	701	872
Additions	-	-	1,643	1,643	22	220	242
Transfers	-	2,019	-2,019	-	-	-	-
Disposals	-	-	-	-	-	-83	-83
Acquisition cost Dec 31, 2021	350	16,207	1,335	17,893	193	837	1,031
Acc. depreciation and amortisation Jan 1, 2019	-136	-7,066	-	-7,203	-131	-	-131
Depreciation and amortisation for the period	-117	-2,031	-	-2,148	-12	-234	-246
Acc. depreciation and amortisation Dec 31, 2019	-253	-9,097	-	-9,350	-144	-234	-377
Depreciation and amortisation for the period	-97	-1,494	-	-1,592	-8	-193	-201
Amortisation of impaired assets	-	260	-	260	-	-	-
Acc. depreciation and amortisation Dec 31, 2020	-350	-10,331	-	-10,681	-152	-426	-578
Depreciation and amortisation for the period	-	-1,303	-	-1,303	-13	-207	-221
Depreciation of disposals	-	-	-	-	-	46	46
Acc. depreciation and amortisation Dec 31, 2021	-350	-11,635	-	-11,985	-165	-587	-752
Book value as at Dec 31, 2019	97	3,160	2,452	5,709	10	269	280
Book value as at Dec 31, 2020	-	3,857	1,711	5,568	19	275	294
Book value as at Dec 31, 2021	-	4,572	1,335	5,908	28	250	278

The book values of the right of use assets presented in the above table relate to cars.

Capitalised development expenses relate to capitalised expenditure for F-Secure's development projects (refer to the section on *Research and development expenditure* included within Intangible assets in Note 1 Carve-out principles and accounting principles). Refer to Note 6, Depreciation, amortisation and impairment for details of the impairment charge in 2020.

12. Inventories

The accounting principles of inventories are stated in Note 1 Carve-out principles and accounting principles, section *Inventories*.

(EUR 1,000)	2021	2020	2019
Inventories	51	74	107

The inventory balances included in the carve-out financial statements consist of the packaging used for license key cards.

13. Financial assets

This note presents F-Secure's financial assets included in the F-Secure carve-out financial statements. The accounting principles of financial assets are stated in Note 1 Carve-out principles and accounting principles, section *Financial instruments*.

(EUR 1,000)	2021	2020	2019
Related party receivable from WithSecure ¹	12,099	12,174	7,062
Trade receivables	14,890	14,910	16,173
Total	26,990	27,085	23,234

¹Refer to the section on *Cash management and financing* in Note 1 Carve-out principles and accounting principles

Trade receivables

(EUR 1,000)	2021	2020	2019
Ageing of trade receivables			
Not due	13,611	13,727	11,843
1–90 days past due	1,292	940	3,388
Over 90 days past due	593	980	1,421
Less allowances for expected credit losses	-606	-737	-479
Total	14,890	14,910	16,173

Movements in loss allowances on trade receivables			
Book value as at Jan 1	737	479	445
Change for the year	-127	362	80
Receivables written off during the year	-4	-105	-46
Book value as at Dec 31	606	737	479

According to management's assessment, the COVID-19 pandemic may have an impact on the liquidity of F-Secure's customers in the short and longer term. In 2020, the expected credit losses according to IFRS 9, Financial Instruments were reassessed to include the increased risk caused by the pandemic. The potential impacts of the pandemic have been reassessed for 2021 and a slight risk element in the allowance for expected credit losses has been maintained.

14. Other receivables

(EUR 1,000)	2021	2020	2019
Current receivables			
Other receivables	118	111	125
Prepaid expenses	3,768	2,745	2,539
Accrued income	1,285	550	469
Accrued taxes	329	158	201
Total	5,499	3,564	3,334
Material items included in prepaid expenses			
Prepaid royalty	936	749	766
Grant receivables	242	-120	-51
Other prepaid expenses	2,589	2,116	1,824
Total	3,768	2,745	2,539

15. Share-based payment transactions

F-Secure personnel have participated in the incentive plans in WithSecure and the effect of the plans and related expenses attributable to F-Secure for each financial year are presented below. Additionally, the total costs include a portion of share-based payments related to Group Functions which have been allocated to F-Secure carve-out financial statements as part of the centrally provided shared services as described in Note 1, Carve-out principles and accounting principles. Accounting principles for share-based payments are stated in Note 1 Carve-out principles and accounting principles, section *Share-based payment transactions*.

Share-based incentive programs

During the financial years 2021, 2020 and 2019, WithSecure had several share-based incentive programs as described below. The share-based incentive programs have been established as part of the key employee incentive and retention system within WithSecure. The programs offer the participants a possibility to receive shares of WithSecure as an incentive reward if the financial targets set for the earning period have been achieved. No reward can be given to any participating employee, whose employment has terminated before the end of the lock-up period.

Share-based incentive program 2017-2019

The share-based incentive program 2017-2019 was established in October 2017. The program's duration was five years and it comprised of three earning periods, 2017-2019 with the grant date in October 2017, 2018-2020 with the grant date in August 2018 and 2019-2021 with the grant date in August 2019. The program ended on December 31, 2021. The value of the WithSecure share at grant date for each program were EUR 4.42 for the 2017-2019 earning period, EUR 3.28 for the 2018-2020 earning period, and EUR 3.09 for the 2019-2021 earning period. The rewards were settled in two phases so that one part was equity settled and the other part was cash settled, the portion to be settled in cash was recognised as a liability and subsequently valued at fair value. On the basis of the program, the maximum total of 4,500,000 shares and a cash payment corresponding to the registration date value of the shares were to be given as reward to employees of WithSecure. The vesting of the rewards for all periods was conditional to the participant remaining in the service of WithSecure. In addition, periods 2017-2019 and 2018-2020 had a performance condition based on WithSecure revenue and the period 2019-2021 based on WithSecure's revenue and the relative total shareholder return of WithSecure's share. The Board approved the metrics, targets and participants on an annual basis for each earning period.

In accordance with the terms of the program, a total of 536,197 shares had vested at the end of the program. The expense arising from the Share-based incentive program 2017-2019 included in the carve-out financial statements was EUR 52 thousand in 2021, EUR 139 thousand in 2020 and EUR 482 thousand in 2019.

Share-based incentive program 2020-2022

A new share-based incentive program 2020-2022 was established in February 2020. The program's duration is five years and it comprises three earning periods, 2020-2022 with the grant date in April 2020, 2021-2023 with the grant date in April 2021, and 2022-2024 with the grant date in March 2022. Each earning period lasts for three years. The program ends on December 31, 2024. The value of the WithSecure share at grant date for the program were EUR 2.18 for the 2020-2022 earning period, and EUR 3.42 for the 2021-2023 earning period. The rewards will be equity settled. On the basis of the program, the maximum total of 5,950,000 shares corresponding to the registration date value of the shares were to be given as reward. The vesting of the rewards for all periods was conditional to the participant remaining in the service of WithSecure. In addition, the 2020-2022 period has a performance condition based on WithSecure's relative total shareholder return of WithSecure's share and the period 2021-2023 has a performance condition based on the absolute total shareholder return of WithSecure's share. The Board approved the metrics, targets, and participants on an annual basis for each earning period.

In accordance with the terms of the program, no retentions are expected at the date of these carve-out financial statements. The expense arising from the Share-based incentive program 2020-2022 included in the carve-out financial statements was EUR 378 thousand in 2021 and EUR 111 thousand in 2020.

Restricted share plan

A restricted share plan was established in February 2020. The program's duration is five years. The restricted share plan complements the incentive programs and comprises three earning periods: 2020-2021 with the grant date in October 2020, 2021-2022 with the grant date in August 2021, and 2021-2023 with the grant date in January 2021. The values of the WithSecure share at grant date for each program were EUR 3.42 for the 2020-2021 earning period, EUR 4.04 for the 2021-2022 earning period, and EUR 3.86 for the 2021-2023 earning period. The maximum total of shares to be given is as follows: 300,000 shares on the basis of the earning period 2020-2021, 500,000 shares on the basis of the earning period for 2021-2022, and 500,000 shares on the basis of the earning period for 2021-2023. The rewards will be equity settled.

The vesting of the rewards for all periods is conditional on the participant remaining in the service of WithSecure. The Board approved the metrics, targets and participants on an annual basis for each earning period. In accordance with the terms of the program, no retentions are expected at the date of these carve-out financial statements. The expense arising from the restricted share plan included in carve-out financial statement was EUR 121 thousand in 2021 and EUR 7 thousand in 2020.

The participating employee of a share-based incentive program shall be entitled to the shareholder rights of the reward shares (e.g., dividend) from the moment the shares have been entered into the participating employee's book-entry account.

The costs of equity-settled transactions are measured by reference to the fair value of WithSecure shares at the date on which they are granted. Fair value for performance based programs is based on the WithSecure share price on the grant date. Fair value for market based programs is based on externally accepted valuation methods. The costs of cash-settled transactions are measured by reference to the market price of the WithSecure share on the balance sheet date. WithSecure updates the estimate of the number of equity instruments that will ultimately vest at each reporting date.

Matching share plan

During 2018, WithSecure launched a matching share plan which was available to all employees. The first retention period began in February 2018 and the matching share plan was extended in November 2018 with a new retention period. The value of the WithSecure share at grant date was EUR 3.97 for the first retention period and EUR 2.65 for the extended period. Every participant was eligible to acquire shares worth a maximum of EUR 10 thousand and after the first quarter of 2020, WithSecure was to give each participant one extra share for each two shares acquired through the plan. The rewards were equity settled, net of tax.

The expense arising from the matching share plan was fully booked by the end of 2019. The cost was measured by the fair value of WithSecure shares at the date on which they were granted net of employee's tax obligation.

The vesting of the rewards was conditional on the participant remaining in the service of WithSecure and on an initial investment. The Board approved the metrics, targets, and participants on an annual basis for each earning period. In accordance with the terms of the program, a total of 121,681 shares had vested at the end of the program. The expense arising from the matching share plan included in carve-out financial statement was EUR 67 thousand in 2019.

Impacts of share-based payment transactions on carve-out financial statements

(EUR 1,000)	2021	2020	2019
Booked as expense during the period	551	264	562
Booked in invested equity during the period	401	-91	137
Balance sheet liability at the end of the period	263	406	580

16. Financial liabilities

F-Secure's interest-bearing liabilities consist of leased cars (see Note 1 Carve-out principles and accounting principles, section Leases and Note 5. Leases).

Interest-bearing liabilities

(EUR 1,000)	2021	2020	2019
Amount due for settlement within 12 months	136	118	141
Amount due for settlement after 12 months	109	132	121
Total	245	250	262

F-Secure has not withdrawn any external loans during the financial years 2021, 2020 and 2019. In addition, none of the bank loans or other financing agreements of WithSecure have been allocated to F-Secure carve-out financial statements as they are not attributable to F-Secure.

Contractual maturities of financial liabilities 2021	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Total contractual cash flows	Carrying amount
Lease payments	140	68	33	10	250	245
Trade payables	1,439	-	-	-	1,439	1,439
Total	1,579	68	33	10	1,689	1,684

Contractual maturities of financial liabilities 2020	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Total contractual cash flows	Carrying amount
Lease payments	128	103	31	6	268	250
Trade payables	1,324	-	-	-	1,324	1,324
Total	1,452	103	31	6	1,592	1,574

Contractual maturities of financial liabilities 2019	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Total contractual cash flows	Carrying amount
Lease payments	157	65	42	7	271	262
Trade payables	1,291	-	-	-	1,291	1,291
Total	1,448	65	42	7	1,562	1,552

17. Financial assets and liabilities

Classes and categories of financial assets and liabilities and their fair values

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1: Fair values of financial instruments are based on quoted prices in active markets for identical assets and liabilities

Level 2: Financial instruments are not subject to trading in active and liquid markets. The fair values of financial instruments can be determined based on quoted market prices and deduced valuation.

Level 3: Measurement of financial instruments is not based on verifiable market information, and information on other circumstances affecting the value of the instruments is not available or verifiable.

The fair value hierarchy levels do not apply to F-Secure's financial assets and liabilities included in the carve-out financial statements for the periods presented, based on the nature of the financial assets and liabilities. F-Secure's financial assets and liabilities are presented in the following tables.

2021	Note	Carrying value		TOTAL
		Financial assets	Financial liabilities	
		Amortised cost	Amortised cost	
Related party receivable from WithSecure	13	12,099	-	12,099
Trade receivables	13	14,890	-	14,890
Trade payables	19	-	1,439	1,439

2020	Note	Carrying value		TOTAL
		Financial assets	Financial liabilities	
		Amortised cost	Amortised cost	
Related party receivable from WithSecure	13	12,174	-	12,174
Trade receivables	13	14,910	-	14,910
Trade payables	19	-	1,324	1,324

2019	Note	Carrying value		TOTAL
		Financial assets	Financial liabilities	
		Amortised cost	Amortised cost	
Related party receivable from WithSecure	13	7,062	-	7,062
Trade receivables	13	16,173	-	16,173
Trade payables	19	-	1,291	1,291

General

Financial risks have been centrally managed by WithSecure in accordance with WithSecure treasury policy. Historically, Consumer Security business has been self-funded with operating cash flow and therefore no external loans have been allocated to the carve-out financial statements. The responsibility for WithSecure's risk management lies with the CEO, management and ultimately with the Board of Directors. The goal of risk management is to identify risks that may hinder the company from achieving its business objectives. The risks related to F-Secure's financial instruments are mainly related to credit risks. Currency risk is monitored also. In connection with the Demerger, F-Secure will establish its own treasury function and develop its own financial risk management policies in order to maintain an effective risk management function.

Credit risk

F-Secure trades only with recognised, creditworthy third parties. Trade receivables are monitored and collected on an ongoing basis. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables. Trade receivables do not include any major concentrations of credit risk by customer. The top three customers account for 9.3%, 9.2% and 6.1% in 2021 (5.0%, 8.4% and 5.4% in 2020 and 7.8%, 8.6% and 6.3% in 2019) of trade receivables. See Note 13 Financial assets.

Liquidity risk

Liquidity risk arises if the existing liquidity reserves, net cash flows and available additional financing are not sufficient to cover commitments falling due within the next 12 months. Historically, WithSecure has managed liquidity risk for its businesses by centralising the management of cash and liquid assets and thereby optimising the use of liquid funds for operational and refinancing needs. WithSecure monitors cash balances and cash forecasts across all its businesses to keep liquidity risk at a manageable level. WithSecure's cash and bank balance was at a solid level throughout years 2021, 2020 and 2019. WithSecure has not identified any significant concentrations of liquidity risks in its sources of available financing and accordingly, F-Secure's position is the same.

Foreign currency risk

F-Secure operates globally and is exposed to a currency risk arising from exchange rate fluctuations against its reporting currency euro. Transaction risk is related to foreign currency transactions in sales and expenses. Translation risk arises from F-Secure's net investments outside the euro zone.

Transaction risk

Transaction risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The majority of sales is invoiced in Euro. The other main currencies for invoicing are US dollar (USD), the Swedish krona (SEK), the pound sterling (GBP) and the Japanese yen (JPY). The currency risk arising from sales invoicing is reduced by operational expenses arising in the same currencies as the sales invoicing. The transaction risk is managed centrally such that the F-Secure operations mainly have transactions in their legal entities' functional currency and intercompany transactions are carried out in the group entities functional currencies. The main foreign currency risk arises from USD denominated sales invoicing, purchases and intercompany transactions at the WithSecure parent entity level, creating volatility in the financial income and expenses.

Sales in different currencies	2021 %	2020 %	2019 %
EUR	75	78	78
USD	13	13	13
SEK	4	4	4
GBP	3	2	2
JPY	3	3	1
Other currencies	2	0	1
	100	100	100

The carrying Euro (thousand) amounts of F-Secure's financial assets and liabilities at the reporting date are as follows:

Financial assets	2021	%	2020	%	2019	%
EUR	23,503	87	24,393	90	20,827	89
USD	2,631	10	1,728	6	1,934	8
GBP	455	2	640	2	164	1
Other currencies	401	1	323	1	310	1
	26,989	100	27,084	100	23,234	100

Financial liabilities	2021	%	2020	%	2019	%
EUR	828	49	657	42	732	47
USD	347	21	313	20	176	11
INR	322	19	367	23	410	11
GBP	152	9	179	11	166	26
Other currencies	34	2	58	4	68	4
	1,684	100	1,574	100	1,552	100

Financial liabilities in the above table also include lease liabilities.

The table below demonstrates how sensitive F-Secure's profit before taxes is to foreign exchange rate fluctuations when all other variables are held constant. The open exposure against USD arising from F-Secure trade receivables and trade payables have an impact on F-Secure's profit before taxes. The sensitivity calculation is based on a change of 10% in the Euro exchange rate against the functional currencies F-Secure operates in. There were no other material exposures.

EUR million	2021	2020	2019
USD	+/-0.2	+/-0.1	+/-0.1

Translation risk

Translation risk arises from the F-Secure's net investments in foreign currencies. Translation differences arise from translating balances related to F-Secure operations within WithSecure companies' balance sheets into euro using exchange rates prevailing on the reporting date. Internal loans are granted mainly in subsidiaries' home currencies. According to current policy, WithSecure does not hedge investments made in its subsidiaries.

Foreign exchange translation differences range from EUR 0.1 million to EUR 0.3 million for the periods reported with limited sensitivity to foreign exchange rate fluctuations.

Capital management

Historically, WithSecure's shareholders' equity is managed as capital. The objective of WithSecure's capital management is to maintain an efficient capital structure that ensures the functioning of business operations and promotes shareholder value. WithSecure's capital structure is reviewed regularly as a part of financial performance monitoring. The capital structure can be adjusted among other things by distribution of dividends, share repurchase or capital repayment. In future, when F-Secure operates on a standalone basis, it will manage its shareholder equity as capital and define its capital management related policies accordingly, including its dividend policy.

18. Deferred tax

(EUR 1,000)	2021	2020	2019
Deferred tax assets relate to following:			
Tax losses carried forward	223	411	531
Net deferred tax assets	223	411	531
Change in deferred tax assets:			
Recognised in profit or loss	-188	-120	-451
Deferred tax liabilities relate to the following:			
Accruals and provisions	-227	-287	-11
Net deferred tax liabilities	-227	-287	-11
Change in deferred tax liabilities:			
Recognised in profit or loss	60	-277	-7

At December 31, 2021 F-Secure had EUR 0.2 million losses carried forward that are available to be offset against future taxable profits in the companies in which the losses have been generated. The losses are directly attributable to F-Secure. Expiry dates for the losses carried forward range from 2025 to 2034.

19. Other liabilities and provisions

(EUR 1,000)	2021	2020	2019
Non-current liabilities			
Deferred revenue	3,112	3,216	2,911
Other non-current liability	46	281	388
Total	3,158	3,497	3,298
Current liabilities			
Deferred revenue	16,560	15,981	17,620
Trade payables	1,439	1,324	1,291
Other liabilities	1,126	1,654	713
Accrued expenses	6,647	4,949	7,288
Total	25,772	23,908	26,912
Material amounts shown under accrued expenses			
Accrued personnel expenses	5,950	4,584	4,289
Deferred royalty	36	65	139
Other accrued expenses	661	301	2,861
Total	6,647	4,949	7,288
Provisions			
Book value as at 1.1.	-	740	-
Arising during the year	-	-	740
Used during the year	-	-740	-
Book value as at 31.12.	-	-	740

The provision recorded in 2019 relates to restructuring of the Group functions and the costs allocated to F-Secure in the carve-out financial statements. In 2019, WithSecure conducted restructuring and organisational changes that impacted mainly the centrally provided shared services. While there was no direct impact on the Consumer Security Business, the allocated restructuring costs totaled EUR 0.7 million, and were included in administration expenses for the year ended 31 December 2019.

Other liabilities under Current liabilities consist mainly of personnel and VAT related accruals.

20. Related party transactions

F-Secure has related party transactions with the parent company WithSecure Corporation, WithSecure Group companies and key management personnel. The key management personnel include WithSecure's CEO and other members of the leadership team and members of the Board of Directors of WithSecure. As F-Secure has not had a separate leadership team and separate Board of Directors during the periods presented, a share of the employee benefits of WithSecure's key management personnel has been allocated to F-Secure and recognised in these carve-out financial statements.

Risto Siilasmaa, one of the Founders of WithSecure, is the Chairman of the Board of Directors of WithSecure since 2006. He held 37.8% of the total outstanding shares and votes in WithSecure as at 31 December 2021. The Extraordinary General Meeting resolving on the Demerger will also elect the members of the Board of Directors of F-Secure for a term commencing upon the completion of the Demerger. The intention is that Risto Siilasmaa will be proposed to be elected as a member of the Board of F-Secure.

Related party transactions and balances with the remaining WithSecure entities are presented in the section *Inter-company transactions and transactions with related parties* in Note 1 Carve-out principles and accounting principles.

The table below presents the portion of the employee benefits of the key employees belonging to WithSecure's management allocated to F-Secure in the carve-out financial statements, as F-Secure has not had a separate management team for the financial years ended 31 December 2021, 2020 and 2019:

Compensation of key management personnel attributable to F-Secure

(EUR 1,000)	2021	2020	2019
Wages and other short-term employee benefits	823	664	817
Pensions	139	103	142
Share-based payments	73	133	122
Total	1,035	900	1,081

As F-Secure did not operate as a stand-alone public company during the financial periods presented, the amounts presented above are not indicative of the compensation of F-Secure's key management personnel in the future.

The share allocated to F-Secure of share-based payments granted to the key management personnel is included in the share-based payments expense of the share plans (refer to Note 15 Share-based payments transaction). In addition, the rest of the board of directors' expenses allocated to F-Secure in the carve-out financial statements were as follows: EUR 54 thousand in 2021, EUR 53 thousand in 2020 and EUR 46 thousand in 2019.

21. Subsequent events

On February 17, 2022, the Board of Directors of WithSecure Corporation announced its decision to pursue the separation of its Consumer security business and approved a demerger plan according to which all assets and liabilities of the Consumer Security Business shall be transferred to a company to be incorporated in connection with the partial demerger and to be named F-Secure Corporation.

WithSecure will hold the EGM concerning the Demerger on May 31, 2022. The EGM shall resolve on the Demerger and other Board proposals based on the demerger plan.

The Board of Directors of WithSecure proposes to the EGM of shareholders that Pertti Ervi be elected as the Chairman and Risto Siilasmaa, Petra Teräsaho, Thomas Jul, Madeleine Lassoued and Calvin Gan as members of the Board of Directors of F-Secure.

The Board of Directors of WithSecure have appointed the following members of F-Secure's Management Team whose appointment will take effect on the effective date of the Demerger: Timo Laaksonen to be the President and Chief Executive Officer of F-Secure, Antero Norkio as Senior Vice President, Corporate Development, Paul Palmer as Senior Vice President, Partner Business, Toby White as the Chief Technology Officer, Sari Somerkallio as the Chief Financial Officer, Kitta Virtavuo as the Chief People & Culture Officer, Richard Larcombe as the Chief Marketing Officer, Perttu Tynkkynen as Senior Vice President, Direct Business, Mikko Kestilä as Vice President, Operations, Steven Offerein as Vice President, Portfolio Management, Michal Iwan as Vice President, Security Suite Business Team and Dmitri Vellikok as Vice President, Network Security Business Team.

WithSecure has negotiated on behalf of F-Secure, a revolving credit facility with Nordea Bank Abp amounting to EUR 10 million with a maturity of three years and with an equity ratio-based margin grid. Financial covenants include Net Debt to EBITDA and an equity ratio and other standard covenants to similar unsecured transactions. The credit facility agreement was signed by Nordea Bank Abp in May 2022. The revolving credit facility will transfer to F-Secure on the Effective Date.

F-Secure has negotiated sublease agreements with WithSecure for certain office premises. The leases will be recognised in F-Secure financial information according to IFRS 16, when a contractual obligation after the contemplated demerger is formed. Additionally, F-Secure is negotiating a lease agreement for one new office premise.

WithSecure has started to implement pre-structuring procedures as described in the Demerger plan to form the future legal standalone group structure for F-Secure Group. The pre-structuring activities are estimated to be completed during June 2022.

Signing of the Carve-out Financial Statements

The Board of Directors and CEO

Helsinki, May 13, 2022

Risto Siilasmaa
Chairman

Pertti Ervi

Päivi Rekonen

Tuomas Syrjänen

Keith Bannister

Kirsi Sormunen

Tony Smith

Juhani Hintikka
CEO

Auditor's Report (Translation of the Finnish Original)

To the Board of Directors of WithSecure Corporation

Report on the Audit of the set of carve-out financial statements

Opinion

In our opinion each carve-out financial statement included in the set of carve-out financial statements give a true and fair view of F-Secure's combined financial position and combined financial performance and combined cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with carve-out principles described in the notes of the set of carve-out financial statements.

What we have audited

We have audited the carve-out financial statements for the years ended 31 December 2021, 31 December 2020 and 31 December 2019 ("set of carve-out financial statements"). The set of carve-out financial statements have been prepared for the purpose to present an arrangement where WithSecure Corporation's consumer business will transfer in a partial demerger from WithSecure Corporation to a new company that will be established in the demerger, F-Secure Corporation ("F-Secure"). Each carve-out financial statement included in the set of carve-out financial statements includes a combined balance sheet, a combined comprehensive income statement, a combined statement of changes in equity and a combined cash flow statements and notes to the carve-out financial statements, including summaries of significant accounting principles of the carve-out financial statements.

The set of carve-out financial statements has been prepared solely for the inclusion in F-Secure's offering circular described in the notes to the set of carve-out financial statements, which WithSecure Corporation will prepare.

This auditor's report is provided for inclusion in the above-mentioned offering circular only.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are described in more detail in the Auditor's Responsibilities for the Audit of carve-out financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of F-Secure with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – principles applied in preparing the carve-out financial statements

We draw attention to the note 1. Carve-out principles and accounting principles, basis of preparation in the set of carve-out financial statements. The note includes a description of the principles applied with regards to the designation of assets and liabilities, as well as revenues and costs and cash flows directly attributable to F-Secure. In addition, the note explains that F-Secure has not formed a separate legal group of entities during the years presented. Thus, the separate carve-out financial statements included in the set of carve-out financial statements are not necessarily indicative of the financial position, financial performance and cash flows of F-

Secure if it had operated as a separate legal group of entities during the financial years presented, nor future performance. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors and the Managing Director for the carve-out Financial Statements

WithSecure Corporation's Board of Directors and Managing Director are responsible for the preparation of each carve-out financial statement included in the set of carve-out financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with carve-out principles described in the notes of the set of carve-out financial statements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, the Board of Directors and the Managing Director are responsible for assessing F-Secure's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The carve-out financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate F-Secure or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the carve-out Financial Statements

Our objectives are to obtain reasonable assurance about whether the carve-out 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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these carve-out financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of F-Secure's internal control.
- Evaluate the appropriateness of accounting principles applied in the carve-out financial statements and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on F-Secure's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause F-Secure to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events so that the carve-out financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki 13 May 2022

PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT)

F-Secure

**Unaudited carve-out financial information as at and
for the three months period ended 31 March 2022**

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COMBINED STATEMENT OF COMPREHENSIVE INCOME

(EUR 1,000)	Note	Q1-2022	Q1-2021	2021
REVENUE	(2, 3)	27,366	26,297	106,250
Cost of revenue		-2,135	-2,124	-8,806
GROSS MARGIN		25,230	24,172	97,444
Other operating income		236	126	523
Sales and marketing	(4)	-7,380	-6,750	-28,746
Research and development	(4)	-4,258	-4,276	-16,891
Administration		-2,310	-1,718	-8,831
EBIT		11,518	11,554	43,499
Financial income		365	117	276
Financial expenses		-157	-138	-208
PROFIT BEFORE TAXES		11,726	11,533	43,567
Income tax		-2,470	-2,433	-9,148
RESULT FOR PERIOD		9,256	9,099	34,418
Other comprehensive income				
Items that may be reclassified to profit or loss				
Exchange difference on translation of foreign operations		-272	38	75
COMPREHENSIVE INCOME FOR THE PERIOD		8,984	9,138	34,493

COMBINED STATEMENT OF FINANCIAL POSITION

(EUR 1,000)	Note	Q1-2022	Q1-2021	2021
ASSETS				
NON-CURRENT ASSETS				
Tangible assets	(4)	239	260	278
Intangible assets	(4)	6,126	5,425	5,908
Deferred tax assets		223	411	223
Total non-current assets	(2)	6,587	6,097	6,409
CURRENT ASSETS				
Inventories		41	62	51
Accrued income		1,045	682	1,285
Trade and other receivables	(5)	21,258	22,167	19,105
Related party receivable from WithSecure		10,311	11,475	12,099
Total current assets		32,655	34,386	32,540
TOTAL ASSETS		39,242	40,482	38,949
INVESTED EQUITY AND LIABILITIES				
TOTAL INVESTED EQUITY		9,282	11,678	9,546
NON-CURRENT LIABILITIES				
Interest bearing liabilities, non-current	(5)	88	106	109
Deferred tax liabilities		320	343	227
Other non-current liabilities	(6)	3,282	3,457	3,158
Total non-current liabilities		3,690	3,906	3,494
CURRENT LIABILITIES				
Interest bearing liabilities, current	(5)	117	108	136
Trade and other payables	(5, 6)	9,169	7,737	9,213
Other current liabilities	(6)	16,984	17,053	16,560
Total current liabilities		26,270	24,899	25,909
TOTAL INVESTED EQUITY AND LIABILITIES		39,242	40,482	38,949

COMBINED STATEMENT OF CASH FLOWS

(EUR 1,000)	Note	Q1-2022	Q1-2021	2021
Cash flow from operations				
Result for the financial year		9,256	9,099	34,418
Adjustments		2,750	2,832	11,088
Depreciation, amortisation and impairments	(4)	378	330	1,524
Other adjustments		110	47	484
Financial income and expenses		-208	22	-68
Income taxes		2,470	2,433	9,148
Cash flow from operations before change in working capital		12,006	11,932	45,506
Change in net working capital				
Current receivables, increase (-), decrease (+)	(5)	-1,599	-4,357	-1,810
Inventories, increase (-), decrease (+)		10	12	23
Non-interest bearing liabilities, increase (+), decrease (-)	(5, 6)	377	715	1,385
Cash flow from operations before financial items and taxes		10,793	8,303	45,105
Interest expenses paid		-8	-5	-25
Interest income received		1	1	7
Other financial income and expenses		-101	9	58
Income taxes paid		-2,378	-2,378	-9,020
Cash flow from operations		8,308	5,929	36,125
Cash flow from investments				
Investments in intangible and tangible assets	(4)	-557	-154	-1,665
Proceeds from sale of intangible and tangible assets	(4)	-	-	37
Cash flow from investments		-557	-154	-1,628
Cash flow from financing activities				
Repayments of lease liabilities		-39	-35	-225
Equity financing with WithSecure, net		-7,712	-5,739	-34,272
Cash flow from financing activities		-7,751	-5,775	-34,497
Change in balance¹		-	-	-
Cash and cash equivalents at the beginning of the period		-	-	-
Cash and cash equivalents at period end		-	-	-

¹ No cash and cash equivalents have been allocated to carve-out financial information

COMBINED STATEMENT OF CHANGES IN EQUITY

(EUR 1,000)	Note	Attributable to the owners of F-Secure Invested equity and retained earnings
Invested equity December 31, 2020		9,053
Result of the financial year		9,099
Translation difference		38
Total comprehensive income for the year		9,138
Cost of share-based payments	(7)	38
Equity transactions with WithSecure		-6,551
Invested equity March 31, 2021		11,678
Invested equity December 31, 2021		9,546
Result of the period		9,256
Translation difference		-272
Total comprehensive income for the period		8,984
Cost of share-based payments	(7)	28
Equity transactions with WithSecure		-9,277
Invested equity March 31, 2022		9,282

NOTES TO THE CARVE-OUT FINANCIAL INFORMATION

INFORMATION ABOUT F-SECURE

Background

WithSecure Corporation, formerly F-Secure Corporation, ("WithSecure Oyj" with its subsidiaries ("WithSecure")) provides cyber security products and services globally for consumers and businesses. On March 16, 2022 the Annual General Meeting of the shareholders decided to change the business name of the parent company F-Secure Corporation to WithSecure Corporation.

On February 17, 2022, the Board of Directors of WithSecure Corporation announced its decision to pursue the separation of its consumer security business ("Consumer Security Business") and approved a demerger plan according to which all assets and liabilities of the Consumer Security Business shall be transferred to a company to be incorporated in connection with the partial demerger ("Demerger") and to be named F-Secure Corporation ("F-Secure"). The decision is based on the outcome of a review and evaluation of different strategic options. WithSecure will, after the Demerger, concentrate on its corporate security business ("Corporate Security Business").

The Demerger is subject to, among other things, approval by a majority of two-thirds of votes cast and shares represented in the Extraordinary General Meeting. The Demerger is expected to become effective as of June 30, 2022. WithSecure intends to apply for the shares in F-Secure to be admitted to trading on the official list of Nasdaq Helsinki. The trading in F-Secure's shares on Nasdaq Helsinki is expected to begin on or about July 1, 2022, or as soon as reasonably possible thereafter. The shareholders of WithSecure will receive as demerger consideration one new share in the F-Secure for each share they hold in WithSecure as demerger consideration. The final number of the shares in F-Secure issued as demerger consideration will be determined based on number of shares in WithSecure (excluding shares owned by WithSecure) on the effective date of the Demerger.

F-Secure has not formed a legal sub-group within WithSecure and it has not prepared consolidated group financial information prior to the Demerger. In preparation for the proposed Demerger, WithSecure will carve out and transfer relevant entities' assets and liabilities to F-Secure corporation. WithSecure has prepared this set of unaudited carve-out financial information for the three months period ended 31 March 2022 for F-Secure to illustrate the business' result of operations, assets and liabilities and cash flows that will be carved out from WithSecure.

The carve-out financial information for the three months period ended 31 March 2022 ("Carve-out financial information") is prepared according to the basis of preparation described in the following section and the carve-out principles and accounting principles included in the F-Secure carve-out financial statements as at and for the years ended 31 December 2021, 2020 and 2019. The carve-out financial information is prepared for inclusion in F-Secure's demerger and listing prospectus which is prepared by WithSecure for approval of the partial demerger by the extraordinary shareholder's meeting and for listing of the shares of F-Secure on the Nasdaq Helsinki Stock Exchange. The carve-out financial information is approved by the Board of directors of WithSecure to be published on May 13, 2022.

1. BASIS OF PREPARATION

The carve-out financial information for the three months period ended 31 March 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting standard. The carve-out principles and accounting principles applied are consistent with those followed in the preparation of the carve-out financial statements as at and for the years ended 31 December 2021, 2020 and 2019.

The carve-out interim financial information of F-Secure have been prepared on a carve-out basis from WithSecure's consolidated financial information using the historical book values for income and expenses, assets and liabilities and cash flows attributable to the Consumer Security Business. F-Secure has historically operated worldwide in legal entities that comprise both Consumer Security Business and Corporate Security Business, including the parent company WithSecure Oyj. Therefore assets, liabilities, income, revenue and expenses and cash flows which are either directly attributable to, have been allocated to or will transfer to F-Secure have been included in the carve-out financial information.

IFRS does not provide direct guidance for the preparation of carve-out financial information, and accordingly in preparing the carve-out financial information, certain accounting conventions commonly used for the preparation of historical carve-out financial information for inclusion in a prospectus have been applied as in the carve-out financial statements as at and for the years ended 31 December 2021, 2020 and 2019.

The carve-out financial information may not necessarily represent its combined results of operations, financial position and cash flows that would have been had F-Secure been managed as a stand-alone consolidated group, preparing consolidated financial information for the periods presented, separate from WithSecure. Further, the carve-out financial information may not be indicative of F-Secure's future performance, financial position or cash flows.

The carve-out financial information is presented in thousands of euros unless otherwise stated. All figures have been rounded which may cause the sum of individual figures to deviate from the sum of the presented line-item totals.

Critical accounting estimates and judgements

The preparation of this carve-out financial information has required management to make estimates and judgements affecting the amounts reported in this carve-out financial information and the accompanying notes. These estimates and judgements have an impact on the carve-out principles and accounting principles applied to this carve-out financial information and on the reported amounts of assets, liabilities, income, expenses and cash flows. Actual results may differ from these estimates and assumptions. Estimates and judgement have been used in the following areas, among others: application of the carve-out principles, deferred taxes and expected credit losses. More detailed information of areas involving estimation and management judgement is included in note 1 of the audited carve-out financial statements as at and for the periods ended 31 December 2021, 2020 and 2019.

2. Segment information

Consumer Security Business consists of designing and providing a comprehensive range of cybersecurity products and services related to data security, privacy protection as well as privacy protection and digital identity protection of consumers' terminal devices, networks and devices connected to a network, sold, in each case, either directly or indirectly, to consumers.

F-Secure's operations and profitability is reported as a single operating segment which is consistent with the internal reporting and the way that operative decisions and assessment of performance have been made by WithSecure's management team.

Geographical information

F-Secure has global presence.

Geographical information about revenue is presented in Note 3 Revenue.

(EUR 1,000)	Q1-2022	Q1-2021	2021
Long-term assets			
Nordic countries	6,221	5,545	6,016
Europe excl. Nordics	140	133	163
North America	223	411	223
Rest of world	4	8	7
Total	6,587	6,097	6,409

3. Revenue

Disaggregation of revenue

(EUR 1,000)	Q1-2022	Q1-2021	2021
Sales channels			
Revenue from external customers			
Partner channel	21,666	20,775	84,156
Direct channel (E-commerce)	5,700	5,521	22,094
Total	27,366	26,297	106,250
Geographical information			
Revenue from external customers			
Europe excl. Nordics	12,406	12,560	49,644
Nordic countries	9,594	9,078	36,873
North America	3,985	3,437	14,572
Rest of world	1,380	1,222	5,162
Total	27,366	26,297	106,250

(EUR 1,000)	Q1-2022	Q1-2021	2021
Accrued income	1,045	682	1,285
Deferred revenue, non-current	3,228	3,417	3,112
Deferred revenue, current	16,984	17,053	16,560

4. Non-current assets

(EUR 1,000)	Intangible assets			Tangible assets		
	Capitalised develop-ment	Advance payments & incom-plete develop-ment	Total	Machinery & equipment	Right of use assets	Total
Book value at 31.12.2020	3,857	1,711	5,568	19	275	294
Additions	-	149	149	5	-	5
Depreciation and amortisation for the period	-291	-	-291	-3	-36	-39
Transfers	1,093	-1,093	-	-	-	-
Book value at 31.3.2021	4,659	766	5,425	21	239	260
Book value at 31.12.2021	4,572	1,335	5,908	28	250	278
Additions	-	555	555	1	-	1
Depreciation and amortisation for the period	-337	-	-337	-4	-35	-39
Translation differences	-	-	-	0	-2	-1
Book value at 31.3.2022	4,235	1,891	6,126	26	213	239

The book values of the right of use assets presented in the above table relate to cars.

Capitalised development expenses relate to capitalised expenditure for F-Secure's development projects.

(EUR 1,000)	Q1-2022	Q1-2021	2021
Depreciation and amortisation by function			
Sales and marketing	39	37	211
Research and development	339	293	1,313
Total depreciation and amortisation	378	330	1,524

5. Financial assets and liabilities

This note presents F-Secure's financial assets and liabilities included in the F-Secure carve-out financial information.

Classes and categories of financial assets and liabilities and their fair values

The carrying amounts of F-Secure's financial assets and financial liabilities are considered to approximate their fair values based on their nature and short maturity. F-Secure's financial assets and liabilities are presented in the following tables.

31 Mar 2022	Carrying value		TOTAL
	Financial assets	Financial liabilities	
	Amortised cost	Amortised cost	
Related party receivable from WithSecure	10,311	-	10,311
Trade receivables	15,918	-	15,918
Trade payables	-	1,605	1,605
Interest-bearing liabilities	-	206	206

31 Mar 2021	Carrying value		TOTAL
	Financial assets	Financial liabilities	
	Amortised cost	Amortised cost	
Related party receivable from WithSecure	11,475	-	11,475
Trade receivables	16,947	-	16,947
Trade payables	-	1,121	1,121
Interest-bearing liabilities	-	215	215

2021	Carrying value		TOTAL
	Financial assets	Financial liabilities	
	Amortised cost	Amortised cost	
Related party receivable from WithSecure	12,099	-	12,099
Trade receivables	14,890	-	14,890
Trade payables	-	1,439	1,439
Interest-bearing liabilities	-	245	245

Trade receivables

(EUR 1,000)	Q1-2022	Q1-2021	2021
Ageing of trade receivables			
Not due	15,330	15,958	13,611
1–90 days past due	598	982	1 292
Over 90 days past due	542	697	593
Less allowances for expected credit losses	-552	-690	-606
Total	15,918	16,947	14,890

(EUR 1,000)	Q1-2022	Q1-2021	2021
Movements in loss allowances on trade receivables			
Book value as at Jan 1	606	737	737
Change for the year	-52	-43	-127
Receivables written off during the year	-1	-4	-4
Book value at the end of the period	552	690	606

According to management's assessment, the COVID-19 pandemic may have an impact on the liquidity of F-Secure's customers in the short and longer term. The potential impacts of the pandemic have been reassessed in Q1 2022 and a slight risk premium element in the allowance for expected credit losses has been maintained.

Financial liabilities

(EUR 1,000)	Q1-2022	Q1-2021	2021
Amount due for settlement within 12 months	1,722	1,229	1,575
Amount due for settlement after 12 months	88	106	109
Total	1,810	1,336	1,684

F-Secure's interest bearing liabilities consist of leased cars.

F-Secure has not withdrawn any external loans during the periods presented. In addition, none of the bank loans or other financing agreements of WithSecure have been allocated to F-Secure carve-out financial information as they are not attributable to F-Secure. WithSecure, on behalf of F-Secure, is negotiating a revolving credit facility for F-Secure planned to be signed in May 2022, please refer to note 8. Subsequent events.

Key exchange rates

	Closing rate			Average rate		
	Q1-2022	Q1-2021	2021	Q1-2022	Q1-2021	2021
USD	1.1101	1.1725	1.1326	1.1227	1.2176	1.1894
GBP	0.8460	0.8521	0.8403	0.8358	0.8845	0.8633
JPY	135.17	129.91	130.38	129.49	127.46	130.00

The table below demonstrates how sensitive F-Secure's profit before taxes is to foreign exchange rate fluctuations when all other variables are held constant. The open exposure against USD arising from F-Secure trade receivables and trade payables has an impact on F-Secure's profit before taxes. The sensitivity calculation is based on a change of 10% in the Euro exchange rate against the functional currencies F-Secure operates in. There were no other material exposures affecting the profits other than USD during the periods reported.

EUR million	Q1-2022	Q1-2021	2021
USD	+/-0.2	+/-0.2	+/-0.2

6. Other liabilities

(EUR 1,000)	Q1-2022	Q1-2021	2021
Non-current liabilities			
Deferred revenue	3,228	3,417	3,112
Other non-current liability	54	41	46
Total	3,282	3,457	3,158
Current liabilities			
Deferred revenue	16,984	17,053	16,560
Trade payables	1,605	1,121	1,439
Other liabilities	1,261	1,064	1,126
Accrued expenses	6,304	5,552	6,647
Total	26,153	24,790	25,772
Material amounts shown under accrued expenses			
Accrued personnel expenses	5,350	4,743	5,950
Deferred royalty	47	39	36
Other accrued expenses	907	770	661
Total	6,304	5,552	6,647

Other liabilities under Current liabilities consist mainly of personnel and VAT related accruals.

7. Related party transactions

F-Secure has related party transactions with the parent company WithSecure Corporation, WithSecure Group companies and key management personnel. The key management personnel include WithSecure's CEO and other members of the leadership team and members of the Board of Directors of WithSecure. As F-Secure has not had a separate leadership team and separate Board of Directors during the periods presented, a share of the employee benefits of WithSecure's key management personnel has been allocated to F-Secure and recognised in this carve-out financial information.

Risto Siilasmaa, one of the Founders of WithSecure, is the Chairman of the Board of Directors of WithSecure since 2006. He holds approximately 34.37% of the total shares in WithSecure with 34.39% of total votes as at 31 March 2022. The Extraordinary General Meeting resolving on the Demerger will also elect the members of the Board of Directors of F-Secure for a term commencing upon the completion of the Demerger. The intention is that Risto Siilasmaa be proposed to be elected as a member of the Board of F-Secure.

Intercompany transactions and balance sheet items between the Consumer Security Business and the Corporate Security Business, previously considered as intercompany transactions in WithSecure reporting, have been reported as transactions with related parties in the carve-out financial statements. Related party receivables from the remaining WithSecure operations are presented separately in the balance sheet.

Income statement transactions are presented within the related combined statement of comprehensive income line item. F-Secure sells consumer products to WithSecure and the amounts were as follows during the periods presented: EUR 16 thousand in Q1 2022, EUR 112 thousand in Q1 2021 and EUR 407 thousand in 2021. F-Secure purchases corporate products from WithSecure and the amounts were as follows during the periods presented EUR 91 thousand in Q1 2022, EUR 107 thousand in Q1 2021 and EUR 415 thousand in 2021.

The table below presents the portion of the employee benefits of the key employees belonging to WithSecure's management allocated to F-Secure in the carve-out financial information, as F-Secure has not had a separate management team for the financial periods presented:

Compensation of key management personnel attributable to F-Secure

(EUR 1,000)	Q1-2022	Q1-2021	2021
Wages and other short-term employee benefits	279	246	823
Pensions	46	42	139
Share-based payments	52	63	73
Total	377	351	1,035

As F-Secure did not operate as a stand-alone public company during the financial periods presented, the amounts presented above are not indicative of the compensation of F-Secure's key management personnel in the future.

The share allocated to F-Secure of share-based payments granted to the key management personnel is included in the share-based payments expense of the share plans. There have been no material changes in WithSecure's Board of Directors remuneration during the period ended 31 March 2022.

8. Subsequent events

On February 17, 2022, the Board of Directors of WithSecure Corporation announced its decision to pursue the separation of its Consumer security business and approved a demerger plan according to which all assets and liabilities of the Consumer Security Business shall be transferred to a company to be incorporated in connection with the partial demerger and to be named F-Secure Corporation.

WithSecure will hold the EGM concerning the Demerger on May 31, 2022. The EGM shall resolve on the Demerger and other Board proposals based on the demerger plan.

The Board of Directors of WithSecure proposes to the EGM of shareholders that Pertti Ervi be elected as the Chairman and Risto Siilasmaa, Petra Teräsaho, Thomas Jul, Madeleine Lassoued and Calvin Gan as members of the Board of Directors of F-Secure.

The Board of Directors of WithSecure have appointed the following members of F-Secure's Management Team whose appointment will take effect on the effective date of the Demerger: Timo Laaksonen to be the President and Chief Executive Officer of F-Secure, Antero Norkio as Senior Vice President, Corporate Development, Paul Palmer as Senior Vice President, Partner Business, Toby White as the Chief Technology Officer, Sari Somerkallio as the Chief Financial Officer, Kitta Virtavuo as the Chief People Officer, Richard Larcombe as the Chief Marketing Officer, Perttu Tynkkynen as Senior Vice President, Direct Business, Mikko Kestilä as Vice President, Operations, Steven Offerein as Vice President, Portfolio Management, Michal Iwan as Vice President, Security Suite Business Team and Dmitri Vellikok as Vice President, Network Security Business Team.

WithSecure has negotiated on behalf of F-Secure, a revolving credit facility with Nordea Bank Abp amounting to EUR 10 million with a maturity of three years and with an equity ratio-based margin grid. Financial covenants include Net Debt to EBITDA and an equity ratio and other standard covenants to similar unsecured transactions. The credit facility agreement was signed by Nordea Bank Abp in May 2022. The revolving credit facility will transfer to F-Secure on the Effective Date.

F-Secure has negotiated sublease agreements with WithSecure for certain office premises. The leases will be recognised in F-Secure financial information according to IFRS 16, when a contractual obligation after the contemplated demerger is formed. Additionally, F-Secure is negotiating a lease agreement for one new office premise.

WithSecure has started to implement pre-structuring procedures as described in the Demerger plan to form the future legal standalone group structure for F-Secure Group. The pre-structuring activities are estimated to be completed during June 2022.

APPENDIX A – DEMERGER PLAN

DEMERGER PLAN

regarding
the partial demerger of
a company currently registered as

F-SECURE CORPORATION

as the “Demerging Company”
into a company to be incorporated upon the registration of the completion of the demerger
as the “Receiving Company”

17 February 2022

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DEMERGER PLAN

The board of directors of a company currently registered as F-Secure Corporation (**Demerging Company**) proposes to the shareholders' general meeting of the Demerging Company that the general meeting resolve on the partial demerger of the Demerging Company so that the assets and liabilities related to the Demerging Company's consumer security business will transfer to a company to be incorporated in connection with the partial demerger (**Receiving Company**), as set forth in this demerger plan (**Demerger Plan**) (**Demerger**).

In this Demerger Plan, the Demerging Company and the Receiving Company may also be referred to jointly as the **Companies Participating in the Demerger**, and each individually as a **Company Participating in the Demerger**.

The Demerging Company will not be liquidated in connection with the Demerger, and it will retain the assets and liabilities related to its corporate security business.

In connection with the Demerger, the Receiving Company is proposed to be named as F-Secure Corporation. The Demerging Company is proposed to be renamed as WithSecure Corporation, as set forth in Section 3 of this Demerger Plan.

The shareholders of the Demerging Company will receive one new share in the Receiving Company as demerger consideration for each share they hold in the Demerging Company upon the registration of the completion of the Demerger, as set forth in Section 5 of this Demerger Plan.

It is planned that the date of registration of the completion of the Demerger (**Effective Date**) shall be on or about 30 June 2022, as set forth in Section 18 of this Demerger Plan. The actual Effective Date may still change from said date.

It is expected that the shares in the Receiving Company will be applied for to be admitted to trading on the official list of Nasdaq Helsinki Ltd (**Nasdaq Helsinki**), as set forth in Section 19.2 of this Demerger Plan. The trading in the Receiving Company's shares on Nasdaq Helsinki is expected to begin as soon as reasonably possible after the Effective Date. The Demerger will not affect the listing of, or trading in, the shares of the Demerging Company.

The Demerger will be carried out in accordance with the provisions of Chapter 17 of the Finnish Companies Act (624/2006, as amended) (**Finnish Companies Act**) and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended).

1

COMPANIES PARTICIPATING IN THE DEMERGER

Demerging Company

Current trade name:	F-Secure Corporation
Expected future trade name:	WithSecure Corporation
Business identity code:	0705579-2
Address:	Tammasaarenkatu 7, 00180 Helsinki, Finland
Registered office:	Helsinki, Finland

The Demerging Company is a public limited liability company whose shares have been admitted to trading on the official list of Nasdaq Helsinki.

Receiving Company

Future trade name:	F-Secure Corporation
Business identity code:	To be issued in connection with the registration of the Demerger Plan with the Finnish Trade Register
Address:	Tammasaarenkatu 7, 00180 Helsinki, Finland
Registered office:	Helsinki, Finland

The Receiving Company is a public limited liability company to be incorporated upon the registration of the completion of the Demerger whose shares are expected to be applied for to be admitted to trading on the official list of Nasdaq Helsinki.

2

ACCOUNT OF THE REASONS FOR THE DEMERGER

The purpose of the Demerger is to carry out the separation of the Demerging Company's consumer security business to an independent group of companies. The consumer security business consists of designing and providing a comprehensive range of cyber security products and services related to data security, privacy protection as well as privacy protection and digital identity protection of consumers' terminal devices, networks and devices connected to a network, sold, in each case, either directly or indirectly, to consumers (**Transferring Business**). The Demerging Company will, after the Demerger, concentrate on its corporate security business, which consists of designing and providing a comprehensive range of cyber security products, services and consultation as well as managed services, and designing and manufacturing software products related to data security of terminal devices and devices connected to a network, sold, in each case, either directly or indirectly, to other end users than consumers (**Remaining Business**). Thus, by way of the Demerger, the Demerging Company intends to divide its current business into two companies so that the Transferring Business will transfer to a new company to be incorporated, i.e., the Receiving Company, and the Remaining Business will remain in the Demerging Company.

At the date of this Demerger Plan, the Transferring Business is carried out in Finland by the Demerging Company and abroad by its direct and indirect subsidiaries. Key assets, debts and liabilities to be transferred in the Demerger have been listed in Section 10.1 and include, among other things, the shares in the subsidiaries engaged in the Transferring Business, intellectual property rights that are specific to the Transferring Business and assets including inventories, receivables, and liabilities including payables, directly attributable to the transferring business or to employees transferred to the transferring business.

The board of directors of the Demerging Company considers that the Demerger will, among other things, enable the Demerging Company and the Receiving Company to better serve and meet the specific needs of their respective customers and partners, with different business dynamics overall in consumer security and corporate security businesses. The Demerger will also enable the Demerging Company and the Receiving Company to improve focus on developing their respective operations more efficiently, investing in specific expertise, technology, and innovation, clarifying the structure, management, and financing of their current operations as well as the investment options and equity stories with different value creation profiles. In addition, this clearer focus due to Demerger will, in the long term, increase opportunities to optimise operational efficiency and value creation for both the Demerging Company and the Receiving Company providing both companies with a better way to capture growth opportunities and increase competitiveness through specialisation.

The board of directors of the Demerging Company is of the opinion that the next phase in the development of the Demerging Company's operations is best carried out in two separate companies, which, as explained above, enables a more

specialised and distinctive strategy and way of operation for both. The expectation is that the boards of directors and the management of these two independent companies will, in the long term, help the companies to reach a stronger growth and better profitability.

All in all, the board of directors of the Demerging Company expects that the Demerger will strengthen the preconditions for shareholder value creation both in the Demerging Company as well as in the Receiving Company.

3 ARTICLES OF ASSOCIATION OF THE DEMERGING COMPANY AND THE RECEIVING COMPANY

3.1 Proposal for the amendment of the articles of association of the Demerging Company

Articles 2 and 8 of the articles of association of the Demerging Company are proposed to be amended upon the registration of the completion of the Demerger.

Article 2 is proposed to be amended to better reflect the operations of the Demerging Company to read as follows:

2 Line of business

The company's line of business is to design, manufacture, publish and provide products, including without limitation hardware and software products, and services, including without limitation managed services and consultation, relating in each case to information technology and cyber security, and to carry out import and export of any of the above or any equipment related to any of the above. The company may also trade in securities.

Article 8 is proposed to be amended to reflect the terminology used in the Finnish Auditing Act (1141/2015, as amended) (**Finnish Auditing Act**) to read as follows:

8 Auditor

The company has an auditor that must be an audit firm as defined in the Finnish Auditing Act. The term of office of the auditor expires at the end of the first annual general meeting following the election.

Given that the Receiving Company is proposed to be named as F-Secure Corporation (as indicated in Section 3.2 of this Demerger Plan), the board of directors of the Demerging Company expects to propose to a shareholders' general meeting of the Demerging Company to be convened prior to the Effective Date that the articles of association of the Demerging Company are to be amended to feature a new trade name and an English parallel trade name (in Finnish: *rinnakkaistoiminimi*) for the Demerging Company. The proposed new trade name is expected to be WithSecure Oyj, and the parallel trade name WithSecure Corporation.

For the sake of clarity, this Demerger Plan or the Demerger do not limit the authority of the shareholders' general meeting of the Demerging Company to resolve on any other amendments to the articles of association of the Demerging Company.

3.2 Proposal for the articles of association of the Receiving Company

A proposal for the articles of association of the Receiving Company, which shall enter into force upon the registration of the completion of the Demerger on the Effective Date, has been attached to this Demerger Plan as Schedule 1 (New Articles).

4 APPOINTMENT OF THE BOARD OF DIRECTORS, AUDITOR AND MANAGING DIRECTOR OF THE RECEIVING COMPANY

4.1 Members of the board of directors and their remuneration

According to the New Articles, the Receiving Company has a board of directors consisting of a minimum of three and a maximum of seven members. The term of office of the members of the board of directors expires at the end of the first annual general meeting following their election.

The number of members in the board of directors of the Receiving Company and their remuneration shall be decided, and such members shall be elected, by the shareholders' general meeting of the Demerging Company resolving on the Demerger. The decisions may be changed by a later shareholders' general meeting of the Demerging Company prior to the Effective Date, if necessary.

It is expected that Pertti Ervi and Risto Siilasmaa will be proposed to be elected as members of the board of directors of the Receiving Company and that Pertti Ervi will be elected as the chairperson of the board of directors. The names of the persons to be proposed as other members of the board of directors of the Receiving Company will be disclosed, at the latest, in the notice convening the shareholders' general meeting of the Demerging Company where the election of the members is proposed to take place.

It is also expected that both Pertti Ervi and Risto Siilasmaa will be proposed to continue in the board of directors of the Demerging Company.

Given that it will be necessary for the members of the board of directors of the Receiving Company to participate in and support actions required for the preparation of the Demerger, it is expected that the members of the board of directors of the Receiving Company are proposed to be paid remuneration also for a specific period preceding the registration of the completion of the Demerger on the Effective Date. Such remuneration is expected to be half of the remuneration payable to them as of the Effective Date.

The Receiving Company will be responsible for the remuneration of the members of the board of directors as well as any other costs and liabilities related to them, even to the extent such remuneration, cost or liability relates to a time preceding the registration of the completion of the Demerger on the Effective Date (i.e., already before the commencement of their term of office).

The term of office of the members of the board of directors of the Receiving Company shall commence upon the registration of the completion of the Demerger on the Effective Date and shall expire at the end of the first annual general meeting of the Receiving Company following the Effective Date.

If a person proposed as a member of the board of directors of the Receiving Company revokes their consent, or otherwise must be replaced by another person prior to the Effective Date, the shareholders' general meeting of the Demerging Company will be entitled to elect a new member in their place.

The proposals to the shareholders' general meeting of the Demerging Company concerning the number of members in the board of directors of the Receiving

Company, their remuneration and their election shall be made by the board of directors of the Demerging Company upon the recommendation of the personnel committee of the board of directors of the Demerging Company. Such proposals are not binding on the shareholders' general meeting.

4.2 Auditor and their remuneration

According to the New Articles, the Receiving Company has an auditor that must be an audit firm as referred to in the Finnish Auditing Act. The term of office of the auditor expires at the end of the first annual general meeting following their appointment.

The remuneration of the auditor of the Receiving Company shall be decided, and the auditor shall be appointed, by the shareholders' general meeting of the Demerging Company resolving on the Demerger. The decisions may be changed by a later shareholders' general meeting of the Demerging Company prior to the Effective Date, if necessary.

The Receiving Company will be responsible for the auditor's remuneration as well as any other costs and liabilities related to the auditor, even to the extent such remuneration, cost or liability relates to a time preceding the registration of the completion of the Demerger on the Effective Date (i.e., already before the commencement of its term of office).

The term of office of the auditor of the Receiving Company shall commence upon the registration of the completion of the Demerger on the Effective Date and shall expire at the end of the first annual general meeting of the Receiving Company following the Effective Date.

The proposals to the shareholders' general meeting of the Demerging Company concerning the remuneration and the appointment of the auditor shall be made by the board of directors of the Demerging Company. Such proposals are not binding on the shareholders' general meeting.

4.3 Managing director and their remuneration

According to the New Articles, the Receiving Company has a managing director who will be appointed by the board of directors.

The first managing director of the Receiving Company shall be appointed, and the managing director's remuneration shall be decided, by the board of directors of the Demerging Company prior to the registration of the completion of the Demerger on the Effective Date. The board of directors of the Demerging Company is also entitled to discharge the managing director of the Receiving Company prior to the Effective Date, if necessary.

Timo Laaksonen is expected to be appointed as the first managing director of the Receiving Company.

The Demerging Company shall enter into a customary service agreement with the managing director of the Receiving Company. The agreement, including without limitation all rights and obligations related thereto, will transfer to the Receiving Company upon the registration of the completion of the Demerger. The Receiving Company will be responsible for the managing director's remuneration under the agreement as well as any other costs and liabilities related to the managing director and the agreement, even to the extent such remuneration, cost or liability relates to a time preceding the registration of the completion of the Demerger.

If the managing director of the Receiving Company resigns, is discharged, or otherwise must be replaced by another person prior to the Effective Date, the Board of Directors of the Demerging Company is, until the Effective Date, entitled to appoint a new managing director for the Receiving Company. Thereafter, the board of directors of the Receiving Company shall have the right to appoint and discharge the managing director of the Receiving Company.

5 DEMERGER CONSIDERATION

5.1 Demerger Consideration

The shareholders of the Demerging Company shall receive as demerger consideration one new share in the Receiving Company for each share they hold in the Demerging Company (**Demerger Consideration**), i.e., the Demerger Consideration shall be issued to the shareholders of the Demerging Company in proportion to their existing shareholding with a ratio of 1:1.

Pursuant to Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, treasury shares held by the Demerging Company do not carry a right to receive Demerger Consideration.

As explained in Section 5.2 of this Demerger Plan, the allocation of the Demerger Consideration is based on the shareholding in the Demerging Company on the Effective Date. Accordingly, the final aggregate number of shares in the Receiving Company issued as Demerger Consideration will be determined based on the number of shares in the Demerging Company held by its shareholders, other than the Demerging Company itself, on the Effective Date. On the date of this Demerger Plan, there are a total of 158,798,739 shares in the Demerging Company, of which a total of 411,358 are treasury shares. According to the situation on the date of this Demerger Plan, the total number of shares in the Receiving Company to be issued as Demerger Consideration would therefore be 158,387,381 shares. The final total number of shares to be issued as Demerger Consideration may be affected by, among other things, any changes to the number of outstanding shares in the Demerging Company, including, for example, if the Demerging Company issues new shares (either in the share issue referred to in Section 19.1 or otherwise) or acquires its own shares prior to the Effective Date.

There is only one class of shares in the Receiving Company, and the shares in the Receiving Company do not have a nominal value.

It is expected that the shares in the Receiving Company will be applied for to be admitted to trading on the official list of Nasdaq Helsinki.

5.2 Timing of Issue of the Demerger Consideration

The Demerger Consideration shall be issued to the shareholders of the Demerging Company on the first business day after the Effective Date or as soon as possible thereafter.

The Demerger Consideration shall be issued through the book-entry securities system maintained by Euroclear Finland Oy, in such a manner that the shares shall be issued using the ratio specified in this Demerger Plan based on the number of outstanding shares in the Demerging Company and recorded on the book-entry accounts of the shareholders of the Demerging Company on the Effective Date.

The Demerger Consideration shall be distributed automatically, and no action is required from the shareholders of the Demerging Company in relation thereto.

5.3 Other Consideration

In addition to the Demerger Consideration, no other consideration shall be issued to the shareholders of the Demerging Company in connection with the Demerger.

6 OPTION RIGHTS AND OTHER SPECIAL RIGHTS ENTITLING TO SHARES

The Demerging Company has not issued any option rights or other special rights referred to in Chapter 10 of the Finnish Companies Act that would entitle their holder to subscribe for shares in the Demerging Company.

7 SHARE-BASED INCENTIVE PROGRAMS OF THE DEMERGING COMPANY

The Demerging Company has the following share-based incentive programs pursuant to which share rewards remain to be paid on the date of this Demerger Plan:

- Long-Term Incentive Plan, earning period 2019–2021,
- Performance Share Plan, earning periods 2020–2022, 2021–2023 and 2022–2024, and
- Restricted Share Plan, earning periods 2020–2021, 2021–2022, 2021–2023 and 2022–2024,

(jointly, **Share-Based Incentive Programs**).

The board of directors of the Demerging Company may resolve on the effects that the Demerger has on the Share-Based Incentive Programs in accordance with their terms and conditions prior to the registration of the completion of the Demerger. The board of directors of the Demerging Company may make such decisions also with respect to program participants who will transfer to the Receiving Company in the Demerger, and those decisions, if any, will be binding towards the Demerging Company, the Receiving Company and the relevant participants.

The board of directors of the Demerging Company may also resolve on adopting new share-based incentive programs (including without limitation new earning periods for the Share-Based Incentive Programs) concerning the personnel of the Demerging Company. Until the registration of the completion of the Demerger that includes, without limitation, also personnel transferring to the Receiving Company in the Demerger, after which any such programs for the transferring personnel shall be resolved by the board of directors of the Receiving Company.

8 SHARE CAPITAL AND OTHER EQUITY OF THE RECEIVING COMPANY

The share capital of the Receiving Company will be EUR 80,000.

The equity to be formed in the Receiving Company in the Demerger, insofar as it exceeds the above-mentioned amount to be recorded into the share capital, shall be recorded in its reserve for invested unrestricted equity, as set forth in Section 10.4.

9 ACCOUNT OF THE ASSETS, LIABILITIES AND EQUITY OF THE DEMERGING COMPANY AND CIRCUMSTANCES IMPACTING THEIR VALUATION

The assets, liabilities and equity of the Demerging Company as on 31 December 2021 have been presented in Schedule 4. The relevant financial information has been derived from the Demerging Company's financial statements for a period 1 January–31 December 2021 attached to this Demerger Plan as Schedule 2. The

financial statements have been signed by the Demerging Company's board of directors and audited but, as at the date of this Demerger Plan, the Demerging Company's shareholders' general meeting is yet to adopt the financial statements. The intention is to decide on the adoption of the financial statements in the shareholders' annual general meeting of the Demerging Company which is planned to be held on 16 March 2022.

In the financial statements, the assets and liabilities of the Demerging Company have been booked and valued in compliance with the provisions of the Finnish Accounting Act (1336/1997, as amended) (**Finnish Accounting Act**).

10 ALLOCATION OF THE DEMERGING COMPANY'S ASSETS AND LIABILITIES BETWEEN COMPANIES PARTICIPATING IN THE DEMERGER, INTENDED EFFECT OF THE DEMERGER ON THE BALANCE SHEET OF THE RECEIVING COMPANY AND ACCOUNTING METHODS APPLIED IN THE DEMERGER

10.1 Assets and Liabilities Transferring to the Receiving Company

In the Demerger, the Transferring Business, i.e., all assets, debts and liabilities related or attributable to the Transferring Business (whether known, unknown or conditional and including without limitation all thereto related agreements and undertakings) existing at the time of the registration of the completion of the Demerger, shall transfer to the Receiving Company upon the registration of the completion of the Demerger on the Effective Date.

The assets, debts and liabilities transferring to the Receiving Company include, among other things, the following key items:

- (a) All shares in the subsidiaries and associated companies directly held by the Demerging Company and all branches of the Demerging Company, in each case related to the Transferring Business, as well as any of their direct and indirect subsidiaries and branches related to the Transferring Business (jointly, **Transferring Subsidiaries**), including without limitation, as at the date of this Demerger Plan, the companies and branches specified in the following as well as any of their direct and indirect subsidiaries and branches that relate to the Transferring Business, and also any other Transferring Subsidiaries that may potentially be incorporated or registered between the Date of this Demerger Plan and the Effective Date:
 - (1) DF-Data Oy (a company incorporated and existing under the laws of Finland with business identity code 0797029-6);
 - (2) F-Secure Inc, a company incorporated and existing under the laws of the state of California with company number C1759144;
 - (3) F-Secure (UK) Ltd, a company incorporated and existing under the laws of England and Wales with company number 03782275;
 - (4) F-Secure e-Store GmbH, a company incorporated and existing under the laws of Germany with registration number HRB 156273;
 - (5) F-Secure Pvt Ltd, a company incorporated and existing under the laws of India with registration number 158613;
 - (6) F-Secure Iberia SL, a company incorporated and existing under the laws of Spain with registration number B65396103; and

- (7) F-Secure do Brasil Technol. da Informação Ltda, a company incorporated and existing under the laws of Brazil with register number 13.592.922/0001-87.
- (b) The Demerging Company's receivables from and debts to the Transferring Subsidiaries to the extent they relate to the Demerging Company's cash pooling arrangement, and a part of the Demerging Company's cash or cash equivalents which, according to the Demerging Company's assessment, will be required for the Receiving Company's operations and working capital needs.
- (c) The Demerging Company's receivables from the Transferring Subsidiaries, other than as described under Subsection 10.1(b) above, including without limitation dividend receivables, and the Demerging Company's debts to the Transferring Subsidiaries, other than as described under Subsection 10.1(b) above.
- (d) The Demerging Company's inventories related to the Transferring Business.
- (e) The Demerging Company's liabilities under any guarantees or counter indemnities related to guarantees, in each case given by the Demerging Company on behalf of the Transferring Subsidiaries or otherwise in relation to the Transferring Business. As at the date of this Demerger Plan, there are no such guarantees or counter indemnities.
- (f) The Demerging Company's tangible assets related to the Transferring Business, including without limitation machinery and equipment related to or being used by the Transferring Business.
- (g) The Demerging Company's intellectual property rights that are specific to the Transferring Business, including without limitation trademarks, copyrights, patents, utility models, design rights, domain names and business knowhow, regardless of whether such rights can be or have been registered. The ownership of copyrights, patents, domain names and business knowhow that are used by both or co-created by the Transferring Business and the Remaining Business will either transfer to the Receiving Company or remain with the Demerging Company based on a business-driven case-by-case basis as determined by the board of directors or the managing director of the Demerging Company prior to the Effective Date. Transferring intellectual property rights that have been registered are listed in Schedule 3. Copyrights, patents and business knowhow that are used by both or co-created by the Transferring Business and the Remaining Business and will remain with the Demerging Company will be subject to a licensing arrangement as described in Section 10.3 of this Demerger Plan. The use of such domain names that are used by both the Transferring Business and the Remaining Business will be agreed separately.
- (h) The Demerging Company's intangible assets related to the Transferring Business, other than as described under Subsection 10.1(g) above, including without limitation capitalised expenditure related to development work related to the Transferring Business.
- (i) The Demerging Company's contracts with customers, and all rights (including without limitation receivables such as accounts receivable and accrued income), obligations and liabilities (including without limitation advance payments and deferred revenue) thereunder, in each case to the extent they relate to the Transferring Business.

- (j) The Demerging Company's lease contracts concerning cars, and all rights, obligations and liabilities thereunder, in each case to the extent they relate to the Transferring Business.
- (k) Any possible contracts (other than as described under Subsections 10.1(i) and (j) above), undertakings, offers and requests for offers, and all rights, obligations and liabilities thereunder, in each case to the extent they relate to the Transferring Business and have been made, given or received by the Demerging Company, including without limitation all such contracts which, according to their terms and conditions, relate to the Transferring Business. For the avoidance of doubt, the Demerging Company's lease contracts concerning business premises shall not be transferred to the Receiving Company.
- (l) All liabilities relating to the personnel transferring to the Receiving Company upon the registration of the completion of the Demerger, as set out in Section 19.3 of this Demerger Plan, including without limitation salaries, commissions, payments under the short-term incentive plan, bonuses and fees, tax withholdings, accumulated holidays, daily allowances, pension contributions and expense compensations.
- (m) Share-Based Incentive Programs and any possible new share-based incentive programs adopted by the board of directors of the Demerging Company, and all rights, obligations and liabilities thereunder, in each case related to the personnel of the Demerging Company to the extent they will transfer to the Receiving Company upon the registration of the completion of the Demerger, as set out in Section 19.3 of this Demerger Plan or the personnel who have an existing employment or service relationship with a Transferring Subsidiary at the time of the registration of the completion of the Demerger on the Effective Date. This Demerger Plan does not limit the right of the board of directors of the Demerging Company to amend the terms and conditions of the incentive programs in accordance with the same prior to the Effective Date.
- (n) Contracts that relate to the personnel of the Demerging Company to the extent they will transfer to the Receiving Company upon the registration of the completion of the Demerger, as set out in Section 19.3 of this Demerger Plan, or to the personnel who have an existing employment or service relationship with a Transferring Subsidiary at the time of the registration of the completion of the Demerger on the Effective Date.
- (o) Any possible liabilities related to a prospectus to be prepared pursuant to the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation (Regulation (EU) 2017/1129) or an exemption document to be prepared pursuant to the Commission Delegated Regulation (EU) 2021/528), or otherwise relating to the offering or admission to trading of the shares in the Receiving Company, in each case in connection with the Demerger.
- (p) The Demerging Company's tax receivables, tax debts or tax liabilities to the extent they relate to the Transferring Business or assets, debts or liabilities related thereto.
- (q) Any assets, debts and liabilities that replace or substitute any of the items listed above in this Section 10.1 (to the extent they have not been explicitly allocated to the Demerging Company under Section 10.2), and any assets, debts and liabilities that have arisen or that the Demerging Company has otherwise received after the date of this Demerger Plan, in each case to the extent they relate to the Transferring Business.

- (r) Any other possible assets, debts or liabilities, whether known or unknown, of the Demerging Company, in each case to the extent they relate to or are attributable to the Transferring Business.

If and to the extent any assets, debts or liabilities relate to both the Transferring Business and the Remaining Business, the Demerging Company and the Receiving Company will be entitled to or liable for them based on a determination whether and to what extent such asset, debt or liability relates to or is attributable to the Transferring Business or the Remaining Business, respectively. Notwithstanding the above, Sections 10.1(g), 10.2(g) and 10.3 shall apply in respect of any and all copyrights, patents and business knowhow that, prior to the Demerger, are used by both or co-created by the Transferring Business and the Remaining Business.

The Demerging Company is only secondarily liable as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act for all the known, unknown and contingent debts and liabilities that will transfer to the Receiving Company in the Demerger, unless a limitation or an exclusion of the secondary liability has been or will be agreed with the creditor, in which case the Demerging Company's liability towards such creditor will be subject to the agreed limitation or exclusion of liability, as applicable. The Demerging Company shall not be subject to the secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation transferring to the Receiving Company, other than any guarantee obligation that is considered a liability on the Effective Date pursuant to the aforementioned provision.

10.2 Assets and Liabilities Remaining with the Demerging Company

In the Demerger, all assets, debts and liabilities other than those that relate or attributable to the Transferring Business (whether known, unknown or conditional and including without limitation all thereto related agreements and undertakings) existing at the time of the registration of the completion of the Demerger, shall remain with the Demerging Company.

The assets, debts and liabilities remaining with the Demerging Company include, among other things, the following key items:

- (a) All shares in the subsidiaries and associated companies directly held by the Demerging Company and all branches of the Demerging Company, as well as any of their direct and indirect subsidiaries and branches, other than the Transferring Companies.
- (b) The Demerging Company's receivables from and debts to its subsidiaries or associated companies, or their direct and indirect subsidiaries, other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.
- (c) The Demerging Company's inventories other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan. As at the date of this Demerger Plan, there are no such inventories that would remain with the Demerging Company.
- (d) The Demerging Company's liabilities under any guarantees or counter indemnities related to guarantees, in each case given by the Demerging Company other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.
- (e) The Demerging Company's existing banking relations, loan facilities and liabilities under any financing agreements other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan. The Demerging Company will therefore

retain for instance the Demerging Company's revolving credit facility, which, at the date of this Demerger Plan, is undrawn as well as the Demerging Company's bank loan.

- (f) The Demerging Company's tangible assets other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.
- (g) The Demerging Company's intellectual property rights other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan. Copyrights, patents and business knowhow that are used by both or co-created by the Transferring Business and the Remaining Business and will transfer to the Receiving Company will be subject to a licensing arrangement as described in Section 10.3 of this Demerger Plan.
- (h) The Demerging Company's intangible assets, other than as described in 10.2(g) above and other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.
- (i) The Demerging Company's contracts with customers, and all rights (including without limitation receivables such as accounts receivable and accrued income), obligations and liabilities (including without limitation advance payments and deferred revenue) thereunder other than those that have been specified to be transferring to The Receiving Company in Section 10.1 of this Demerger Plan.
- (j) The Demerging Company's lease contracts concerning business premises and cars, and all rights, obligations and liabilities thereunder, other than those that have been specified to be transferring to The Receiving Company in Section 10.1 of this Demerger Plan.
- (k) Any possible contracts (other than as described under Subsections 10.2(i) and (j) above), undertakings, offers and requests for offers, and all rights, obligations and liabilities thereunder, other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.
- (l) All liabilities relating to personnel, other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.
- (m) Share-Based Incentive Programs and any possible new share-based incentive programs adopted by the board of directors of the Demerging Company, and all rights, obligations and liabilities thereunder, other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan. This Demerger Plan does not limit the right of the board of directors of the Demerging Company to amend the terms and conditions of the incentive programs in accordance with the same prior to the Effective Date.
- (n) Contracts that relate to the personnel of the Demerging Company other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.
- (o) The Demerging Company's tax receivables, tax debts or tax liabilities other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.

- (p) Funds to be raised by way of a possible share issue arranged by the Demerging Company prior to the Effective Date as set forth in Section 19.1 of this Demerger Plan as well as liabilities related thereto.
- (q) Any assets, debts and liabilities that replace or substitute any of the items listed above in this Section 10.2 (to the extent they have not been explicitly allocated to the Receiving Company under Section 10.1), and any assets, debts and liabilities that have arisen or that the Demerging Company has otherwise received after the date of this Demerger Plan, in each case other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.
- (r) Any other possible assets, debts or liabilities, whether known or unknown, of the Demerging Company, in each case other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.

The Receiving Company is only secondarily liable as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act for all the known, unknown and contingent debts and liabilities that will remain with the Demerging Company, unless a limitation or an exclusion of the secondary liability has been or will be agreed with the creditor, in which case the Receiving Company's liability towards such creditor will be subject to the agreed limitation or exclusion of liability. The Receiving Company shall not be subject to the secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation remaining with the Demerging Company, other than any guarantee obligation that is considered a liability on the Effective Date pursuant to the aforementioned provision.

10.3 Licensing Arrangement

Any and all copyrights, patents and business knowhow that, prior to the Demerger, are used by both the Transferring Business and the Remaining Business, or to the creation of which both the Transferring Business and the Remaining Business were contributors, shall, in accordance with Sections 10.1(g) and 10.2(g) above either:

- (a) remain with the Demerging Company in which case the Receiving Company shall be granted a perpetual (except for patents for the duration of each of their registration terms) irrevocable license to such intellectual property rights which license becomes effective upon the registration of the completion of the Demerger on the Effective Date and as a main rule enables further development; or
- (b) transfer to the Receiving Company in which case the Demerging Company shall be granted a perpetual (except for patents for the duration of each of their registration terms) irrevocable license to such intellectual property rights which license becomes effective upon the registration of the completion of the Demerger on the Effective Date and as a main rule enables further development.

The licensee company will have a broad, perpetual (except for patents for the duration of each of their registration terms), irrevocable, worldwide, royalty free, non-exclusive, and non-transferable right to use, utilize and develop the copyrighted works and inventions covered by the patents further. The licenses will include the right to, *inter alia*, use, exploit, copy, make, sell, offer to sell, lease, import, export, distribute, make available, translate, modify, improve and create derivative works of the relevant intellectual property right. The license is sub-licensable only in connection with the licensee company's own technology offering.

The licensee company will grant the licensor company a grant-back license regarding all further development of any licensed intellectual property rights, including without limitation additions, updates, and improvements. The grant-back licenses will become effective simultaneously with the licenses and will remain valid (i) in terms of copyrights and business knowhow, for a transitional period to be determined by the board of directors or the managing director of the Demerging Company prior to the Effective Date, and (ii) in terms of patents, as long as the license is in force.

10.4 Valuation of Assets and Liabilities in the Demerger

Upon the registration of the completion of the Demerger on the Effective Date, the Demerging Company's assets, debts and liabilities related or attributable to the Transferring Business allocated to the Receiving Company in this Demerger Plan shall transfer to the Receiving Company. The assets and liabilities of the Demerging Company have been booked and valued in accordance with the Finnish Accounting Act. In the Demerger, the Receiving Company shall record the transferring assets and liabilities in its balance sheet at the book values used by the Demerging Company on the Effective Date in compliance with the provisions of the Finnish Accounting Act.

The equity to be formed in the Receiving Company in the Demerger, insofar as it exceeds the amount to be recorded into the share capital pursuant to Section 8, shall be recorded in its reserve for invested unrestricted equity.

The decrease of the Demerging Company's net book assets caused by the Demerger, insofar as it exceeds the decrease of share capital and dissolving the share premium fund pursuant to Section 11, shall be recorded as a decrease in its retained earnings.

An illustration of the intended effect of the allocation of the Demerging Company's assets and debts to the Receiving Company in accordance with this Demerger Plan in the Demerger is presented in Schedule 4 to this Demerger Plan. The figures presented there are based on the Demerging Company's audited financial statements included in Schedule 2. The effect of the Demerger on the balance sheets of the Demerging Company and the Receiving Company will, however, be determined based on the situation existing upon the registration of the completion of the Demerger on the Effective Date.

11 SHARE CAPITAL AND OTHER EQUITY OF THE DEMERGING COMPANY

On the date of this Demerger Plan, the share capital of the Demerging Company is EUR 1,551,311.18. The share capital of the Demerging Company is proposed to be decreased in connection with the Demerger by EUR 1,471,311.18, i.e., to EUR 80,000. The amount by which the share capital of the Demerging Company is decreased shall be used to transfer funds to the Receiving Company.

In connection with the Demerger, it is also proposed that the Demerging Company's share premium reserve (in Finnish: *ylipurssirahasto*) of EUR 164,543.23 shall be dissolved. The amount shall be used to transfer funds to the Receiving Company.

The decrease of the Demerging Company's net book assets caused by the Demerger, insofar as it exceeds the above-mentioned decrease of share capital and dissolving the share premium fund, shall be recorded as a decrease in its retained earnings, as set forth in Section 10.4.

12 MATTERS OUTSIDE THE ORDINARY COURSE OF BUSINESS

This Demerger Plan or the Demerger do not limit the Demerging Company's right to decide on matters of the Demerging Company and, until the Effective Date, of the Receiving Company, regardless of whether such matters are within the ordinary course of business or not, including, without limitation, the sale and purchase of shares and businesses, corporate reorganisations, distribution of dividend and other unrestricted equity, share issuances (such as the possible share issue referred to in Section 19.1), acquisition or disposal of treasury shares, changes in share capital, and making revaluations, internal group transactions and reorganisations.

In addition, the board of directors of the Demerging Company is entitled to decide on applying the admission to trading of the shares in the Receiving Company on the official list of Nasdaq Helsinki, and to attend to any preparations related thereto as referred to in Section 19.4 of this Demerger Plan, as well as to take any other preparatory actions in relation to the Demerger.

13 CAPITAL LOANS

The Demerging Company has not issued any capital loans, as defined in Chapter 1, Section 1 of the Finnish Companies Act.

14 CROSS-OWNERSHIP AND TREASURY SHARES

The Receiving Company shall be incorporated upon the registration of the completion of the Demerger on the Effective Date. Consequently, the Demerging Company or its subsidiaries do not hold any shares in the Receiving Company on the date of this Demerger Plan.

On the date of this Demerger Plan, the Demerging Company holds 411,358 treasury shares.

No shares in the Demerging Company shall transfer to the Receiving Company in the Demerger.

15 BUSINESS MORTGAGE

The Demerging Company's assets are not subject to any business mortgages as defined in the Finnish Act on Business Mortgages (634/1984, as amended).

16 SPECIAL BENEFITS OR RIGHTS IN CONNECTION WITH THE DEMERGER

No special benefits or rights, each within the meaning of the Finnish Companies Act, shall be granted in connection with the Demerger to any members of the board of directors, managing directors or the auditors of either the Demerging Company or the Receiving Company, or to the auditor issuing a statement on this Demerger Plan.

The remuneration of the members of the board of directors and auditor of the Demerging Company shall be decided by the shareholders' general meeting of the Demerging Company.

The remuneration of the members of the board of directors and the auditor of the Receiving Company shall be decided by the shareholders' general meeting of the Demerging Company resolving on the Demerger and the Receiving Company shall be responsible for the remuneration, in each case as explained in Sections 4.1 and 4.2 above, respectively.

The remuneration of the managing director of the Demerging Company shall be decided by the board of directors of the Demerging Company.

The remuneration of the managing director of the Receiving Company shall be decided by the board of directors of the Demerging Company and the Receiving Company shall be responsible for the remuneration, in each case as explained in Section 4.3.

The fee payable to the auditor issuing a statement on this Demerger Plan is proposed to be paid based on an invoice which is in line with the principles approved by the board of directors of the Demerging Company. The Demerging Company shall be responsible for such fee as set forth in Section 19.9 of this Demerger Plan.

17 AUTHORISATION TO THE BOARD OF DIRECTORS OF THE RECEIVING COMPANY FOLLOWING THE REGISTRATION OF THE COMPLETION OF THE DEMERGER

17.1 Authorisation to Issue Shares and Special Rights Entitling to Shares in the Receiving Company

Following the registration of the completion of the Demerger, the board of directors of the Receiving Company is authorised pursuant to this Demerger Plan to decide on the issuance of a maximum of 15,000,000 shares in the Receiving Company in total through a share issue as well as by issuing options or other special rights entitling to shares pursuant to Chapter 10, Section 1 of the Finnish Companies Act in one or several tranches. The authorisation concerns both the issuance of new shares and the transfer of treasury shares held by the Receiving Company.

The authorisation entitles the board of directors to decide on all terms related to the share issue as well as the issuance of options or other special rights entitling to shares. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive subscription right (directed issue). The authorisation may be used for carrying out potential acquisitions or other arrangements, shares-based incentive programs or otherwise for purposes decided by the board of directors. The board of directors is also entitled to decide on the sale of treasury shares on a regulated market on Nasdaq Helsinki in accordance with its rules and guidelines.

The authorisation is valid until the end of the first annual general meeting following the Effective Date, however in no case later than the last day of June on the year following the Effective Date.

17.2 Authorisation to Decide on the Repurchase of the Receiving Company's own shares

Following the registration of the completion of the Demerger, the board of directors of the Receiving Company is authorised pursuant to this Demerger Plan to decide on the repurchase of a maximum of 15,000,000 of the Receiving Company's own shares in total in one or several tranches and with the Receiving Company's unrestricted equity.

The authorisation entitles the board of directors to decide on the repurchase also in deviation from the proportional holdings of the shareholders (directed repurchase). The authorisation comprises the repurchase of shares either on trading price determined in public trading or otherwise on the market at the time of repurchase, or with a purchase offer to the shareholders in which case the repurchase price must be the same for all shareholders. The Receiving Company's own shares may be repurchased to be used for carrying out acquisitions or implementing other arrangements related to the Receiving Company's business, for optimising the Receiving Company's capital structure, as part of the

implementation of the Receiving Company's incentive programs or otherwise to be transferred further or cancelled. The authorisation includes the right of the board of directors to decide on all other terms related to the repurchase of the Receiving Company's own shares.

The authorisation is valid until the end of the first annual general meeting following the Effective Date, however in no case later than the last day of June on the year following the Effective Date.

18 EXPECTED TIMING OF THE REGISTRATION OF THE COMPLETION OF THE DEMERGER

It is planned that the Effective Date, i.e., the date of registration of the completion of the Demerger, shall be on or about 30 June 2022.

The actual Effective Date may still change from said date, for example, if the circumstances relating to the Demerger require changes with respect to the above-mentioned contemplated timing or if the board of directors of the Demerging Company otherwise decides to apply for the Demerger to be registered prior to, or after, the time currently planned.

19 OTHER MATTERS

19.1 Share issue

The Demerging Company is investigating a possibility to raise funds by way of a share issue to Finnish and international institutional investors and other qualified investors, and the board of directors of the Demerging Company expects to propose to a shareholders' general meeting to be convened prior to the Effective Date a share issue authorisation which would be sufficient for said purpose.

The reason for the share issue would be, and the funds to be raised would be used, to finance the implementation of the growth strategy relating to the Remaining Business. Currently, the Demerging Company expects that the number of shares to be issued will not exceed 20 percent of all the shares in the Demerging Company immediately prior to the issuance, subject to the shareholders' general meeting of the Demerging Company deciding on a sufficient authorisation for the board of directors of the Demerging Company.

As explained in Section 10.2(p) of this Demerger Plan, the funds to be raised by way of the possible share issue will remain with the Demerging Company regardless of the Demerger.

19.2 Listing of the Shares in the Receiving Company

The shares in the Receiving Company will be applied for to be admitted to trading on the official list of Nasdaq Helsinki. The trading in the Receiving Company's shares on Nasdaq Helsinki is expected to begin as soon as reasonably possible after the Effective Date.

The board of directors of the Demerging Company is entitled to decide on applying the admission to trading of the shares in the Receiving Company on the official list of Nasdaq Helsinki, and to attend to any preparations related thereto, including without limitation entering into necessary agreements.

The Demerger will not affect the listing of, or trading in, the shares of the Demerging Company.

19.3 Transfer of Employees

Part of the personnel of the Demerging Company and its direct and indirect subsidiaries shall transfer to the Receiving Company upon the registration of the completion of the Demerger on the Effective Date, as determined by the managing director of the Demerging Company prior to the Effective Date after possibly required negotiation or consultation processes and other applicable legal requirements have been complied with. The Receiving Company shall assume the obligations arising out of the employment and service relationships with the Demerging Company of the transferring personnel in force on the Effective Date as well as the obligations resulting from the related benefits. The transferring personnel shall transfer to the service of the Receiving Company as existing employees, to the extent possible under applicable legislation.

The obligations under any group level agreements binding the Demerging Company (e.g., with respect to occupational health) shall transfer, to the extent possible, to the Receiving Company insofar as they concern the personnel transferring to the Receiving Company or the personnel of the Transferring Subsidiaries.

The Receiving Company shall be responsible for all liabilities relating to the personnel transferring to it, including without limitation salaries, commissions, bonuses and fees, tax withholdings, accumulated holidays, daily allowances, pension contributions and expense compensations, also to the extent such liabilities have arisen wholly or partially prior to the Effective Date but which remain open on the Effective Date.

The Parties undertake to fulfil their notification obligation under Chapter 4 of the Act on Co-operation within Undertakings (1333/2021, as amended) towards transferring employees and their personnel representatives as required by said act.

19.4 Preparatory Actions

Prior to the registration of the completion of the Demerger on the Effective Date, the board of directors and the managing director of the Demerging Company may take any decisions that fall within their respective competences under applicable legislation and concern the Demerging Company's business, including without limitation also the Transferring Business, as well as take care of all actions required for the preparation of the Demerger and the registration of the completion of the Demerger.

19.5 Right of the Board of Directors and the Managing Director of the Demerging Company to Act on Behalf of the Receiving Company

As set out in Section 19.4 of this Demerger Plan, the board of directors or the managing director of the Demerging Company may, prior to the registration of the completion of the Demerger on the Effective Date, take care of any actions in relation to the preparation of the Demerger, including without limitation, enter into agreements to facilitate the separation of the Transferring Business (such as, e.g., financing agreements, transitional services agreements, licensing agreements and lease agreements) and the ramp-up of the operations of the Receiving Company.

The board of directors or the managing director of the Demerging Company may take above-mentioned decisions, enter into agreements, and take other actions also on behalf of the Receiving Company.

The board of directors and the managing director of the Demerging Company may, prior to the Effective Date, also take all such decisions, enter into agreements, and take actions concerning the Transferring Business on behalf of the

Receiving Company that fall within their respective competences under applicable legislation.

The rights and obligations of the Demerging Company based on decisions, agreements and other actions taken on behalf of the Receiving Company shall transfer to the Receiving Company upon the registration of the completion of the Demerger on the Effective Date.

19.6 Capacity and Competence of the Receiving Company's Board of Directors and Managing Director prior to the Effective Date

Prior to the Effective Date, the board of directors and the managing director of the Receiving Company may only take such decisions as are separately assigned in this Demerger Plan to be made by each of them, or such decisions as the board of directors of the Demerging Company may separately direct.

Prior to the Effective Date, the board of directors of the Receiving Company may, however, take without separate direction from the board of directors of the Demerging Company decisions with regard to the Receiving Company that concern representation rights (authorisations to sign for the company, rights of representation per procuram and other authorisations), bank accounts and necessary agreements and documents relating to the administration of a listed company, such as the working order of the board of directors and insider guidelines. The board of directors of the Demerging Company may also take such decisions concerning the Receiving Company prior to the Effective Date. The rights and obligations under these decisions shall transfer to the Receiving Company upon the registration of the completion of the Demerger on the Effective Date.

19.7 Agreements and Undertakings and Cooperation in Transfer of Rights and Obligations; Intra-Group Arrangements

All agreements and undertakings, and the rights and obligations pertaining thereto, relating to the Transferring Business shall transfer to the Receiving Company in accordance with this Demerger Plan upon the registration of the completion of the Demerger on the Effective Date. If the transfer of an agreement or an undertaking is subject to the consent of the contracting party or a third party, the Demerging Company and the Receiving Company shall use their best efforts to obtain such consent. If such consent has not been received by the Effective Date, the Demerging Company shall remain as the party to such agreement or undertaking but the Receiving Company shall fulfil the obligations related to such agreement or undertaking on its own behalf, at its own responsibility and at its own risk in the Demerging Company's name and, correspondingly, the Receiving Company shall receive the benefits related to such agreement or undertaking in a manner separately agreed by the Demerging Company and the Receiving Company.

Both the Demerging Company and the Receiving Company shall be obligated to provide to each other all the reports and confirmations, as requested by the other company, that are required for the confirmation and recording of the transfer of rights and obligations under this Demerger Plan, such as reports on the transfer of assets, debts and liabilities potentially required by authorities or financial institutions.

The Demerging Company and the Receiving Company undertake to sign on or about the Effective Date a separate assignment letter related to the transferring intellectual property rights that have been registered as listed in Schedule 3, the purpose of which is to confirm the transfer of the relevant intellectual property rights in the Demerger.

In terms of the transferring domain names, the Demerging Company undertakes to provide the Receiving Company with all required domain name transfer keys,

i.e., both the holder transfer keys and the registrar transfer keys, within thirty (30) business days from the Effective Date, in order to complete the transfer of the domain names.

Prior to the Effective Date, the Demerging Company will carry out certain intra-group arrangements related to the Transferring Business, including without limitation asset transfers and demergers. In case those arrangements cannot be fully completed prior to the Effective Date, for instance due to requirements or actions of foreign authorities or other similar reasons, the Demerging Company and the Receiving Company undertake to complete the arrangements as soon as possible after the Effective Date.

If, after the Effective Date, the Demerging Company and the Receiving Company find that any of the intellectual property rights, such as any of the domain names, should be owned by the other Company Participating in the Demerger, the Demerging Company and the Receiving Company undertake to discuss about the transfer of such intellectual property right to such other Company Participating in the Demerger in good faith and to take any necessary actions to implement the transfer within a reasonable period of time.

19.8 Brands

The Demerging Company has the right, also following the registration of the completion of the Demerger, to use the word mark “F-Secure” and the figurative mark “F” in connection with the Remaining Business for a transitional period to be determined by the board of directors of the Demerging Company prior to the Effective Date to the extent to be separately agreed by the Demerging Company and the Receiving Company.

The Receiving Company shall procure that, following the registration of the completion of the Demerger, it shall not use any trade name, trademark or other intellectual property right that includes the word “WithSecure”, or that may otherwise be confused with such word, or with other trade names, trademarks or other intellectual property rights that the Demerging Company holds.

19.9 Costs

Unless the Demerging Company and the Receiving Company separately agree otherwise or unless it is stipulated otherwise in this Demerger Plan (including, without limitation, in Section 10), the following shall be applied to the allocation of the costs related to the Demerger between the relevant companies:

- (a) the Demerging Company shall bear any fees and costs relating directly to the Demerger process and its completion, including without limitation costs relating to convening a shareholders’ general meeting to decide on the Demerger, costs related to any Trade Register notifications required in connection with the Demerger, advisor fees related to the Demerger and the fee payable to the auditor issuing a statement on this Demerger Plan;
- (b) each Company Participating in the Demerger shall bear any fees and costs relating directly to the brand renewal of the Demerging Company and updating the visual appearance of the Receiving Company, to the extent such fees and costs are directly attributable to the relevant company or its operations;
- (c) the Demerging Company shall bear any fees and costs relating directly to the possible share issue referred to in Section 19.1;

- (d) the Receiving Company shall bear any fees and costs relating directly to the listing of shares of the Receiving Company and the creation of the shares in the book-entry securities system, including without limitation costs relating to IPO due diligence, preparing a prospectus or an exemption document, and fees invoiced by the Finnish Financial Supervisory Authority, Nasdaq Helsinki and Euroclear Finland Oy, regardless of when such fees and costs have arisen. If any such fee or cost has arisen prior to the registration of the completion of the Demerger and been paid by the Demerging Company, the Demerging Company will invoice the Receiving Company for the relevant fee or cost;
- (e) the Receiving Company shall bear any other fees and costs than the ones listed above in Subsections (a) to (d) above relating directly to the ramp-up of the operations of the Receiving Company (such as, for instance, fees and costs related to setting up IT systems), regardless of when such fees and costs have arisen. If any such fee or cost has arisen prior to the registration of the completion of the Demerger and been paid by the Demerging Company, the Demerging Company will invoice the Receiving Company for the relevant fee or cost; and
- (f) the Demerging Company and the Receiving Company shall each be responsible for one-half of the costs related to the Demerger that cannot be allocated based on Subsections (a)–(e) above or that are not directly related to the operations of either of the Demerging Company or the Receiving Company.

19.10 Accounting Material

The accounting material of the Demerging Company shall remain in the ownership of the Demerging Company. However, insofar as such accounting material concerns the Transferring Business, the Receiving Company shall have the right to obtain access to said material free of separate charge, including the right to make notes based on the documentation, make copies thereof and save it in electronic media, in each case during ordinary office hours.

19.11 Language Versions

This Demerger Plan (including any applicable Schedules) is an unofficial English language translation of the original document, which has been prepared and executed in Finnish. The English version has been drafted solely for information purposes. Should any discrepancies exist between the Finnish and the English versions, the Finnish version shall prevail.

19.12 Dispute Resolution

Any dispute, controversy or claim between the Demerging Company and the Receiving Company arising out of or relating to this Demerger Plan, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The number of arbitrators shall be three. The seat of arbitration shall be Helsinki, Finland. The language of the arbitration shall be English, but evidence may be submitted, and witnesses heard also in Finnish to the extent the arbitral tribunal deems it appropriate.

For clarity, it is noted that this arbitration clause has also been entered into on behalf of, and is binding upon, the Receiving Company.

Other considerations

The board of directors of the Demerging Company is authorised to decide on technical amendments to this Demerger Plan or its schedules as may be required by authorities or as considered appropriate by the board of directors of the Demerging Company in its discretion.

The board of directors of the Demerging Company may also resolve not to complete the Demerger if, at any time prior to the registration of the completion of the Demerger, the board of directors of the Demerging Company, in its sole discretion, considers that there are material grounds due to which such non-completion would be in the best interest of the Demerging Company and its shareholders.

[signature page to follow]

SIGNATURES

This Demerger Plan will be executed electronically.

In Helsinki, on 17 February 2022

Authorised by the board of directors of

F-SECURE CORPORATION

Risto Siilasmaa
Chairperson of the board of directors

Pertti Ervi
Member of the board of directors

SCHEDULE 1: ARTICLES OF ASSOCIATION OF THE RECEIVING COMPANY

ARTICLES OF ASSOCIATION OF F-SECURE OYJ

1 Trade Name of the Company

The trade name of the company is F-Secure Oyj, in English F-Secure Corporation.

2 Registered Office of the Company

The registered office of the company is Helsinki.

3 Field of Operation of the Company

The company's line of business is to design, manufacture, publish and provide products, including without limitation hardware and software products, and services relating in each case to information technology and cyber security, and to carry out import and export of any of the above or any equipment related to any of the above. The company may also trade in securities.

4 Book-entry securities system

The shares in the company are included in the book-entry securities system.

5 Board of Directors

The company's board of directors consists of a minimum of three and a maximum of seven members.

The term of office of the members of the board of directors expires at the end of the first annual general meeting following their election.

6 Managing Director

The company has a managing director appointed by the board of directors.

7 Auditor

The company has an auditor that must be an audit firm as referred to in the Finnish Auditing Act.

The term of office of the auditor expires at the end of the first annual general meeting following the election.

8 Representation

The board of directors shall represent the company. The right to represent the company may also be exercised by any two members of the board of directors acting together, and the chairperson of the board of directors and the managing director each individually.

The board of directors may grant the right to represent the company or procuration rights to one or more designated persons.

9 Notice to Convene a General Meeting and Advance Registration for the Meeting

The notice to convene a general meeting shall be delivered to the shareholders by publishing the notice on the company's website.

In order to attend a general meeting, a shareholder must notify the company thereof by registering for the meeting no later than on a date and at a time determined by the board of directors and stated in the notice convening the meeting.

10 Place of a General Meeting

In addition to the company's domicile, a general meeting may be held in Espoo or Vantaa.

11 Annual General Meeting

The annual general meeting shall be held within a period of six months from the end of the financial period, on a date and at a time determined by the board of directors.

The annual general meeting shall

be presented with:

(a) the financial statements, which include the consolidated financial statements, and the annual report, and

(b) the auditor's report,

decide on:

(c) the adoption of the financial statements,

(d) the measures for which the profit or loss shown on the balance sheet gives reason,

(e) the discharge of the members of the board of directors and the managing director from liability,

(f) the number of members of the board of directors, and

(g) the remuneration of the members of the board of directors and the auditor,

elect

(h) the members of the board of directors and

(i) the auditor, and

attend to

(j) any other matters included in the notice convening the meeting.

**SCHEDULE 2: THE DEMERGING COMPANY'S AUDITED FINANCIAL STATEMENTS FOR
FINANCIAL YEAR 2021**

F-SECURE CONSOLIDATED
BOARD OF DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS

Fiscal period
January 1–December 31, 2021

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BOARD OF DIRECTORS' REPORT 2021

The COVID-19 pandemic impacted the global economy and F-Secure's operations also in 2021. The digital leap of societies and increased remote working supported the positive development of company's corporate security products and consumer security business. The accelerating growth of F-Secure's Managed Detection and Response (MDR) solutions and continuing strong customer demand for Cloud Protection for Salesforce software and cloud-native Elements platform proved the strength of our offering. As a result, F-Secure's revenue increased by 7% to EUR 236.3 million (220.2m) and adjusted EBITDA grew to EUR 36.5 million (35.7m).

In 2021, F-Secure's corporate security business continued its strong performance. In corporate security products, the growth came especially from Managed Detection and Response (MDR) solution, Endpoint Detection and Response (EDR) and Cloud Protection products, while Endpoint Protection Platform (EPP) still accounted for a significant share of the revenue. In cyber security consulting, COVID-19 pandemic still impacted F-Secure's operations especially in the beginning of the year. At the same time, as remote working has now become a new norm, F-Secure can better utilize its global pool of experts and deliver cyber security consulting services more remotely and globally, thus mitigating the lack of highly specialized experts to meet the strong customer demand in some regions.

In F-Secure's consumer security business, both service provider channel and direct business grew. In the service provider channel, the whole portfolio contributed to the growth. In direct sales to consumers, the growth was driven by the increasing share of our bundled solution, F-Secure TOTAL.

Financial performance and key figures

The company's total revenue in January–December increased by 7% year-on-year to EUR 236.3 million (220.2m). The share of corporate security of total revenue was 55% (55%).

Corporate security

Revenue from corporate security increased by 8% year-on-year and was EUR 130.0 million (120.1m) as corporate security products grew by 11% and cyber security consulting by 3%. In the end of December 2021, the annual recurring revenue (ARR) of corporate security's cloud-based Solutions was EUR 60.9 million (45.5m), growing by 34% year-on-year.

Products

Revenue from business security software grew year-on-year. The growth was driven by the cloud-native Elements platform, its EDR (Endpoint Detection and Response) software as well as Cloud Protection for Salesforce software, while EPP (Endpoint Protection Platform) still accounts for a significant share of the revenue. The sales of EDR and Cloud Protection products grew across all the key regions.

The orders of F-Secure's business security software in 2021 were all-time high, mainly driven by the successful launch of the Elements platform in May 2021, renewed licensing models as well as the systematic and close co-operation with partners in productizing the EDR offering.

Revenue from Managed Detection and Response (MDR) solutions (F-Secure Countercept) grew year-on-year. In 2021, several important deals were signed for example with customers from key enterprise verticals i.e in manufacturing, technology, media and financial services sectors.

Cyber security consulting

Revenue from cyber security consulting increased by 3% year-on-year to EUR 47.2 million (45.8m).

Especially in the beginning of the year, the COVID-19 pandemic impacted the cyber security consulting operations. Towards the end of the year, the impact of pandemic decreased, but the attrition of consultants in some regions negatively impacted the consulting business. However, during the fourth quarter the attrition rate improved.

Due to pandemic, remote working has become a new norm. This enables F-Secure to better utilize its global pool of experts and deliver cyber security consulting services more remotely and globally, independent of customer's physical location.

In December, F-Secure 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 EUR 3.7 million and it employed some 20 consultants.

Consumer security

Revenue from consumer security increased by 6% year-on-year and was EUR 106.3 million (100.1m) as both service provider channel and direct business grew.

Service Providers (previously Operators)

Revenue from the service provider channel grew year-on-year driven by the sale of core endpoint protection solutions in addition to partners expanding their offering to F-Secure's new consumer products. In 2021, the majority of revenue came from the F-Secure SAFE product.

Direct sales

Revenue from direct sales to consumers grew year-on-year, which was driven by the increasing share of our bundled solution, F-Secure TOTAL. The overall renewal performance continued at a good level.

Gross margin

Gross margin increased by EUR 13.5 million to EUR 185.7 million (172.2m) was 78.6% of revenue (78.2%). The increase in gross margin was due to increased revenue in scalable product businesses and improved performance in cyber security consulting.

Operating expenses

Operating expenses excluding depreciation and amortization, and items affecting comparability (IAC) increased by EUR 13.0 million to EUR 151.5 million (138.5m). During the comparative period, operative expenses were at an unusually low level due to the COVID-19 pandemic. Sales and marketing costs grew year-on-year due to an increase in marketing activities and higher sales commissions. Research and development costs grew year-on-year due to a headcount increase. In addition, the company has experienced salary inflation in several markets. Items affecting comparability (IAC) totaled EUR 4.3 million and consisted of costs related to strategic reviews.

Depreciation and amortization were EUR 15.1 million (16.0m), where PPA amortization from acquisitions was EUR 2.8 million (3.2m) and the impairment was EUR 1.0 million.

Profitability

Adjusted EBITDA was EUR 36.5 million and 15.4% of revenue (35.7m, 16.2%) and adjusted EBIT was EUR 25.3 million and 10.7% of revenue (22.9m, 10.4%).

EBITDA was EUR 32.8 million and 13.9% of revenue (35.7m, 16.2%). EBIT was EUR 17.7 million and 7.5% of revenue (19.7m, 8.9%), including EUR 2.8 million of PPA amortization (3.2m), EUR 1.0 million impairment and EUR 3.7 million

of IAC items. Strategy related costs of EUR 4.3 million were partially offset by a preliminary capital gain of EUR 0.5 million from divesting UK public sector consulting team through a local management buy-out. The final capital gain is dependent on deferred consideration based on the future performance of the divested business and it will be measured at fair value quarterly.

Cash flow

Cash flow from operating activities before financial items and taxes decreased by EUR 9.6 million and was EUR 38.7 million (48.3m). Changes in net working capital due primarily to an increase in current receivables had a negative impact on operative cash flows. Cash flow from operations decreased by EUR 15.9 million and was EUR 30.7 million (46.7m). In addition to net working capital, residual taxes for 2020 and increase in advance taxes impacted the cash flow negatively.

Acquisitions and financial arrangements

F-Secure did not carry out acquisitions during 2021.

Company did not enter new financing agreements during 2021. Bank loan repayments were made according to the schedule. Total repayments for term loan during 2021 were EUR 6.0 million. Company's financing agreement includes a committed revolving credit facility (RCF) of EUR 23.0 million to decrease short-term liquidity risk. Remaining term loan at the end of the financial year was EUR 19.0 million while RCF was undrawn. During next 12 months EUR 6.0 million of remaining term loan will be paid according to the financing agreement.

The financing agreement includes conventional loan covenants related to ratio of net debt to EBITDA and equity ratio. F-Secure complied with the covenants throughout the reporting period.

Changes in the group structure

Following changes have occurred in the Group structure during the financial year:

F-Secure Pty Limited in Australia was liquidated during second quarter of 2021.

Capital structure

The financial position remained solid. The company has liquid assets of EUR 53.0 million (51.4m) and interest-bearing bank debt of EUR 19.0million (30.0m). Gearing was negative -25.8% due to strong liquidity.

The next repayment (3.0m) of the term loan is due in June 2022. To guarantee liquidity, F-Secure has EUR 23.0 million committed revolving credit facility that was undrawn at the end of the year.

Research and development

F-Secure's research and development expenditure amounted to EUR 46.6 million in 2021, representing 19.7% of revenue (EUR 41.9m, 19%). Capitalized development expenses were EUR 5.6 million (EUR 5.5 million).

F-Secure is a cyber security technology company for which the ability to innovate is crucial. The company has consistently earned top marks in third-party technology evaluations for providing the best protection, advanced detection & effective response capabilities and high customer satisfaction. This was once more demonstrated in April, when F-Secure's Detection and Response solutions continued their excellent performance in the 3rd MITRE Engenuity ATT&CK® evaluation.

During the year, both F-Secure's corporate security and consumer security products won many awards, e.g. the Best Protection Awards from AV-TEST for home and business users and a Best Performance award for home users. In autumn, an important milestone was reached when, for the first time, F-Secure SAFE product received top scores in all

three categories (Protection, Performance, Usability) in all three operating systems (Windows, MacOS, Android) in the independent AV-TEST Institute's tests.

In 2021, F-Secure also received the Artificial Intelligence Excellence Award for its Project Blackfin, a multi-year research effort aimed at investigating how to apply collective intelligence in the cyber security domain. The research, which is being led by F-Secure's Artificial Intelligence Centre of Excellence, is a company-wide effort involving F-Secure's engineers, researchers data scientists, and academic partners. The goals of the project are for example to develop new, more generic methods for detecting adversarial actions, further improve and automate threat intelligence gathering capabilities and understand how to implement and improve automated response actions.

The most important product launch of the year was the launch of F-Secure ELEMENTS in the second quarter. F-Secure ELEMENTS is a modular, cloud-native platform that enables customers to choose between standalone solutions and the full suite of endpoint products. The combines endpoint protection, endpoint detection and response, vulnerability management, and collaboration protection for cloud services such as Microsoft Office 365. It also meets the need for the servitization of cyber security and is an easy way for our customers to deploy new solutions, which helps us to implement the Land and Expand strategy.

Organization and leadership

Personnel

At the end of the year, F-Secure had 1,656 employees, which shows a net decrease of 22 employees (-1%) since the beginning of the year (1,678 on 31 December 2020).

Leadership team

In February 2021, Ari Vanttinen started as Chief Marketing Officer. Consequently, Antti Hovila became Executive Vice President, Strategy & Portfolio.

In September 2021, Tom Jansson started as CFO of F-Secure Corporation and a member of company's Leadership team as the former CFO, Eriikka Söderström left the company.

In September 2021, Tiina Sarhimaa was appointed as Chief Legal Officer (CLO) and she became a member of F-Secure's Leadership team.

On 1 October 2021, F-Secure renewed the composition of its Leadership Team to reflect its updated strategy. Going forward, Chief Information Officer will report to Antti Koskela (CPO) and Strategy and Portfolio team will report to Tom Jansson (CFO). As an outcome, Jari Still (former CIO) and Antti Hovila (former EVP, Strategy & Portfolio) left the Leadership Team.

At the end of the year, the composition of the Leadership Team was the following:

Juhani Hintikka (CEO & President), Tom Jansson (CFO), Christine Bejerasco (CTO), Antti Koskela (CPO), Ari Vanttinen (CMO), Timo Laaksonen (EVP, Consumer Security), Juha Kivikoski (EVP, Business Security), Edward Parsons (EVP, Cyber Security Consulting), Tim Orchard (EVP, Managed Detection & Response), Charlotte Guillou (EVP, People Operations & Culture) and Tiina Sarhimaa (CLO).

After the reporting period, on January 1, 2022, F-Secure changed its management structure and combined its Managed Detection and Response unit and Cyber Security Consulting unit under one Solutions unit, led by Tim Orchard as Executive Vice President, Solutions.

Shares, Shareholders' Equity, Own Shares

The total number of company shares is currently 158,798,739. The company's registered shareholders' equity is EUR 1,551,311.18. The company held 411,358 of its own shares at the end of the quarter.

The company holds its own shares to be used in the incentive compensation plans, for making acquisitions or implementing other arrangements related to the company's business, to improve the company's financial structure or to be otherwise assigned or cancelled.

In January–December, 20,164,500 (22,752,704) of F-Secure's shares were traded on the Helsinki Stock Exchange. The highest trading price was EUR 5.53 (4.14) and the lowest price was EUR 3.66 (2.04). The volume weighted average price of F-Secure's shares in 2021 was EUR 4.39 (3.10).

The share's closing price on the last trading day of the year, 30 December 2021, was EUR 4.97 (3.84). Based on that closing price, the market value of the company's shares, excluding the treasury shares held by the company, was EUR 786 million (607m).

The company currently has performance- and market-based long-term share-based incentive programs for key employees.

Risks and uncertainties

The following risks and uncertainties can adversely impact F-Secure's sales, profitability, financial condition, market share, reputation, share price 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:

COVID-19 pandemic

Cyber security consulting and the new sales of Managed Detection and Response (MDR) service are negatively affected by the COVID-19 pandemic. Slowdown in the new sales of software products and Managed Detection and Response (MDR) solutions may occur if the situation prolongs.

Goodwill is tested for impairment annually and whenever there is indication that it might be impaired. The annual impairment testing of Consulting and MDR goodwill was carried out at the end of 2021 and indicated no impairment although long-term forecasts continue to include a higher level of uncertainty due to the prolonged pandemic. Management continues to assess the need for updated testing regularly.

Under the pandemic an increase in credit losses and delayed customer payments may occur. To date, significant risks have not realized, but the impacts of the pandemic on customers may arise in the longer term. As part of the quarterly assessment of allowances for expected credit losses under IFRS 9, a slight increase in the calculation of expected credit losses was maintained.

Cyber security incident

Cyber security attacks threaten the confidentiality, integrity and availability of F-Secure's products, services and the enterprise. F-Secure builds cyber resilience by continually improving its capability to identify, protect, detect and respond to relevant threats.

Endpoint protection market disruption

Endpoint security market is highly competitive. Operating system manufacturers have increased their focus to built-in security features and at the same time new vendors and technologies have emerged. F-Secure has to succeed in maintaining in-depth understanding of cyber security threat landscape, hacker techniques and technologies used as well as continue to innovate in defense technologies.

Market consolidation

The cyber security market is consolidating due to economies of scale. F-Secure has to succeed in finding the right acquisition targets, as well as successfully integrating the target companies.

Risks relating to launch of new technologies

In a rapidly evolving industry, it is vital to keep products and services relevant to customers while introducing new technologies to the market on-time. F-Secure is driving technology simplification and R&D effectivization 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 cyber security industry. F-Secure is continuously developing and adopting new ways of recruitment, building its own talent and knowledge pools and investing in training and development of personnel.

Geopolitical risks

F-Secure operates globally in different countries, and local regulation is exposing the company to geopolitical risks, including, for instance, unfavorable tax matters or export controls. Changes in regulations or their application, applicable to current or new technologies or services, may adversely affect F-Secure's business operations.

Currency fluctuations

Increased amount of operations and sites outside the Eurozone in different currencies exposes F-Secure to an increased risk related to currency fluctuations.

Annual General Meeting

The Annual General Meeting of F-Secure Corporation was held on 24 March 2021. The Meeting confirmed the financial statements for the financial year 2020 and reviewed the remuneration policy and remuneration report for governing bodies. The members of the Board and the President and CEO were discharged from liability.

The Annual General meeting approved the proposal of the Board of Directors that a dividend of EUR 0.04 per share shall be paid from the parent company's distributable funds to shareholders who are registered in the Company's shareholders' register maintained by Euroclear Finland Oy on the dividend record date, 26 March 2021. The dividend was paid on 8 April 2021.

The Annual General Meeting decided that the annual remuneration of the Board of Directors remain unchanged: EUR 80,000 for the Chairman of the Board of Directors, EUR 48,000 for the Committee Chairmen, EUR 38,000 for the members of the Committees, and EUR 12,667 for a member of the Board of Directors belonging to the personnel of the Company. Approximately 40% of the annual remuneration will be paid as company shares.

The Annual General Meeting decided that the number of Board members shall be seven. The following current Board members were re-elected: Risto Siilasmaa, Keith Bannister, Pertti Ervi, Päivi Rekonen and Tuomas Syrjänen. Åsa Riisberg and Robin Wikström, who belongs to the personnel of F-Secure Corporation, were elected as new members of the Board of Directors.

The Board elected Risto Siilasmaa as the Chairman of the Board. Päivi Rekonen was nominated as the Chair to the Personnel Committee and Risto Siilasmaa and Tuomas Syrjänen as members of the Personnel Committee. Pertti Ervi was nominated as the Chairman of the Audit Committee and Keith Bannister, Åsa Riisberg and Robin Wikström were nominated as members of the Audit Committee.

It was decided that the Auditor's fee will be paid against approved invoice. PricewaterhouseCoopers Oy was elected as the Group's auditor. APA, Mr. Janne Rajalahti acts as the principle auditor.

The Board of Directors was authorized to resolve to repurchase a maximum of 10,000,000 shares in the Company. Shares may be repurchased also otherwise than in proportion to the shareholders' holding in the Company. The authorization to repurchase the Company's own shares shall be valid until the conclusion of the next Annual General Meeting, in any case until no later than 30 June 2022.

The Board of Directors was authorized to decide on the issuance of a maximum of 15,879,874 shares in total through a share issue or by issuing special rights entitling to shares pursuant to chapter 10, section 1 of the Companies Act in one or several tranches. The proposed maximum number of the shares corresponds to approximately 10% of the Company's registered number of shares. The authorization entitles the Board of Directors to decide on all terms

related to the share issue as well as the issuance of options and other special rights entitling to shares. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive subscription right (directed issue). The authorization is valid until the conclusion of the next Annual General Meeting, in any case until no later than 30 June 2022.

Market overview

The growing number and variety of connected devices as well as digital services continues to create security challenges for both businesses and individuals. Combined with the increasing complexity of IT systems, tightening regulation and increasing significance of geopolitics, these trends are driving demand for security products and services. While advanced cyber-attacks are becoming more common and persistent, criminals are targeting companies of all sizes along with consumers by taking advantage of vulnerabilities in popular software, both traditional and new connected devices as well as online services. Apart from pure criminal activity, governments and hackers use vulnerabilities and malware for things including espionage and surveillance.

Attacks against corporations often go undetected for months. As most companies lack relevant capabilities for detection and response, it is estimated that the demand for both Endpoint Detection and Response (EDR) solutions and Managed Detection and Response (MDR) will continue to increase rapidly. The new detection and response capabilities are supplementing existing endpoint protection solutions (EPP), causing the EPP market to be in transition. Overall, as organizations are increasingly adopting cloud services, they seek managed security services and cloud-based delivery to help them maintain control of their security.

The consumer security software market continues to be impacted by the changing device landscape, app stores and online sales overall. On the whole, the number of connected smart home devices is growing very rapidly, and as a result, telecommunication operators are investing heavily in upgrading connectivity and introducing new security related services into their offerings. As consumers become increasingly aware of the threats to their privacy and security, they seek to buy more comprehensive solutions to secure their digital lives.

Outlook

F-Secure will share outlook for 2022 later when the demerger process, has progressed further.

Medium term financial targets

Medium term financial targets for the consumer security business:

- Growth Target: High single digit organic revenue growth
- Profitability Target: After initial growth investments, adjusted EBITA margin of above 42%

Medium term financial targets for the corporate security business:

- Growth Target: To double revenue organically by the end of 2025
- Profitability Target: Adjusted EBITDA break-even by the end of 2023 and adjusted EBITDA margin of some 20% by 2025

Board of Directors' proposal for the distribution of profit

The company's dividend policy is to pay approximately half of its profits as dividends. On December 31, 2021, F-Secure Oyj's distributable funds totaled EUR 81.4 million of which net profit for the period was EUR 15.7 million. No material changes have taken place in the company's financial position after the balance sheet date.

F-Secure's Board of Directors proposes that no dividend will be paid for 2021 due to the planned demerger of consumer security business.

More information about the planned demerger can be found from the demerger plan, published on February 17, 2022, that is available from company's website at www.f-secure.com.

Events after period-end

After the reporting period, in February 2022, F-Secure sold its shares in its F-Secure Cyber Security (PTY) Limited in South Africa through a local management buy-out (MBO). Impacts of the divestment to financial reporting will be disclosed in the first quarter of 2022 Interim Report.

On February 17, 2022, F-Secure announced the outcome of the strategic review and evaluation of different strategic options for company's consumer security business. The Board of Directors of F-Secure Corporation has decided to pursue towards the separation of the company's consumer security business through a partial demerger. It is planned that the consumer security business will be transferred into a new independent company to be named F-Secure Corporation to be established in connection with the demerger. The current F-Secure Corporation would carry on its corporate security business and it is planned to be renamed as WithSecure Corporation. The planned completion date is June 30, 2022. The trading in the new consumer security company's shares on Nasdaq Helsinki is expected to commence on July 1, 2022 or as soon as possible thereafter.

Helsinki, 16 February 2022

F-Secure Corporation
Board of Directors

Risto Siilasmaa
Pertti Ervi
Päivi Rekonen
Tuomas Syrjänen
Keith Bannister
Åsa Riisberg
Robin Wikström

President and CEO
Juhani Hintikka

F-SECURE CONSOLIDATED
STATEMENT OF COMPREHENSIVE OF INCOME January 1–December 31, 2021

		(EUR 1000)	
INCOME STATEMENT		Consolidated IFRS 2021	Consolidated IFRS 2020
REVENUE	(2)	236 265	220 204
Cost of revenue	(6)	-50 551	-47 996
GROSS MARGIN		185 714	172 208
Other operating income	(3)	2 791	2 108
Sales and marketing	(4,5,6)	-99 215	-95 625
Research and development	(4,5,6)	-46 599	-41 891
Administration	(4,5,6)	-24 984	-17 120
EBIT		17 707	19 680
Financial income	(8)	1 473	2 443
Financial expenses	(8)	-1 751	-5 666
PROFIT (LOSS) BEFORE TAXES		17 429	16 457
Income tax	(9)	-4 726	-3 581
RESULT FOR THE FINANCIAL YEAR		12 703	12 875
Other comprehensive income			
Exchange difference on translation of foreign operations		3 992	-7 361
COMPREHENSIVE INCOME FOR THE YEAR		16 695	5 514
Result of the financial year is attributable to:			
Equity holders of the parent		12 703	12 875
Comprehensive income for the year is attributable to:			
Equity holders of the parent		16 695	5 514
Earnings per share	(10)		
- basic and diluted		0,08	0,08

F-SECURE CONSOLIDATED
STATEMENT OF FINANCIAL POSITION December 31, 2021

(EUR 1000)			
ASSETS		Consolidated	Consolidated
		IFRS	IFRS
		2021	2020
NON-CURRENT ASSETS			
Tangible assets	(4,13)	12 712	14 064
Intangible assets	(13)	33 034	34 016
Goodwill	(11,12,13)	85 143	81 944
Deferred tax assets	(21)	4 124	3 954
Other receivables	(16)	1 860	579
Total non-current assets		136 874	134 557
CURRENT ASSETS			
Inventories	(14)	51	74
Accrued income	(16)	4 714	3 398
Trade and other receivables	(15,16)	49 856	47 462
Income tax receivables	(16)	1 740	872
Financial asset at FVTPL	(15)	61	61
Cash and bank accounts	(15, 20)	52 940	51 380
Total current assets		109 361	103 246
TOTAL ASSETS		246 235	237 803

		(1000 EUR)	
SHAREHOLDERS' EQUITY AND LIABILITIES		Consolidated IFRS 2021	Consolidated IFRS 2020
SHAREHOLDERS' EQUITY	(17)		
Share capital		1 551	1 551
Share premium		165	165
Treasury shares		-849	-1 288
Translation differences		-124	-4 116
Reserve for invested unrestricted equity		6 789	6 464
Retained earnings		87 831	79 554
Equity attributable to equity holders of the parent		95 363	82 330
NON-CURRENT LIABILITIES			
Interest bearing liabilities, non-current	(4,19, 20)	17 577	23 929
Deferred tax liabilities	(21)	1 880	1 294
Other non-current liabilities	(22)	26 335	25 338
Total non-current liabilities		45 792	50 560
CURRENT LIABILITIES			
Interest bearing liabilities, current	(4,19, 20)	10 824	15 937
Trade and other payables	(20, 22)	29 990	26 088
Income tax liabilities	(22)	4 182	5 656
Other current liabilities	(22)	60 084	57 232
Total current liabilities		105 080	104 913
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		246 235	237 803

F-SECURE CONSOLIDATED
STATEMENT OF CASH FLOWS January 1–December 31, 2021

(EUR 1000)

	Consolidated	Consolidated
	IFRS	IFRS
	2021	2020
Cash flow from operations		
Result for the financial year	12 703	12 875
Adjustments		
Depreciation and amortization	15 066	16 020
Profit / loss on sale of fixed assets	142	58
Other adjustments	2 504	1 783
Financial income and expenses	278	3 224
Income taxes	4 726	3 581
Cash flow from operations before change in working capital	35 420	37 542
Change in net working capital		
Current receivables, increase (-), decrease (+)	-4 138	6 164
Inventories, increase (-), decrease (+)	23	33
Non-interest bearing debt, increase (+), decrease (-)	7 371	5 069
Provisions, increase (+), decrease (-)		-500
Cash flow from operations before financial items and taxes	38 675	48 307
Interest expenses paid	-451	-536
Interest income received	11	-4
Other financial income and expenses	-843	-1 017
Income taxes paid	-6 652	-70
Cash flow from operations	30 741	46 680
Cash flow from investments		
Investments in intangible and tangible assets	-6 569	-8 139
Proceeds from sale of intangible and tangible assets	433	238
Other investments	0	6
Acquisition of subsidiaries, net of cash acquired		-3 681
Cash flow from investments	-6 135	-11 575
Cash flow from financing activities		
Proceeds from interest-bearing liabilities		10 000
Repayments of interest-bearing liabilities	-11 000	-11 000
Repayments of lease liabilities	-5 963	-7 251
Dividends paid	-6 334	
Cash flow from financing activities	-23 298	-8 251
Change in cash	1 309	26 854
Cash and bank at the beginning of the period	51 380	25 427
Effects of exchange rate changes	252	-902
Cash and bank at period end	52 940	51 380

STATEMENT OF CHANGES IN EQUITY
Attributable to the equity holders of the parent

IFRS	Share capital	Share premium fund	Treasury shares	Translation differences	Unrestrict- ed equity reserve	Retained earnings	Total equity
Equity December 31, 2019	1 551	165	-2 141	3 245	6 172	67 166	76 158
Result of the financial year						12 875	12 875
Translation difference				-7 361			-7 361
Total comprehensive income for the year				-7 361		12 875	5 514
Cost of share based payments			853		291	-486	659
Equity December 31, 2020	1 551	165	-1 288	-4 116	6 464	79 554	82 330
Result of the financial year						12 703	12 703
Translation difference				3 992			3 992
Total comprehensive income for the year				3 992		12 703	16 695
Dividends						-6 334	-6 334
Cost of share based payments			439		325	1 913	2 678
Equity December 31, 2021	1 551	165	-849	-124	6 789	87 831	95 363

More information in note 17. Shareholders' equity

F-SECURE - CONSOLIDATED

INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Basic information

F-Secure provides cyber security products and services globally for consumers and businesses.

The parent company of the Group is F-Secure Corporation incorporated in Finland and domiciled in Helsinki. Company's registered address is Tammasaarekatu 7, 00180 Helsinki. A copy of consolidated financial statements can be downloaded on www.f-secure.com or can be received from the parent company's registered address.

These financial statements were authorized for issue by the Board of Directors on 16 February 2022. According to the Finnish Companies Act, the Annual General Meeting can confirm or reject the consolidated financial statements after publication. The Annual General Meeting can also decide to change the financial statements.

ACCOUNTING PRINCIPLES

The consolidated financial statements of F-Secure Corporation of 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS), applying the IAS and IFRS standards as well as SIC and IFRIC interpretations that were in force and had been approved by the EU by 31 December 2021.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of F-Secure Corporation and entities controlled by F-Secure Corporation. Consolidation is done using the acquisition method and begins when control over the subsidiary is obtained. The consolidation stops when the control ceases. The Group does not have any associated companies nor is there any non-controlling interest in the Group.

All intra-group transactions and balances, including unrealized profits arising from intra-group transactions, have been eliminated on consolidation. Where necessary, accounting policies of the subsidiaries have been adjusted to ensure consistency with the policies adopted by the Group.

Transactions in foreign currency

The consolidated financial statements are presented in euros, which is F-Secure Corporation's functional currency. At each reporting date for the purpose of presenting consolidated financial statements the income statements of foreign Group companies are translated at the average exchange rates for the reporting period and the balance sheets are translated using the European Central Bank's exchange rates prevailing on the reporting date. Translation differences are recognized in shareholders' equity and the change in other comprehensive income.

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. On the reporting date, assets and liabilities denominated in foreign currencies are translated using the European Central Bank's exchange rates prevailing at that date. Exchange rate gains and losses are recognized in financial items in the income statement.

New and amended IFRS Standards that are effective for 2021

During 2021 there were no changes in the Group's accounting principles.

COVID-19 impacts on financial reporting during 2021

During 2021 COVID-19 pandemic has continued to impact F-Secure's financial reporting by increasing the amount of management judgment related to certain items in the financial statements. Operationally, COVID-19 impacted the business less than in 2020 as the Group has managed to adopt new ways of working and delivering services.

During 2021 management has continued to regularly monitor any indications of goodwill impairment. During the financial year such indications have not been identified, and thus only annual impairment testings have been carried out at the end of the year. Testings did not result in impairment bookings.

According to management's assessment COVID-19 may have an impact on the liquidity of the Group's customers in short and longer term. In 2020, the expected credit losses according to IFRS 9 were reassessed to include the increased risk caused by the pandemic. No significant risks realized during 2020, but the prolonging of the pandemic can still impact customers' liquidity. Therefore, the potential impacts of the pandemic have been reassessed for 2021 and a slight risk element in the provision for expected credit losses has been maintained.

In 2020 COVID-19 temporarily impacted the Group's cyber security consulting business' profitability in certain locations. At year end 2020 the management assessed the Group's capability to utilize the taxable losses generated in these locations according to IAS 12 and deferred tax assets were booked accordingly. During 2021 the Group has been able to utilize these losses against the profits generated during the financial year. No new losses in consulting locations due to the pandemic have occurred.

Group's financing agreement includes a committed revolving credit facility (RCF) of EUR 23,000 thousand. At the end of previous financial year, the Group had EUR 5,000 thousand withdrawn from the RCF. The cash position has remained solid during 2021, and the RCF was fully repaid during the first quarter of 2021.

Management judgment on significant accounting principles and use of estimates

The preparation of consolidated financial statements requires the use of estimates and assumptions as well as the use of judgment when applying accounting principles. These affect the contents of the financial statements, and it is possible that actual results may differ from estimates.

Estimates made in connection with the preparation of financial statements are based on management's best knowledge at the reporting date. Estimates build upon past experience as well as assumptions of the future development of the economic environment of the Group. Revisions in estimates and assumptions are recognized in the period they occur and in future periods if the revision affects both current and future periods.

Key sources where estimation uncertainty arises at the reporting date are:

- **Impairment testing:** Recoverable amount of goodwill from acquisitions is based on estimated future cash flows which are subject to management judgment.

In addition to goodwill the intangible assets that are not yet ready for use (EUR 2.7 million) are tested annually for impairment. The recoverable amount of these assets is based on estimated future cash flows from sales and/or use of the asset.

- **Deferred tax assets from tax losses:** The Group has recognized deferred tax assets from tax losses. Biggest losses are in the UK where the deferred tax asset is EUR 2.5 million. The amount of deferred tax assets is based on management estimation about future profits and the recoverability of these tax losses.
- **Expected credit losses:** Provision for expected credit losses in Group's balance sheet is EUR 2.1 million. Managements has used judgment in defining potential impacts of the COVID-19 pandemic on expected credit losses and provision has been adjusted accordingly.

- **Share-based payments:** The Group's share-based incentives programs are mainly tied to market-based conditions. Management uses external valuations in determining the fair value of the shares granted under these incentive programs. The method for the valuation is Monte Carlo Simulation.
- **Deferred consideration sales of UK public sector consulting team:** The sales price of the UK public sector consulting team divested in December 2021 includes a deferred consideration which is measured at discounted fair value on each reporting date. Management judgment is used to forecast the future performance of the divested business which is the basis for determining the deferred consideration.

Revenue recognition

Revenue is derived from corporate and consumer businesses. Corporate security business revenue includes cyber security products, managed services, and cyber security consulting. Cyber security products comprise endpoint protection solutions (F-Secure Elements Endpoint Protection, F-Secure Business Suite, F-Secure Cloud Protection for Salesforce, F-Secure Elements for Microsoft Office 365), as well as solutions targeted at detecting and responding to advanced attacks (F-Secure Elements Endpoint Detection and Response and F-Secure Countercept) and vulnerability management (F-Secure Elements Vulnerability Management and phishd). Consumer security business revenue comes through operator and direct consumer channels, and the main products include F-Secure SAFE, F-Secure FREEDOME, F-Secure SENSE, F-Secure KEY and F-Secure ID PROTECTION.

Endpoint protection solutions and vulnerability management products

Endpoint protection security solutions (F-Secure Elements Endpoint Protection, F-Secure Business Suite, F-Secure Elements Endpoint Detection and Response, F-Secure Cloud Protection for Salesforce and F-Secure Elements for Microsoft Office 365) are sold to corporate customers by granting the customer access to use the intellectual property during the license period or as Security-as-a-Service. F-Secure delivers the product and provides continuous automated updates against new threats. The software and the accompanied services are highly interdependent and therefore treated as one performance obligation for which revenue is recognized over time on a straight-line basis for the license period.

Consumer customer products and vulnerability management products for corporate customers (F-Secure Elements Vulnerability Management and phishd) are treated as Security-as-a-Service as they do not include a license of intellectual property. Revenue is accounted for as a single performance obligation and recognized over time on a straight-line basis for the contract period.

When there is a hardware component to the solution (F-Secure SENSE) the hardware is considered as a distinct performance obligation and revenue for hardware is recognized separately at point in time of delivery.

Cyber security consulting services and managed detection and response solutions

Cyber security consulting services are recognized as revenue based on the delivery of the work. For F-Secure managed detection and response solution (F-Secure Countercept) the software and the service are considered as single performance obligation. The customer is granted access to use the intellectual property and the service is provided by F-Secure continuously throughout the contract period. Revenue for managed services is recognized on a straight-line basis for the contract period.

Presenting of receivables and liabilities from contracts with customers

Receivables from contracts with customers are presented in the balance sheet as *Accrued income*. Liabilities from contracts with customers are presented in the balance sheet as *Deferred revenue* and included in *Total non-current liabilities* or *Total current liabilities* depending on the duration of the liability.

Pensions

All of F-Secure Group's pension arrangements are defined contribution plans in accordance with local statutory requirements. Contributions to defined contribution plans are recognized in the income statement in the period to which the contributions relate.

Leases

Leases which meet with IFRS 16 requirements are booked to balance sheet as right-of-use asset with corresponding lease liability. Right-of-use assets and lease liabilities are initially valued at the present value of the remaining lease payments. Incremental borrowing rate is applied in discounting the remaining payments. F-Secure's incremental borrowing rate varies between 2,45 % and 9,15 % depending on the geographical location of the leased asset, lease period and guarantees.

F-Secure's right-of-use assets comprise of rented office premises and leased cars. Short-term contracts (remaining contract period 12 months or less) and low value assets are excluded from leases and lease expense is recognized on a straight-line basis as permitted by IFRS 16.

Lease contracts for the Group's office premises are typically made for fixed periods of 3 to 6 years and they may contain extension options. Each office lease contract is negotiated individually, and the contracts may contain wide range of different terms and conditions. Some of Group's office premises are leased with on-going contracts where the ending date is not defined. The management assesses the probable duration for these contracts case-by-case and the lease liability is calculated accordingly. Changes to the estimates are accounted for at each reporting date. Estimated duration for on-going contracts vary between 3 to 5 years and the total liability from on-going contracts is EUR 3.0 million.

In measuring the present value of the liabilities arising from leases any service-related fees are excluded from the lease payment. The Group's lease contracts do not contain residual value guarantees or purchase options.

Income taxes

The income tax expense in income statement represents the sum of current taxes and deferred taxes. Current taxes are calculated on the taxable income for all Group companies in accordance with the local tax rules. Deferred taxes, resulting from temporary differences between the financial statement and the income tax basis of assets and liabilities, use the enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available. Deferred tax liabilities are recognized for all temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to the same taxation authority and the Group intends to settle the assets and liabilities on a net basis.

Business combinations

Acquisition method is used for accounting the acquisitions of businesses. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group and liabilities incurred by the Group to the former owners of the acquiree. Contingent considerations related to business combinations are measured at fair value at acquisition date and included as part of the consideration transferred. Costs related to the acquisition are recognized in profit and loss statement.

The identifiable assets acquired, and the liabilities assumed are recognized at fair value at the acquisition date except for deferred tax assets or liabilities which are measured in accordance with IAS 12 Income taxes. Goodwill is measured as the excess of the transferred consideration over the net amount of the acquired identifiable assets and assumed liabilities.

Changes in fair value of the contingent consideration that do not arise within one year from the acquisition from facts and circumstances that existed at the acquisition date are recognized in profit or loss.

Goodwill

Goodwill is initially recognized and measured in business combinations as set out above. Goodwill is not amortized but is instead tested for impairment at least annually and whenever there is an indication that it may be impaired. For the purpose of impairment testing goodwill has been allocated to cash generating units expected to benefit from the synergies of the combination. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit. If an impairment loss for goodwill is recognized it will not be reversed in the subsequent periods. Goodwill is recorded at historical cost less accumulated impairment losses.

Intangible assets

Research and development expenditure

Research expenditure is recognized as an expense at the time it is incurred. Development expenditure on new products or product versions with significant new features are recognized as intangible assets when they fulfill the requirements set out in IAS 38. Amortization is recorded on a straight-line basis over the estimated useful life, which is 3–8 years for these assets.

Intangible assets acquired in business combinations

Intangible assets acquired in business combinations and recognized separately from goodwill are initially recognized at fair value on the acquisition date. Subsequent to initial recognition these assets are reported at initial value less accumulated amortization and accumulated impairment losses.

Intangible assets acquired in business combinations include technology, trademarks and customer relationships, which all have a finite useful life. Initial valuation for technology and trademarks is done based on Relief from royalty method and for customer relationships based on Excess earnings method. The estimated useful lives for intangible assets acquired in business combinations are:

Technology	10 years
Trademark	2 years
Customer relationships	6–10 years

Other intangible assets

Other intangible assets include intangible rights and software licenses, all with a finite useful life. Other intangible assets are recorded at historical cost less accumulated amortization and possible impairment. Amortization is recorded on a straight-line basis over the estimated useful life of an asset. The estimated useful lives of other intangible assets are as follows:

Intangible rights	3–8 years
Other intangible assets	5–10 years

Tangible assets

Tangible assets are recorded at historical cost less accumulated depreciation and possible impairment. Depreciation is recorded on a straight-line basis over the estimated useful life of an asset. The estimated useful lives of tangible assets are as follows:

Machinery and equipment	3–8 years
Other tangible assets	5–10 years

Other tangible assets include renovation costs of rented office space.

Gains or losses on disposal of tangible assets are shown in other operating income or expense.

Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. The recoverable amount of goodwill and intangible assets that are not ready for use are estimated annually for regardless of whether any indication of impairment exists.

Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and the carrying amount is reduced to its recoverable amount. The recoverable amount is the fair value of an asset less costs of disposal or value in use, whichever is higher. An impairment loss is recorded in the income statement.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The maximum reversal of an impairment loss amounts to no more than the carrying amount of the asset if no impairment loss had been recognized, net of depreciation. Impairment losses relating to goodwill cannot be reversed in future periods.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by first-in first-out method. Net realizable value is the estimated selling price that is obtainable, less estimated costs of completion and the estimated costs necessary to make the sale.

Financial instruments

Financial assets

Financial assets are originally valued at fair value. Trade receivables are originally valued with transaction price and later with amortized cost reduced by expected credit loss for trade receivable. Trade receivables and other receivables are written off from the balance sheet as the rights to associated cash flows end or become transferred to the counterpart. An expected credit loss is recognized for trade receivables according to IFRS 9. The amount of expected credit loss is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The expected credit loss is estimated using a provision matrix where trade receivables are grouped based on historical credit loss experience and characteristics that depict the credit risk of receivables (e.g. geographical area and days past due).

Financial liabilities

F-Secure classifies loans from financial institutions, trade payables and other payables as other financial liabilities which are measured at amortized cost. Transaction costs, such as arrangement fees, are deferred over the maturity of the liability. Contingent considerations arising from acquisitions are classified as financial liabilities measured at fair value and changes in fair value are accounted through profit and loss. Contingent considerations are measured at fair value at the end of each reporting period. Financial liabilities are classified as current unless F-Secure has unconditional right to postpone their repayment by at least 12 months from the end date of the reporting period.

Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Derivatives are valued at fair value. The fair value of forward currency contracts is calculated based on current forward exchange rates at the reporting date for contracts with similar maturity profiles. The gains and losses arising from the change of fair value are booked through the income statement as the Group does apply hedge accounting.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, the outflow of resources is probable, and a reliable estimate of the amount of the obligation can be made. The amount

recognized is a best estimate of the consideration required to settle the obligation at each reporting date. Risks and uncertainties are taken into account when making the estimate.

Treasury shares

Parent company has acquired treasury shares in 2008–2011. The purchase price of the shares has been deducted from equity.

Share-based payment transactions

F-Secure provides incentives to employees in the form of equity-settled share-based instruments. Currently the Company has share-based programs.

F-Secure's share-based incentive programs are targeted to the Group's key personnel. The programs are divided into equity-settled and cash-settled part. The equity-settled part is valued at fair value at grant date, and the expense is recognized evenly in the income statement over the vesting period with the counter-entry in retained earnings. In incentive programs with performance-based conditions the fair value is determined using the market value of the share of F-Secure Corporation. In programs with market-based conditions the fair value is determined by utilizing commonly used valuation techniques. The cash-settled part is initially valued at fair value at grant date. At each reporting date the cash-settled part is revalued to fair value and the expense is recognized in the income statement over the vesting period with the counter-entry in liabilities. The cumulative expense recognized at grant date is based on the Group's estimate of the number of shares that will ultimately vest at the end of the vesting period. If a person leaves the company before vesting, the reward is forfeited. The Group updates its estimate of the ultimate number of shares at each reporting date. These changes in the estimate are recorded in the income statement.

Presentation of expenses

Classification of the functionally presented expenses has been made by presenting direct expenses in their respective functions and by allocating other expenses to operations on the basis of average headcount in each function.

Operating result

IAS 1 Presentation of Financial Statements standard does not define the concept of Earnings before interest and taxes (EBIT). The Group has defined it as follows: EBIT is the net amount, which consists of revenue and other operating income less cost of revenue which is adjusted for changes in inventories, employee benefit costs, depreciation and amortization, possible impairment losses, and other operating expenses.

New standards and interpretations not yet effective

New or amended standards or interpretations are not expected to have an impact on the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Segment information

The Group has one segment, data security. Segment reporting is consistent with the internal reporting submitted to the chief operating decision-maker. The Leadership Team has been appointed the chief operating decision-maker, responsible for allocating resources and assessing performance as well as making strategic decisions. For the geographical information revenue is presented based on the location of the customer and the long-term assets based on the location of the assets.

Geographical information

Geographical information about revenue is presented in note 2.

	Consolidated 2021	Consolidated 2020
Long-term assets		
Nordic countries	34 506	31 907
Europe excl. Nordics	67 785	67 063
North America	1 308	902
Rest of world	33 276	34 685
Total	136 874	134 557

2. Revenue

Principles of revenue recognition are stated in accounting principles to consolidated financial statements, section *Revenue recognition*.

Disaggregation of revenue

	Consolidated 2021	Consolidated 2020
Sales channels		
Revenue from external customers		
Consumer security	106 250	100 106
Corporate security	130 015	120 098
Products	82 773	74 279
Services	47 242	45 819
Total	236 265	220 204

Geographical information

Revenue from external customers

Nordic countries	77 144	70 948
Europe excl. Nordics	104 794	98 893
North America	24 576	23 242
Rest of world	29 751	27 121
Total	236 265	220 204

Assets and liabilities from contracts with customers

Satisfied performance obligations from contracts with customers that have not yet been invoiced on the reporting date are presented in the balance sheet as *Accrued income* included in trade and other receivables. The balances relate to products and services which has been delivered to customers and recognized as revenue but not invoiced. Liabilities from contracts with customers are presented in the balance sheet as *Deferred revenue* and included in *Total non-current liabilities* or *Total current liabilities* depending on the duration of the liability. Prior year current deferred revenue is recognized as revenue in the current period. Remaining performance obligations from contracts with customers represent contracted revenue that has not yet been recognized. These balances are presented as *Deferred revenue* and relate to obligations to provide software subscription services or managed services in contracts with a duration of multiple years.

Accrued income	4 714	3 398
Deferred revenue, non-current	25 988	23 788
Deferred revenue, current	60 084	57 232

Increases in deferred revenue resulting from billing were EUR 62,285 thousand. Decreases in deferred revenue resulting from satisfying performance obligations were EUR 57,232 thousand.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
3. Other operating income		
Capital gains from sales of operations	540	
Government grants	1 760	1 896
Rental revenue		18
Other	491	194
Total	2 791	2 108

Capital gains from sales of operations include gain from divestment of UK public sector consulting team.
Government grants are recognized as income over those periods in which the corresponding expenses arise.
During 2020 and 2021 government grants have been slightly higher in certain locations where governments have taken measures to support the local businesses under pandemic.
Other operating income includes e.g. gain on sale of fixed assets and rent income.

4. Leases

Decrease in Cost of Revenue	41	197
Decrease in operating expenses (lease expenses)	6 207	6 628
Increase in right-of-use asset depreciation	-6 022	-6 536
Increase in EBIT	227	288
Increase in financial expenses	-279	-324
Profit / Loss for the period	52	-36
Short-term leases booked as rent expense	180	205
Right of use assets and liabilities		
Right of use assets		
Buildings	8 130	8 554
Cars	1 111	1 207
Total	9 241	9 761
Lease liabilities		
Buildings	8 279	8 663
Cars	1 122	1 202
Total	9 401	9 865
Repayments of lease liabilities	6 185	7 278

Right of use assets related changes are stated in disclosure 13. Non-current assets.
Right of use assets related interest payments are stated in disclosure 8. Financial income and expenses.
Maturity of lease liabilities is stated in disclosure 19. Financial liabilities.

5. Depreciation, amortization, and impairment

Depreciation and amortization of non-current assets		
Other intangible assets	-1 368	-1 945
Capitalized development	-4 723	-4 992
Intangible assets	-6 091	-6 937
Machinery and equipment	-1 398	-1 627
Right of use assets	-6 022	-6 536
Other tangible assets	-538	-659
Tangible assets	-7 958	-8 823
Impairment		
Capitalized development	-1 016	-260
Total impairment	-1 016	-260
Total depreciation and amortization	-15 066	-16 020
Depreciation and amortization by function		
Sales and marketing	-5 352	-6 138
Research and development	-5 176	-5 957
Administration	-4 537	-3 925
Total depreciation and amortization	-15 066	-16 020

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
6. Personnel expenses		
Personnel expenses		
Wages and salaries	-109 550	-103 747
Pension expenses - defined contribution plan	-12 907	-10 710
Share-based payments	-2 672	-801
Other social expenses	-8 993	-8 280
Total	-134 122	-123 538

Employee benefits of the management are stated in disclosure 24. Related party transactions.
Share-based payments are stated in disclosure 18. Share-based payment transactions.

Average number of personnel	1 678	1 691
Personnel by function December 31		
Consulting and delivery	439	476
Sales and marketing	476	480
Research and development	555	535
Administration	186	187
Total	1 656	1 678

7. Audit fees

Group auditor		
Audit fees, PricewaterhouseCoopers	-319	-308
Other consulting, PricewaterhouseCoopers	-347	-38
Total	-666	-346

PricewaterhouseCoopers Oy has provided non-audit services to entities of F-Secure Group in total 347 thousand euros, which are related to other services.

Other auditors		
Audit fees	-58	-58
Total	-58	-58

The Finnish Patent and Registration Office Auditor Oversight has granted to PricewaterhouseCoopers Oy upon its request an exemption from the maximum amount of fees for non-audit services referred to in Chapter 5, section 4 of the Finnish Auditing Act (1141/2015).

8. Financial income and expenses

Financial income		
Interest income from loans and receivables	11	-4
Exchange gains	1 452	2 413
Other financial income	10	34
Total	1 473	2 443
Financial expenses		
Interest expense from loans and liabilities	-451	-536
Interest expense from lease liabilities	-279	-324
Exchange losses	-668	-4 458
Other financial expenses	-353	-349
Total	-1 751	-5 666

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
9. Income tax		
Current income tax for the year	-4 357	-5 911
Adjustments for current tax of prior periods	108	267
Change in deferred tax	-477	2 063
Total	-4 726	-3 581

A reconciliation of income tax expense in the income statement and income tax calculated at the parent company's country of residence income tax rate (20%):

Result before taxes	17 429	16 457
Income tax at Finnish tax rate of 20%	-3 486	-3 291
Effect of overseas tax rates	-312	-349
Non-deductible expenses/tax-exempt revenue	-202	19
Unrecognised tax losses	-716	-199
Adjustments for prior period tax	108	267
Other	-118	-27
Total	-4 726	-3 581

10. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted for the effects of dilutive options.

Net profit attributable to equity holders from continuing operations	12 703	12 875
Weighted average number of ordinary shares (1 000)	158 354	158 082
Adjusted weighted average number of ordinary shares for diluted earning per share	158 354	158 082
Basic and diluted earnings per share (EUR/share), continuing operations	0,08	0,08

The weighted average number of shares take into account the effect of change in treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

11. Acquisitions

Group hasn't made acquisitions during 2020 or 2021.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
12. Goodwill		
For impairment testing goodwill is allocated to cash-generating units (CGUs). The carrying amount of goodwill EUR 85 144 thousand is allocated to two CGUs:		
Consulting	55 963	54 625
MDR	29 181	27 319
	85 144	81 944

Goodwill is tested for impairment annually, or more frequently if there are indications that goodwill might be impaired. The recoverable amount for each CGU is determined based on a value in use calculation which uses cash flows for the period determined for the CGU. Cash flows are based on financial budgets and forecasts approved by the Board of Directors. For Consulting forecast period of five years is used and for MDR the forecast period covers following six years during which the business is expected to achieve steady state. Discount rate for Consulting is 9.8 % before taxes and for MDR 13.6 % before taxes.

Cash flows beyond forecast period have been extrapolated using steady 2 % per annum growth rate for both CGUs. Markets where CGUs operate are expected to grow significantly faster than the terminal growth rate used in impairment testing. Managed detection and response (MDR) market is expected to grow at 16.4 % annually and Consulting at 12.6 % annually by 2024.

Sensitivity analysis

The Group has prepared a sensitivity analysis of the impairment tests to changes in the key assumptions which are revenue, profitability, and discount rate. Any reasonably possible changes in the key assumptions in impairment tests would not cause the aggregate carrying amounts exceeding the recoverable amounts.

COVID-19 impacts on goodwill

Due to the COVID-19 pandemic, potential impairment of goodwill is continuously being monitored by the management. During 2021 management did not identify indications of impairment which would have resulted in additional testing for either of the CGUs. The risk of impairment in goodwill due to pandemic has decreased as new ways of working and delivering services to customers have been adopted successfully. Sensitivity to key assumptions in the impairment testings have increased slightly compared to 2020. Management continues to monitor indications of impairment through frequent forecasting processes.

NOTES TO THE FINANCIAL STATEMENTS

13. Non-current assets

	Intangible assets				Total	Tangible assets			
	Other Intangible	Capitalized development	Goodwill	Advance payments & incomplete development		Machinery & equip.	Right of use assets	Other Tangible	Total
Acquisition cost Jan 1, 2020	20 481	44 289	88 399	5 579	158 747	14 780	16 727	3 708	35 215
Translation difference	-445	-1 215	-6 455	0	-8 115	-310	-482	-190	-982
Additions	58			5 887	5 945	1 383	6 787	155	8 325
Transfers		3 967		-3 967		172			172
Disposals	4	-520			-517	-266	-981	-75	-1 322
Acquisition cost Dec 31, 2020	20 098	46 520	81 944	7 499	156 061	15 759	22 051	3 597	41 407
Translation difference	399	1 214	3 199		4 813	206	320	111	637
Additions	50			5 866	5 916	658	6 111	33	6 802
Transfers		9 941		-9 941					
Disposals	-1 021	-1 585			-2 606	-6 103	-1 977	-465	-8 545
Acquisition cost Dec 31, 2021	19 526	56 090	85 143	3 425	164 184	10 520	26 505	3 276	40 301
Acc. depreciation Jan 1, 2020	-13 254	-20 574			-33 828	-11 540	-6 464	-1 617	-19 620
Translation difference	189	182			371	196	158	85	439
Transfers						-171			-171
Depreciation for the period	-1 932	-4 973			-6 905	-1 616	-6 418	-647	-8 681
Depreciation of disposals	1	260			261	208	433	50	692
Acc. depreciation Dec 31, 2020	-14 996	-25 104			-40 101	-12 924	-12 290	-2 129	-27 343
Translation difference	-228	-303			-531	-140	-202	-66	-407
Transfers						10			10
Depreciation for the period	-1 384	-4 761			-6 146	-1 402	-6 062	-548	-8 013
Depreciation of disposals	898	555			1 453	6 030	1 285	163	7 478
Acc. depreciation Dec 31, 2021	-15 710	-29 614			-45 324	-8 425	-17 269	-2 580	-28 275
Book value as at Dec 31, 2020	5 102	21 416	81 944	7 499	115 960	2 835	9 761	1 468	14 064
Book value as at Dec 31, 2021	3 817	26 476	85 143	3 425	118 858	2 095	9 236	697	12 026

At the end of 2021 book value of right of use assets consists of buildings EUR 8.1 million (8.6m) and cars EUR 1.1 million (1.2m).

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
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14. Inventories

Inventories	51	74
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15. Financial assets

Cash at bank and in hand	52 940	51 380
Trade receivables	38 310	38 088
Loan receivables	-1	2
Financial assets at FVTPL	61	61
Total	91 310	89 531

Trade receivables

Ageing of trade receivables

Not fallen due	32 847	31 877
1–90 days past due	5 887	7 343
Over 90 days past due	1 603	1 378
Less provision for expected credit losses	-2 063	-2 510
Total	38 274	38 088

Movements in the provision for expected credit losses

Book value as at Jan 1	2 510	2 375
Change for the year	153	806
Receivables written off during the year	-601	-670
Book value as at Dec 31	2 063	2 510

COVID-19 can have an impact on F-Secure's customer's liquidity in short and long term. Although significant risks have not realized during the financial year, management has estimated that impacts may become visible only during longer period as the pandemic prolongs. Thus, expected credit losses under IFRS 9 have been reassessed during the financial year and a slight increase addressing the increased risk has been maintained.

Financial assets at FVTPL

	2021	2020
Fair value as at Jan 1	61	66
Change in fair value	0	-5
Fair value as at Dec 31	61	61
Shares - unlisted	26	26
Funds	34	35
Fair value as at Dec 31	61	61

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
16. Other receivables		
Non-current receivables		
Other receivables	1860	579
Current receivables		
Other receivables	531	1 250
Prepaid expenses	10 197	7 511
Accrued income	4 714	3 398
Accrued income tax	2 558	1 477
Total	18 001	13 636
Material items included in prepaid expenses		
Prepaid royalty	2 991	2 765
Grant receivables	860	-395
Other prepaid expenses	6 346	5 141
Total	10 197	7 511

NOTES TO THE FINANCIAL STATEMENTS

17. Shareholders' Equity

Issued and fully paid

	Number of shares	Share capital	Share premium fund	Unrestricted equity reserve	Treasury shares
Dec 31, 2019	157 786 995	1 551	165	6 172	-2 141
Share based payments	404 636			291	853
Dec 31, 2020	158 191 631	1 551	165	6 464	-1 288
Share based payments	195 750			325	439
Dec 31, 2021	158 387 381	1 551	165	6 789	-848

The share capital amounted to 1,551,311 euro and the number of shares was 158,798,739 (including own shares 411,358) at the end of 2021. A share has no nominal value. Accountable par value is EUR 0.01.

Share premium fund

Proceeds from exercised warrants were recognized under the share capital and share premium fund until March 26, 2008.

Unrestricted equity reserve

On March 20, 2007, the shareholders' meeting decided to decrease the share premium fund. The decreased amount of 33,582 thousand euro was transferred to unrestricted equity reserve. On March 26, 2008, the shareholders' meeting decided that the total amount of the subscription prices paid for new shares issued after the date of the meeting, based on stock options under the F-Secure Stock Option Plan 2005, be recorded in Companies' unrestricted equity reserve.

Translation differences

The translation difference is used to record exchange difference arising from the translation of the financial statements of foreign subsidiaries.

Dividends proposed and paid

Proposed for approval at AGM for financial year 2021 is that no dividend will be paid.

Final dividend for financial year 2020 was 0.04 euro per share, paid during 2021 (6,334,277,96 euro in total).

For financial year 2019 company decided to not to pay any dividend.

Treasury shares

Treasury shares contains the purchase value of own shares owned by the Group. The cost of acquisition is reported as a deduction in shareholders' equity. The shares have been acquired through public trading on NASDAQ OMX Helsinki. The parent company has not acquired treasury shares during the period. During the financial year parent company's treasury shares have been used for board remuneration according to Annual General Meeting's decision, for incentive programs and for deferred payment of the 2017 acquisition.

The total number of acquired treasury shares was 411,358 at the end of 2021. This represents 0.3% of the Company's voting power on December 31, 2021.

NOTES TO THE FINANCIAL STATEMENTS

18. Share-based payment transactions

During the period Group has had two incentive plans covering the key personnel of the Group and a restricted share plan as a complementary scheme targeted to individually selected key employees.

Share-based incentive programs

During the period the Group had two share-based incentive programs. The share-based incentive programs have been established as part of the key employee incentive and retention system within F-Secure Group. The programs offer the participants a possibility to receive shares of F-Secure Corporation as an incentive reward if the Company's financial targets set for the earning period have been achieved. No reward can be given to any participating employee, whose employment has terminated before the end of the lock-up period.

The share-based incentive program 2017–2019 has been established in October 2017. The program's duration is five years and it comprises three earning periods. Each earning period lasts for three years. The program ended on December 31, 2021. The rewards will be settled in two phases so that one part is settled as equity-settled payment and one part as cash-settled payment. On the basis of the program maximum total of 10,000,000 shares and a cash payment corresponding to the registration date value of the shares shall be given as reward. The Board has approved the metrics, targets and participants on annual basis for each earning period.

The share-based incentive program 2020–2022 was established in February 2020. The program's duration is five years and it comprises three earning periods. Each earning period lasts for three years. The program ends on December 31, 2024. The rewards will be settled as equity-settled payments. The Board approves the metrics, targets and participants on annual basis for each earning period.

A restricted share plan complementing the incentive programs comprises of three earning periods: 2020–2021, 2021–2022 and 2021–2023. On the basis of earning period for 2020–2021 maximum total of shares to be given is 300,000. Maximum total shares to be given is 500,000 on the basis of earning period for 2021–2022 and 500,000 on the basis of earning period for 2021–2023.

The participating employee of a share-based incentive program shall be entitled to the shareholder rights of the reward shares (e.g. dividend) from the moment the shares have been entered into the participating employee's book-entry account.

Expense arising from the share-based payment transactions during the period was EUR 2,672 thousand (EUR 801 thousand euros in 2020). The costs of equity-settled transactions are measured by reference to the fair value of the F-Secure Corporation share at the date on which they are granted. Fair value for performance based programs is based on the F-Secure Corporation share price on the grant date. Fair value for market based programs is based on externally accepted valuation methods. The costs of cash-settled transactions are measured by reference to the market price of the F-Secure Corporation share on date of balance sheet. The Group updates the estimate of the number of equity instruments that will ultimately vest at each reporting date.

Impacts of share-based payment transactions on financial statements

	2021	2020
Booked as expense during the period	2 672	801
Booked in retained earnings during the period	2 558	638
Balance sheet liability at the end of the period	1 148	1 412

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
19. Financial liabilities		
Interest-bearing liabilities		
Unsecured liabilities at amortized cost		
Bank loans	19 000	30 000
Lease liabilities	9 401	9 865
Total	28 401	39 865

Total interest-bearing liabilities **28 401** **39 865**

Amount due for settlement within 12 months 10 824 15 937
Amount due for settlement after 12 months 17 577 23 929

Borrowings by currency **EUR** **EUR**
Bank loans 19 000 30 000

Bank loan of EUR 37,000 thousand was withdrawn on July 2, 2018. Annual repayments according to the financing agreement are EUR 6,000 thousand. Financing agreement includes a Revolving Credit Facility (RCF) for EUR 23,000 thousand. At previous reporting date Group had EUR 5,000 thousand withdrawn from the RCF. During 2021 the RCF was fully repaid and was undrawn at the end of the financial year.

The bank loans carry variable interest rates. The weighted average interest rates paid during the year were as follows:

Bank loans 1,5 % 1,4 %

The financing agreement is subject to conventional loan covenants related to ratio of net debt to EBITDA and equity ratio. Group complied with the covenants throughout the reporting period.

Other financial liabilities

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Contractual maturities of financial liabilities								
Bank loans	6 000	13 000					19 000	19 000
Lease liabilities	4 824	2 982	1 173	205	123	94	9 401	9 401
Total financial liabilities	10 824	15 982	1 173	205	123	94	28 401	28 401

Lease liabilities consists mainly of buildings (EUR 8.3 million). Cars are totalling to EUR 1.1 million and the maturity for them is mainly less than 2 years.

NOTES TO THE FINANCIAL STATEMENTS

20. Financial assets and liabilities

Classes and categories of financial assets and liabilities and their fair values

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1: Fair values of financial instruments are based on quoted prices in active markets for identical assets and liabilities

Level 2: Financial instruments are not subject to trading in active and liquid markets. The fair values of financial instruments can be determined based on quoted market prices and deduced valuation.

Level 3: Measurement of financial instruments is not based on verifiable market information, and information on other circumstances affecting the value of the instruments is not available or verifiable.

(EUR 1000)	Note	Carrying value		TOTAL	Fair value		
		Financial assets	Financial liabilities		Hierarchy level		
		FVTPL	Amortized cost	Amortized cost	1	2	3 TOTAL
Cash and bank	15		52 940	52 940			
Financial assets at FVTPL	15	61		61		61	61
Trade receivables	15		38 310	38 310			
Bank loans	19			19 000			19 000
Trade and other payables	22			5 975			5 975

General

The goal of risk management is to identify risks that may hinder the Group from achieving its business objectives. The responsibility for the Group's risk management lies with the CEO, the management and ultimately with the Board of Directors. The risks related to the Group's financial instruments are mainly related to credit risks, currency risk and interest rate risk.

Credit risk

The Group trades only with recognized, creditworthy third parties. Receivable balances are monitored and collected on an ongoing basis. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables. There are no significant concentrations of credit risk within the Group. See note 15. Financial

Liquidity risk

Liquidity risk arises if the Group's existing liquidity reserves, net cash flows and available additional financing are not sufficient to cover commitments falling due within next 12 months. Group manages its liquidity risk by centralizing the management of cash and liquid assets and thereby optimizing the use of liquid funds for operational and refinancing needs. Group Treasury is responsible for monitoring cash balances and cash forecasts to keep liquidity risk at manageable level. The Group has not identified any significant concentrations of liquidity risks in sources of available financing.

Cash and bank balance was at solid level throughout 2021, and at the end of the reporting period the Group held EUR 52.9 million in its bank accounts (EUR 51.4 million euro in 2020). Repayments of the term loan according to the original financing agreement were EUR 6.0 million during 2021. The management continues to assess potential impacts of the COVID-19 pandemic but it is no longer considered to be a significant risk for Group's liquidity. In case of unforeseeable short term liquidity requirements, the Group has a Revolving Credit Facility (RCF) of EUR 23 million which was undrawn at the end of the financial year.

Foreign currency risk

The Group operates globally and is exposed to a currency risk arising from exchange rate fluctuations against its reporting currency euro. Transaction risk is related to foreign currency transactions in sales and expenses. Translation risk arises from the Group's net investments outside euro zone.

Transaction risk

Majority of sales is invoiced in Euros. Other main currencies for invoicing are GBP, USD and JPY. Currency risk arising from sales invoicing is notably diminished by operational expenses arising in same currencies as the sales invoicing. In order to minimize the impact of the fluctuation of the exchange rates, the Group uses forward currency contracts to eliminate the currency exposure of the estimated cash flow of these currencies. At the end of the reporting period the Group did not have any open currency forward contracts.

Sales in different currencies	%	%
EUR	60	61
GBP	13	12
USD	11	12
JPY	8	7
SEK	4	3
Other currencies	5	4
	100	100

NOTES TO THE FINANCIAL STATEMENTS

The carrying Euro amounts of the Group's financial assets and liabilities at the reporting date are as follows:

Financial assets			%	%
EUR	53 993	58	49 737	53
USD	10 068	11	9 709	10
GBP	8 381	9	10 429	11
JPY	8 208	9	12 331	13
Other currencies	13 048	13	11 601	13
	93 698	100	93 808	100
Financial liabilities			%	%
EUR	29 975	87	38 531	87
USD	2 516	7	1 259	3
GBP	1 102	3	1 962	4
Other currencies	970	3	2 483	6
	34 563	100	44 235	100

The table below demonstrates how sensitive the Group's profit before taxes is to foreign exchange rate fluctuations when all other variables are held constant. The open exposure against USD, GBP and JPY arising from Group treasury, trade receivables and trade payables have an impact on Group's profit before taxes. The sensitivity calculation is based on a change of 10 % in the Euro exchange rate against the functional currencies the Group operates in.

EUR million	
USD	+/- 0.3 +0.5/-0.4
GBP	+/- 0.2 +/- 0.1
JPY	+/- 0.3 +/- 0.1

Translation risk

Translation risk arises from the Group's net investments in foreign currencies. Most significant translation risks arise from goodwill generated in MWR InfoSecurity acquisition. Main currencies in goodwill are GBP and ZAR. Translation differences also arise from translating Group companies' balance sheets into euros using exchange rates prevailing on the reporting date. Internal loans are granted mainly in subsidiaries' home currencies. According to current policy F-Secure Corporation does not hedge investments made in its subsidiaries.

The table below demonstrates how sensitive the Group's equity is to foreign exchange rate fluctuations when all other variables are held constant. The sensitivity calculation is based on a change of 10 % in the Euro exchange rate against the main functional currencies exposing the Group to translation risk.

EUR million	
GBP	+7.2/-5.9 +7.2/-5.9
ZAR	+3.2/-2.6 +3.2/-2.6
DKK	+0.9/-0.7 +1.0/-0.8

Interest rate risk

The Group is exposed to interest rate risk due to the term loan withdrawn in July 2018 to finance the acquisition of MWR InfoSecurity. The loan carries a variable interest rate. To manage the risk of interest rate changes the Group is regularly evaluating the need for hedging. The table below demonstrates the sensitivity of Group's profit before taxes to 1 % change in interest rate when all other variables are held constant.

EUR million	
Interest bearing liabilities, bank loans	+/- 0.2 +/- 0.3

Capital management

The Group's shareholders' equity is managed as capital. Group's financing agreement has a covenant term related to equity ratio of the Group. The objective of the Group's capital management is to maintain an efficient capital structure that ensures the functioning of business operations, promotes shareholder value and meets with the requirements set in financing agreement. The Group's capital structure is reviewed regularly as a part of financial performance monitoring.

The capital structure can be adjusted among other things by distribution of dividends, share repurchase or capital repayment. The dividend policy of F-secure Corporation is to pay approximately half of its annual profit as dividend. Subject to circumstances, the Company may deviate from its policy.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
21. Deferred tax		
Deferred tax assets relate to following:		
Fixed assets	278	410
Accruals and provisions	4 808	4 493
Tax losses carried forward	3 282	3 961
Total	8 368	8 864
Offset against deferred tax liabilities	-4 243	-4 910
Net deferred tax assets	4 124	3 954
Change in deferred tax assets:		
Recognized in profit or loss	496	-2 214
Deferred tax liabilities relate to the following:		
Fixed assets	2 639	3 404
Accruals and provisions	2 799	2 799
Total	6 123	6 203
Offset against deferred tax assets	-4 243	-4 910
Net deferred tax liabilities	1 880	1 294
Change in deferred tax liabilities:		
Recognized in profit or loss	80	-162

At December 31, 2021 the Group had EUR 16.6 million losses carried forward that are available to be offset against future taxable profits in the companies in which the losses have been generated.

During 2020 COVID-19 pandemic impacted the Group's consulting business in multiple countries, and in some of the subsidiaries taxable income was temporarily negative. During 2021 the Group has been able to utilize the losses in all of the subsidiaries where negative income was due to the pandemic.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
22. Other liabilities		
Non-current liabilities		
Deferred tax liability	1 880	1 294
Deferred revenue	25 988	23 788
Other non-current liability	347	1 550
Provisions		
Total	28 215	26 631
Current liabilities		
Deferred revenue	60 084	57 232
Trade payables	5 975	4 182
Other liabilities	6 766	9 080
Accrued expenses	17 249	12 826
Income tax liabilities	4 182	5 656
Total	94 256	88 976
Material amounts shown under accrued expenses		
Accrued personnel expenses	10 411	9 120
Deferred royalty	114	239
Other accrued expenses	6 724	3 467
Total	17 249	12 826
Provisions		
Book value as at 1.1.		3 041
Arising during the year		
Used during the year		-3 041
Book value as at 31.12.		

Provision used during 2020 relates to company restructuring in 2019.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
23. Contingent liabilities		
Guarantees for other group companies		
Other liabilities		
Others	110	173

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
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24. Related party disclosures

The Group's related parties include Parent Company and subsidiaries, as well as members of the Board, CEO and members of the Leadership Team.

Compensation of key management personnel of the Group

Wages and other short-term employee benefits	2 609	2 473
Share-based payments	136	239
Total	2 745	2 713

Wages and other short-term employee benefits incl. share-based payments

CEO	375	541
Leadership Team	2 369	2 172
Members of the Boards of Directors	316	293
	3 060	3 006

	Wages	Fees	Share-based payment
Board of Directors 2021 and Managing Director			
Juhani Hintikka, Managing Director	375		
Risto Siilasmaa, Chairman of the Board		81	
Pertti Ervi		50	
Päivi Rekonen		54	
Tuomas Syrjänen		38	
Keith Bannister		40	
Åsa Riisberg		39	
Robin Wikström		13	
Total	375	316	0

Share-based payments granted to the CEO are presented at the IFRS 2 expense of the share plans. The equity-settled part is measured at the fair value of the F-Secure Corporation share on the date it was granted and cash-settled part at the fair value of the share on the reporting date. The cost is recognized over the period in which the performance conditions are fulfilled (earning period).

The CEO's retirement age and the determination of his pension conform to the standard rules specified by Finland's Employee Pension Act (TYEL). The pension cost of the CEO during the period was 60 thousand euro (66 thousand euro in year 2020). The period of notice for the CEO is six (6) months both ways and CEO is entitled to severance payment equivalent of six (6) months' salary.

NOTES TO THE FINANCIAL STATEMENTS

25. Subsidiaries

Name	Country of incorporation	Group (%)
Parent F-Secure Corporation, Helsinki	Finland	
DF-Data Oy, Helsinki	Finland	100
F-Secure Inc., Palo Alto	United States	100
F-Secure (UK) Ltd, Basingstoke	United Kingdom	100
F-Secure KK, Tokyo	Japan	100
F-Secure GmbH, Munich	Germany	100
F-Secure eStore GmbH, Munich	Germany	100
F-Secure SARL, Maisons-Laffitte	France	100
F-Secure BV, Heverlee-Leuven	Belgium	100
F-Secure AB, Stockholm	Sweden	100
F-Secure Srl, Milano	Italy	100
F-Secure SP z.o.o., Poznan	Poland	100
F-Secure Corporation (M) Sdn Bhd, Kuala Lumpur	Malaysia	100
F-Secure Pvt Ltd, Mumbai	India	100
F-Secure B.V., Utrecht	The Netherlands	100
F-Secure Limited, Hong Kong	Hong Kong	100
F-Secure Iberia SL, Barcelona	Spain	100
F-Secure do Brasil Tecnol. da Informacao Ltda, São Paulo	Brazil	100
F-Secure Informatica S de RL de CV, Mexico City	Mexico	100
F-Secure Software (Shanghai) Co Ltd, Shanghai	China	100
F-Secure Danmark A/S, Copenhagen	Denmark	100
F-Secure Cyber Security Services Oy, Helsinki	Finland	100
nSense Estonia OÜ, Tartu	Estonia	100
F-Secure Norge AS, Oslo	Norway	100
F-Secure Argentina S.R.L., Buenos Aires	Argentina	100
F-Secure Digital Assurance Ltd, Basingstoke	United Kingdom	100
F-Secure Cyber Security Limited, Basingstoke	United Kingdom	100
F-Secure Consulting Pte. Ltd., Singapore	Singapore	100
F-Secure Cyber Security (Pty) Ltd, Johannesburg	South Africa	100
F-Secure Cyber Security Inc, Camden	United States	100
Bytegeist GmbH, Oldenburg	Germany	100

F-SECURE CORPORATION
INCOME STATEMENT January 1–December 31, 2021

		(EUR)	
INCOME STATEMENT		FAS 2021	FAS 2020
REVENUE	(1)	164 897 224,65	152 028 309,41
Cost of revenue	(4)	-23 374 379,73	-18 744 714,58
GROSS MARGIN		141 522 844,92	133 283 594,83
Other operating income	(2)	6 603 406,83	9 517 100,83
Sales and marketing	(3,4)	-73 529 325,59	-72 321 336,86
Research and development	(3,4)	-43 566 748,03	-39 678 093,20
Administration	(3,4)	-17 533 526,24	-11 181 184,61
EBIT		13 496 651,89	19 620 080,99
Financial income and expenses	(6)	2 775 137,35	-2 156 250,09
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		16 271 789,24	17 463 830,90
Appropriations	(7)	2 953 475,95	1 931,83
Income taxes	(8)	-3 510 977,31	-2 655 496,26
RESULT FOR THE FINANCIAL YEAR		15 714 287,88	14 810 266,47

F-SECURE CORPORATION
BALANCE SHEET December 31, 2021

		(EUR)	
ASSETS		FAS 2021	FAS 2020
NON-CURRENT ASSETS			
Intangible assets	(9)	19 507 822,36	17 563 812,01
Tangible assets	(9)	810 961,74	1 067 803,84
Investments in group companies	(10)	122 951 349,68	122 962 964,04
Long-term receivables	(13)	5 756 901,99	5 329 967,97
Total non-current assets		149 027 035,77	146 924 547,86
CURRENT ASSETS			
Inventories	(12)	50 609,00	73 957,00
Trade and other receivables	(13)	54 461 495,45	46 901 342,91
Deferred tax assets	(11)		3 021,80
Short-term investments	(14)	26 156,08	26 156,08
Cash and bank accounts	(15)	39 022 997,26	35 085 481,26
Total current assets		93 561 257,79	82 089 959,05
TOTAL ASSETS		242 588 293,56	229 014 506,91
		(EUR)	
SHAREHOLDERS' EQUITY AND LIABILITIES		FAS 2021	FAS 2020
SHAREHOLDERS' EQUITY		(16,17)	
Share capital		1 551 311,18	1 551 311,18
Share premium		164 543,23	164 543,23
Treasury shares		-848 824,36	-1 288 068,16
Reserve for invested unrestricted equity		6 789 026,35	6 463 844,23
Retained earnings		76 870 857,81	68 810 741,30
Profit for the financial year		15 714 287,88	14 810 266,47
Total shareholders' equity		100 241 202,09	90 512 638,25
APPROPRIATIONS			
Depreciation reserve		90 614,56	44 090,51
LIABILITIES			
Long-term liabilities	(19)	42 422 844,86	50 911 456,39
Short-term liabilities	(19)	99 833 632,05	87 546 321,76
Total liabilities		142 256 476,91	138 457 778,15
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		242 588 293,56	229 014 506,91

F-SECURE CORPORATION
CASH FLOW STATEMENT January 1–December 31, 2021

(EUR 1000)

	FAS 2021	FAS 2020
Cash flow from operations		
Result for the financial year	15 714	14 810
Adjustments		
Depreciation and amortization	4 228	5 044
Profit / loss on sale of fixed assets	106	-3
Other adjustments	-2 504	-1 597
Financial income and expenses	-2 775	2 156
Income taxes	3 511	2 655
Adjustments	2 565	8 256
Cash flow from operations before change in working capital	18 280	23 066
Change in net working capital		
Current receivables, increase (-), decrease (+)	-5 059	4 757
Inventories, increase (-), decrease (+)	23	33
Non-interest bearing debt, increase (+), decrease (-)	15 422	4 086
Provisions, increase (+), decrease (-)		-500
Cash flow from operations before financial items and taxes	28 666	31 442
Interest expenses paid	-450	-522
Interest income received	358	362
Other financial income and expenses	-337	-289
Income taxes paid	-2 432	933
Cash flow from operations	25 805	31 926
Cash flow from investments		
Investments in intangible and tangible assets	-6 030	-6 421
Investments in subsidiary shares		-3 681
Proceeds from sale of intangible and tangible assets	10	3
Intercompany loans granted	-440	-4 329
Intercompany loans repaid	1 271	1 446
Dividends received	2 199	2 938
Proceeds from subsidiary liquidations		740
Cash flow from investments	-2 990	-9 305
Cash flow from financing activities		
Increase in interest-bearing liabilities		5 000
Decrease in interest-bearing liabilities	-11 000	-6 000
Intercompany loans repaid	-1 651	
Dividends paid	-6 334	
Cash flow from financing activities	-18 985	-1 000
Change in cash	3 830	21 621
Effect of exchange rate changes on cash	108	-88
Cash and bank at the beginning of the period	35 086	13 553
Cash and bank at period end	39 023	35 086

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Basic information

F-Secure provides cyber security products and services globally for consumers and businesses.

F-Secure Corporation is the parent company of F-Secure Group, incorporated in Finland and domiciled in Helsinki. Company's registered address is Tammasaarenkatu 7, 00180 Helsinki. Copy of consolidated financial statements can be downloaded from www.f-secure.com or can be received from the Company's registered address.

ACCOUNTING PRINCIPLES

The financial statement of F-Secure Corporation has been prepared in accordance with Finnish Accounting Standards (FAS).

Foreign currency translation

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. On the reporting date, assets and liabilities denominated in foreign currencies are translated using the European Central Bank's exchange rates prevailing at that date. Exchange rate gains and losses are recognized in financial items in the income statement.

Revenue recognition

Revenue is derived from corporate and consumer businesses. Corporate security business revenue includes cyber security products, managed services, and cyber security consulting. Cyber security products comprise endpoint protection solutions (F-Secure Elements Endpoint Protection, F-Secure Business Suite, F-Secure Cloud Protection for Salesforce, F-Secure Elements for Microsoft Office 365), as well as solutions targeted at detecting and responding to advanced attacks (F-Secure Elements Endpoint Detection and Response and F-Secure Countercept) and vulnerability management (F-Secure Elements Vulnerability Management and phishd). Consumer security business revenue comes through operator and direct consumer channels, and the main products include F-Secure SAFE, F-Secure FREEDOME, F-Secure SENSE, F-Secure KEY and F-Secure ID PROTECTION.

Endpoint protection solutions and vulnerability management products

Endpoint protection security solutions (F-Secure Elements Endpoint Protection, F-Secure Business Suite, F-Secure Elements Endpoint Detection and Response, F-Secure Cloud Protection for Salesforce and F-Secure Elements for Microsoft Office 365) are sold to corporate customers by granting the customer access to use the intellectual property during the license period or as Security-as-a-Service. F-Secure delivers the product and provides continuous automated updates against new threats. The software and the accompanied services are highly interdependent and therefore treated as one performance obligation for which revenue is recognized over time on a straight-line basis for the license period.

Consumer customer products and vulnerability management products for corporate customers (F-Secure Elements Vulnerability Management and phishd) are treated as Security-as-a-Service as they do not include a license of intellectual property. Revenue is accounted for as a single performance obligation and recognized over time on a straight-line basis for the contract period.

When there is a hardware component to the solution (F-Secure SENSE) the hardware is considered as a distinct performance obligation and revenue for hardware is recognized separately at point in time of delivery.

Cyber security consulting services and managed detection and response solutions

Cyber security consulting services are recognized as revenue based on the delivery of the work. For F-Secure managed detection and response solution (F-Secure Countercept) the software and the service are considered as single performance obligation. The customer is granted access to use the intellectual property and the service is provided by F-Secure

continuously throughout the contract period. Revenue for managed services is recognized on a straight-line basis for the contract period.

Presenting of receivables and liabilities from contracts with customers

Receivables from contracts with customers are presented in the balance sheet as *Accrued income*. Liabilities from contracts with customers are presented in the balance sheet as *Deferred revenue* and included in *Total non-current liabilities* or *Total current liabilities* depending on the duration of the liability.

Pensions

F-Secure's pension arrangements are defined contribution plans in accordance with local statutory requirements. Contributions to defined contribution plans are recognized in income statement in the period to which the contributions relate. The Company recognizes the disability commitment of TyEL pension plan when disability appears.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term. The Company has only operating leases.

Income taxes

Current income taxes are calculated in accordance with the local tax and accounting rules.

Tangible and intangible assets

Intangible assets include intangible rights and software licenses. Tangible and intangible assets are recorded at historical cost less accumulated depreciation, amortization, and possible impairment. Depreciation and amortization is recorded on a straight-line basis over the estimated useful life of an asset. The estimated useful lives of tangible and intangible assets are as follows:

Machinery and equipment	3–8 years
Capitalized development costs	3–8 years
Intangible rights	3–8 years
Intangible assets	5–10 years

Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the assets' carrying amount when it is probable that the Company will derive future economic benefits in excess of the originally assessed standard or performance of the existing asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

Research and development expenditure

Research expenditure is recognized as an expense at the time it is incurred. Development expenditures are capitalized as intangible assets.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by first-in first-out method. Net realizable value is the estimated selling price that is obtainable, less estimated costs of completion and the estimated costs necessary to make the sale.

Financial assets and liabilities

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and other highly liquid short-term investments.

F-Secure classifies loans from financial institutions, trade payables and other payables as other financial liabilities which are measured at amortized cost. Financial liabilities are classified as current unless F-Secure has unconditional right to postpone their repayment by at least 12 months from the end date of the reporting period.

Treasury shares

The company has acquired treasury shares in 2008–2011. The purchase price of the shares has been deducted from equity.

Share-based payment transactions

F-Secure provides incentives to employees in the form of equity-settled share-based instruments. Currently the Company has share-based programs.

F-Secure's share-based incentive programs are targeted to the Group's key personnel. The programs are divided into equity-settled and cash-settled part. The cash-settled part is recognized in the income statement over the vesting period with the counter-entry in liabilities. Valuation is initially based on fair value at grant date. On each reporting date the cash-settled part is revalued to fair value and the expense is recognized in the income statement over the vesting period with the counter-entry in liabilities. Fair value is determined using the market value of the share of F-Secure Corporation. The cumulative expense recognized at grant date is based on the company's estimate of the number of shares that will ultimately vest at the end of the vesting period. F-Secure updates estimated number of shares to be vested at each reporting date. If a person leaves the company before vesting, the reward is forfeited. Equity-settled part is recognized in the equity on vesting date.

Presentation of expenses

Classification of the functionally presented expenses has been made by presenting direct expenses in their respective functions and by allocating other expenses to operations on the basis of average headcount in each function.

NOTES TO THE FINANCIAL STATEMENTS

	FAS 2021	FAS 2020
1. Revenue		
Geographical information		
Nordic countries	57 011	52 494
Europe excl. Nordics	79 269	75 256
North America	13 943	13 005
Rest of the world	14 675	11 273
Total	164 897	152 028

2. Other operating income

Rental revenue	170	189
Government grants	1 705	1 574
Other	4 728	7 755
Total	6 603	9 517

Government grants are recognized as income over those periods in which the corresponding expenses arise.

Other operating income includes e.g. gain on sale of fixed assets and rental revenue.

Other operating income in 2020 includes 1,804 thousand euro profit from liquidation of French subsidiary F-Secure SDC SAS.

3. Depreciation, amortization and impairment

Depreciation and amortization of non-current assets		
Other intangible assets	-1 087	-1 245
Capitalized development	-2 739	-3 009
Intangible assets	-3 826	-4 253
Machinery and equipment	-402	-531
Tangible assets	-402	-531
Total depreciation	-4 228	-4 784
Reduction in value from non-current assets		
Capitalized development		-260
Total reduction in value		-260
Total depreciation and amortization	-4 228	-5 044
Depreciation and amortization by function		
Sales and marketing	-472	-696
Research and development	-3 356	-3 954
Administration	-400	-394
Total depreciation and amortization	-4 228	-5 044

NOTES TO THE FINANCIAL STATEMENTS

	FAS 2021	FAS 2020
4. Personnel expenses		
Personnel expenses		
Wages and salaries	-44 905	-40 206
Pension expenses	-7 914	-6 369
Other social expenses	-1 753	-1 421
Total	-54 572	-47 995
Compensation of key management personnel		
Wages and other short-term employee benefits	-2 274	-2 450
Wages and other short-term employee benefits		
Managing Directors	-375	-541
Members of the Board of Directors	-316	-293
Wages and other short-term employee benefits of the Board of Directors and Managing Director: see group disclosure 24. Related party disclosures.		
The Managing Director's retirement age and the determination of his pension conform to the standard rules specified by Finland's Employee Pension Act (TYEL). The pension cost of the Managing Director over the period was 60 thousand euro (66 thousand euro in year 2020). The period of notice for the Managing Director is six (6) months both ways and Managing Director is entitled to severance payment equivalent of six (6) months' salary.		
Average number of personnel	674	627
Personnel by function Dec 31		
Consulting and delivery	75	68
Sales and marketing	161	156
Research and development	371	338
Administration	82	86
Total	689	648
5. Audit fees		
Audit fees, PricewaterhouseCoopers	-150	-147
Other consulting, PricewaterhouseCoopers	-347	-30
Total	-497	-177
6. Financial income and expenses		
Interest income	358	362
Interest expense	-450	-522
Other financial income		18
Dividends	2 199	55
Exchange gains and losses	853	-1 898
Other financial expenses	-185	-173
Total	2 775	-2 156

NOTES TO THE FINANCIAL STATEMENTS

	FAS 2021	FAS 2020
7. Appropriations		
Change in depreciation reserve	-47	2
Group contribution	3 000	
Total	2 953	2
8. Income tax		
Income tax for the year	-3 506	-2 995
Adjustments for income tax of prior periods	-5	339
Total	-3 511	-2 655
Result before appropriations and tax	16 272	17 464

NOTES TO THE FINANCIAL STATEMENTS

9. Non-current assets

	Intangible assets					Tangible assets		
	Other intangible	Capitalized development	Incomplete development	Advance payments	Total	Machinery & equip.	Other tangible	Total
Acquisition cost Jan 1, 2020	14 179	22 638	5 579		42 396	9 795	5	9 801
Additions	149		5 465	422	6 036	385		385
Transfers		3 967	-3 967					
Disposals		-520			-520			
Acquisition cost Dec 31, 2020	14 328	26 084	7 077	422	47 911	10 180	5	10 186
Additions	18		5 607	260	5 884	146		146
Transfers		9 941	-9 941					
Disposals	-1 011				-1 011	-5 736		-5 736
Acquisition cost Dec 31, 2021	13 335	36 025	2 743	681	52 785	4 591	5	4 597
Acc. depreciation Jan 1, 2020	-10 177	-16 179			-26 354	-8 587		-8 587
Depreciation for the period	-1 245	-3 009			-4 253	-531		-531
Acc. depreciation of disposals		260			260			
Acc. depreciation Dec 31, 2020	-11 421	-18 927			-30 348	-9 118		-9 118
Depreciation for the period	-1 087	-2 739			-3 826	-402		-402
Acc. depreciation of disposals	897				897	5 735		5 735
Acc. depreciation Dec 31, 2021	-11 611	-21 666			-33 277	-3 785		-3 785
Book value as at Dec 31, 2020	2 907	7 158	7 077	422	17 564	1 063	5	1 068
Book value as at Dec 31, 2021	1 723	14 360	2 743	681	19 508	806	5	811

NOTES TO THE FINANCIAL STATEMENTS

10. Investments in group companies

	Shares in group companies	Total
Book value as at Jan 1	122 963	122 963
Additions		
Decreases	-12	-12
Book value as at Dec 31	122 951	122 951

Name	Country of	Share of
Parent F-Secure Corporation, Helsinki	Finland	
DF-Data Oy, Helsinki	Finland	100
F-Secure Inc., Palo Alto	United States	100
F-Secure (UK) Ltd, Basingstoke	United Kingdom	100
F-Secure KK, Tokyo	Japan	100
F-Secure GmbH, Munich	Germany	100
F-Secure eStore GmbH, Munich	Germany	100
F-Secure SARL, Maisons-Laffitte	France	98
F-Secure BV, Heverlee-Leuven	Belgium	100
F-Secure AB, Stockholm	Sweden	100
F-Secure Srl, Milano	Italy	100
F-Secure SP z.o.o., Poznan	Poland	100
F-Secure Corporation (M) Sdn Bhd, Kuala Lumpur	Malaysia	100
F-Secure Pvt Ltd, Mumbai	India	100
F-Secure B.V., Utrecht	The Netherlands	100
F-Secure Limited, Hong Kong	Hong Kong	100
F-Secure Iberia SL, Barcelona	Spain	100
F-Secure Informática S. de R.L. de C.V, Mexico City	Mexico	99
F-Secure Danmark A/S, Copenhagen	Denmark	100
F-Secure Argentina SRL, Buenos Aires	Argentina	95
F-Secure Digital Assurance Ltd, Basingstoke	United Kingdom	100
F-Secure Cyber Security Limited, Basingstoke	United Kingdom	100

NOTES TO THE FINANCIAL STATEMENTS

	FAS 2021	FAS 2020
11. Deferred tax		
Deferred tax assets		
Accruals and provisions		3
Total		3
12. Inventories		
Other inventories	51	74
13. Receivables		
Non-current		
Loan receivables	5 757	5 330
Total	5 757	5 330
Non-current receivables total	5 757	5 330
Current receivables		
Trade receivables	22 299	21 477
Other receivables	292	72
Prepaid expenses and accrued income	9 255	6 398
Total	31 846	27 947
Receivables from group companies		
Trade receivables	7 115	7 940
Loan receivables	9 164	9 507
Other receivables	6 336	1 507
Total	22 615	18 954
Current receivables total	54 461	46 901
Material items included in prepaid expenses and accrued income		
Prepaid royalty	2 991	2 765
Grant receivables	860	-395
Other prepaid expenses	4 252	3 486
Accrued income	1 153	542
Total	9 255	6 398

NOTES TO THE FINANCIAL STATEMENTS

	FAS	FAS
	2021	2020

14. Short-term investments

Fair value as at Jan 1	26	26
Fair value as at Dec 31	26	26
Shares - unlisted	26	26
Fair value as at Dec 31	26	26
Original purchase price as at Dec 31	26	26

15. Cash and short-term deposits

Cash at bank and in hand	39 023	35 085
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NOTES TO THE FINANCIAL STATEMENTS

16. Statement of changes in shareholders' equity

Parent Company	Share capital	Share premium fund	Treasury shares	Unrestricted equity reserve	Retained earnings	Total equity
FAS						
Equity Dec 31, 2019	1 551	165	-2 141	6 173	69 613	75 359
Result of the financial year					14 810	14 810
Cost of share based payments					-801	-801
Other change			853	291		1 144
Equity Dec 31, 2020	1 551	165	-1 288	6 464	83 622	90 513
Result of the financial year					15 714	15 714
Dividend					-6 334	-6 334
Cost of share based payments					-416	-416
Other change			439	325		764
Equity Dec 31, 2021	1 551	165	-849	6 789	92 586	100 241

17. Shareholders' Equity

The Company's share capital amounted to 1,551,311 euro and the number of shares was 158,798,739 at the end of the year 2021. See group disclosure 17. Shareholders' Equity.

Treasury shares

See group disclosure 17. Shareholders' Equity.

Distributable shareholders' equity on December 31, 2021

Unrestricted equity reserve	6 789
Retained earnings	76 023
Result of the financial year	15 714
Less capitalized development expense	-17 103
Distributable shareholders' equity on December 31, 2021	81 424

18. Share-based payment transactions

See group disclosure 18. Share-based payment transactions.

NOTES TO THE FINANCIAL STATEMENTS

	FAS 2021	FAS 2020
19. Liabilities		
Non-current liabilities		
Deferred revenues	17 712	16 026
Interest bearing liabilities	13 000	19 000
Other liabilities		1 490
Total	30 713	36 516
Liabilities to the group companies		
Cashpool	11 711	12 744
Other liabilities		1 651
Total	11 711	14 395
Total non-current liabilities	42 424	50 911
Current liabilities		
Deferred revenues	42 385	39 082
Trade payables	5 865	3 751
Interest bearing liabilities	6 000	11 000
Other liabilities	1 790	2 355
Accrued expenses	22 978	16 770
Total	79 018	72 958
Liabilities to the group companies		
Advance payments	4 654	3 747
Trade payables	14 159	8 918
Other liabilities	2 003	1 924
Total	20 816	14 589
Total current liabilities	99 834	87 546
Material amounts shown under accruals and deferred income		
Accrued personnel expenses	13 586	11 048
Deferred royalty	114	239
Accrued expenses	5 863	3 143
Accrued tax	3 415	2 339
Restructuring		
Total	22 978	16 770

20. Financial risk management objectives and policies

See Group disclosure 20. Financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

	FAS	FAS
	2021	2020

21. Operating lease commitments

The Group has entered into commercial leases on office space and on motor vehicles. Motor vehicle leases have an average life of three years and office space between two and five years with renewal terms included in the contracts.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

As lessee		
Within one year	2 929	2 843
After one year but not more than five years	977	1 310
Total	3 906	4 153

22. Contingent liabilities

Guarantees for other group companies	110	112
Other liabilities		
Others		61

Derivatives see Group disclosure 20. Financial assets and liabilities

F-SECURE CONSOLIDATED

SIGNATURES OF THE BOARD OF DIRECTORS

Helsinki, February 16, 2022

Risto Siilasmaa
Chairman

Pertti Ervi

Päivi Rekonen

Åsa Riisberg

Tuomas Syrjänen

Keith Bannister

Robin Wikström

Juhani Hintikka
Managing director

AUDITORS' NOTE

Our auditors' report has been issued today.

Helsinki, February 16, 2022

PricewaterhouseCoopers Oy
Authorized Public Accountants

Janne Rajalahti
Authorized Public Accountant

F-SECURE CONSOLIDATED
December 31, 2021

KEY FIGURES

F-Secure has applied new IFRS16 standard from January 1, 2019 onwards with modified approach and comparatives are not restated. IFRS 15 and IFRS 9 standards have been applied from January 1, 2018 onwards and 2017 financials are restated retrospectively.

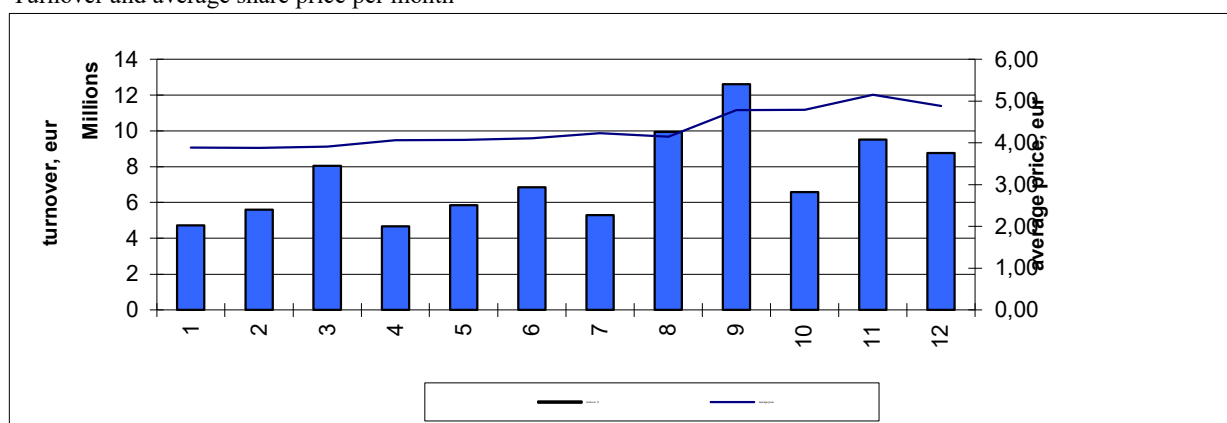
	IFRS 2021	IFRS 2020	IFRS 2019	IFRS 2018	IFRS 2017
Economic indicators					
Revenue (MEUR)	236,3	220,2	217,3	190,7	169,8
Revenue growth %	7,0 %	1,3 %	14,0 %	12,0 %	7,0 %
EBIT (MEUR)	17,7	19,7	7,2	4,5	11,5
% of revenue	7,5 %	8,9 %	3,3 %	2,4 %	6,8 %
Result before taxes	17,4	16,5	4,2	1,7	12,4
% of revenue	7,4 %	7,5 %	2,0 %	0,9 %	7,3 %
ROE (%)	14,3 %	16,2 %	4,7 %	1,2 %	15,0 %
ROI (%)	15,6 %	18,5 %	4,5 %	7,9 %	20,0 %
Equity ratio (%)	59,5 %	52,5 %	49,0 %	42,7 %	61,9 %
Investments (MEUR)	12,7	14,3	12,8	99,8	9,3
% of revenue	5,4 %	6,5 %	5,9 %	52,3 %	5,5 %
R&D costs (MEUR)	46,6	41,9	39,6	35,7	34,1
% of revenue	19,7 %	19,0 %	18,2 %	18,7 %	20,1 %
Capitalized development (MEUR)	5,6	5,5	6,2	4,7	3,9
Gearing %	-25,8 %	-14,1 %	20,8 %	13,9 %	-127,8 %
Wages and salaries (MEUR)	109,5	103,7	104,4	84,9	70,1
Personnel on average	1678	1 691	1 701	1 364	1067
Personnel on Dec 31	1656	1 678	1 696	1 666	1104

KEY FIGURES

F-Secure has applied new IFRS16 standard from January 1, 2019 onwards with modified approach and comparatives are not restated. IFRS 15 and IFRS 9 standards have been applied from January 1, 2018 onwards and 2017 financials are restated retrospectively.

	IFRS 2021	IFRS 2020	IFRS 2019	IFRS 2018	IFRS 2017
Key ratios					
Earnings / share (EUR)	0,08	0,08	0,02	0,01	0,07
Earnings / share (EUR) continuing operations	0,08	0,08	0,02	0,01	0,07
Earnings / share diluted	0,08	0,08	0,02	0,01	0,07
Earnings / share diluted continuing operations	0,08	0,08	0,02	0,01	0,07
Shareholders' equity per share	0,60	0,52	0,48	0,42	0,45
Dividend per share *)	0,00	0,04	0,00	0,00	0,04
Dividend per earnings (%)	0,0 %	50,0 %	0,0 %	0,0 %	57,1 %
Effective dividends (%)	0,0 %	1,0 %	0,0 %	0,0 %	1,0 %
P/E ratio	62,0	47,1	142,7	431,4	55,2
Share price, lowest (EUR)	3,66	2,04	2,19	2,18	3,17
Share price, highest (EUR)	5,53	4,14	3,40	4,24	4,84
Share price, average (EUR)	4,39	3,10	2,68	3,03	3,94
Share price Dec 31	4,97	3,84	3,05	2,32	3,89
Market capitalization (MEUR)	786,4	606,7	483,5	367,6	617,7
Trading volume (millions)	20,2	22,8	26,5	33,7	27,8
Trading volume (%)	12,7 %	14,3 %	16,7 %	21,2 %	17,5 %
Adjusted number of shares					
average during the period	158 354 073	158 082 324	157 719 368	157 224 137	156 502 983
average during the period, diluted	158 354 073	158 082 324	157 719 368	157 224 137	156 502 983
Dec 31	158 798 739	158 798 739	158 798 739	158 798 739	158 798 739
Dec 31, diluted	158 798 739	158 798 739	158 798 739	158 798 739	158 798 739
*) Board proposal					

Turnover and average share price per month



F-SECURE CONSOLIDATED
December 31, 2021

Calculation of key ratios

Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - advance payments received}}$
ROI, %	$\frac{\text{Result before taxes + financial expenses}}{\text{Total assets - non-interest bearing liabilities (average)}}$
ROE, %	$\frac{\text{Result for the period}}{\text{Total equity (average)}}$
Gearing, %	$\frac{\text{Interest bearing liabilities - cash and bank and financial asset through profit and loss}}{\text{Total equity}}$
Earnings per share, euro	$\frac{\text{Profit attributable to equity holders of the company}}{\text{Weighted average number of outstanding shares}}$
Shareholders' equity per share, euro	$\frac{\text{Equity attributable to equity holders of the company}}{\text{Number of outstanding shares at the end of period}}$
P/E ratio	$\frac{\text{Closing price of the share, end of period}}{\text{Earnings per share}}$
Dividend per earnings (%)	$\frac{\text{Dividend per share}}{\text{Earnings per share}}$
Effective dividends (%)	$\frac{\text{Dividend per share}}{\text{Closing price of the share, end of period}}$
Operating expenses	Sales and marketing, research and development and administration costs
EBITDA	EBIT + depreciation, amortization and impairment
EBITA	EBIT + amortization and impairment

	Consolidated 2021	Consolidated 2020					
RECONCILIATION BETWEEN ADJUSTED EBITDA, EBITDA, ADJUSTED EBIT AND EBIT							
Adjusted EBITDA	36,5	35,7					
Adjustments to EBITDA							
Gains and losses from sales of businesses	0,5						
Costs related to strategic review	-4,3						
Costs related to restructuring		0,0					
EBITDA	32,8	35,7					
Depreciation, amortization and impairment losses	-15,1	-16,0					
EBIT	17,7	19,7					
Adjusted EBIT	25,3	22,9					
Adjustments to EBIT							
Gains and losses from sales of businesses	0,5						
Costs related to strategic review	-4,3						
PPA amortization	-2,8	-3,2					
Impairment	-1,0						
Costs related to restructuring		0,0					
EBIT	17,7	19,7					
CLASSIFICATION OF ADJUSTED COSTS IN OPERATING EXPENSES							
	Operating Expenses 2021	Costs related to strategic review	Expenses for adjusted EBIT	Depreciation	Impairment	PPA amortization	Operating Expenses for Adjusted EBITDA 2021
Sales and marketing	-99,2		-99,2	5,3			-93,9
Research and development	-46,6		-46,6	5,2			-41,4
Administration	-25,0	4,3	-20,7	0,7	1,0	2,8	-16,2
Operating expenses	-170,8	4,3	-166,5	11,2	1,0	2,8	-151,5
	Operating Expenses 2020	Costs related to restructuring	Expenses for adjusted EBIT	Depreciation	Impairment	PPA amortization	Operating Expenses for Adjusted EBITDA 2020
Sales and marketing	-95,6		-95,6	6,2			-89,4
Research and development	-41,8		-41,8	5,9			-35,9
Administration	-17,1	0,0	-17,1	0,8		3,2	-13,2
Operating expenses	-154,5	0,0	-154,5	12,9		3,2	-138,5

F-SECURE CONSOLIDATED
December 31, 2021

Shares and share ownership distribution, 31 Dec 2021

Shares	Number of shareholders	% of shareholders	Total shares	% of shares
1-100	8 579	30,50 %	392 390	0,25 %
101-1 000	15 458	54,95 %	5 657 028	3,56 %
1001-50 000	4 019	14,29 %	15 417 243	9,71 %
50 001-100 000	28	0,10 %	2 013 090	1,27 %
100 001-	48	0,17 %	135 318 988	85,21 %
Total	28 132	100,00 %	158 798 739	100,00 %

Shareholders by category, 31 Dec 2021

	Total shares	% of shares
Corporations	4 242 598	2,67 %
Financial and insurance institutions	48 786 237	30,72 %
General government	16 624 370	10,47 %
Non-profit organizations	1 021 796	0,64 %
Households	82 701 968	52,08 %
Other countries and international organizations	5 421 770	3,41 %
Total	158 798 739	100,00 %

Largest shareholders and administrative register

Owner	Shares	% of shares	% of votes
Risto Siilasmaa	60 011 037	37,79 %	37,89 %
Skandinaviska Enskilda Banken AB	19 967 015	12,57 %	12,61 %
Nordea Nordic Small Cap Fund	10 557 976	6,65 %	6,67 %
Mandatum Life Insurance Company	6 932 171	4,37 %	4,38 %
Citibank Europe Plc	4 277 379	2,69 %	2,70 %
Ilmarinen Mutual Pension Insurance Company	4 167 860	2,62 %	2,63 %
Elo Mutual Pension Insurance Company	3 998 047	2,52 %	2,52 %
The State Pension Fund	3 500 000	2,20 %	2,21 %
Varma Mutual Pension Insurance Company	3 470 660	2,19 %	2,19 %
Nordea Finnish Stars Fund	2 747 964	1,73 %	1,73 %
Kaleva Mutual Insurance Company	1 836 073	1,16 %	1,16 %
Administrative register			
Skandinaviska Enskilda Banken AB	19 967 015	12,57 %	12,61 %
Citibank Europe Plc	4 277 379	2,69 %	2,70 %
Other registers	1 238 997	0,78 %	0,78 %
Other shareholders	35 682 202	22,47 %	22,53 %
Total	158 387 381	99,74 %	100,00 %
Own shares F-Secure Corporation	411 358	0,26 %	
Total	158 798 739	100,00 %	

Ownership of management

Board of Directors	Shares	% of shares
Risto Siilasmaa	60 011 037	37,79 %
Pertti Ervi	67 721	0,04 %
Tuomas Syrjänen	25 422	0,02 %
Päivi Rekonen	23 538	0,01 %
Keith Bannister	9 267	0,01 %
Åsa Riisberg	3 800	0,00 %
Robin Wikström	1 926	0,00 %
Total	60 142 711	37,87 %

Executive team	Shares	% of shares
Juha Kivikoski	15 854	0,01 %
Timo Laaksonen	7 250	0,00 %
Edward Parsons	6 998	0,00 %
Christine Bejerasco	2 930	0,00 %
Antti Koskela	2 500	0,00 %
Tiina Sarhimaa	2 250	0,00 %
Juhani Hintikka		
Tom Jansson		
Ari Vääntinen		
Tim Orchard		
Charlotte Guillou		
Total	37 782	0,02 %

Ownership of management

The Board of Directors owned a total of 60,142,711 shares on December 31, 2021. This represents 37.9 percent of the Company's shares and 38.0 percent of votes.



Auditor's Report (Translation of the Finnish Original)

To the Annual General Meeting of F-Secure Oyj

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position and financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of F-Secure Oyj (business identity code 0705579-2) for the year ended 31 December 2021. The financial statements comprise:

- the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies
- the parent company's income statement, balance sheet, cash flow statement and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 7 to the Financial Statements.

Our Audit Approach

Overview



- Overall group materiality: €1 100 000, which represents 0.5% of consolidated revenue
- Audit scope: We have audited parent company and we have performed audit procedures related to three most significant subsidiaries. In addition, we have performed group level procedures over specific consolidated accounts and analytical procedures to assess unusual movements across all entities.
- Valuation of goodwill
- Capitalization of R&D costs

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	€1 100 000 (previous year €1 100 000)
How we determined it	0.5% of consolidated revenue
Rationale for the materiality benchmark applied	The groups profitability has been volatile during the last years due to business combinations related integration costs and amortization, significant investments in product development and go-to-market strategy. Therefore, we chose revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is commonly measured by users and is a generally accepted benchmark. We chose 0.5% which is within the range of acceptable quantitative materiality thresholds in auditing standards.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Group operates globally through several legal entities. Group's sales are mainly generated by the parent company and we have audited the parent company as part of our audit of the consolidated financial statements. In addition, we have performed audit procedures related to the three most significant subsidiaries. We have considered that the remaining subsidiaries don't present a reasonable risk of material misstatement for consolidated financial statements and thus our procedures have been limited to targeted audit procedures over significant balances and to analytical procedures performed at Group level.

By performing the procedures above at legal entities, combined with additional procedures at the Group level, we have obtained sufficient and appropriate evidence regarding the financial information of the Group as a whole to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Valuation of goodwill <i>Refer to accounting principles and note 12 for the consolidated financial statements.</i> Goodwill is one of the most significant balance sheet items and amounted € 85,1 million at the balance sheet date. The determination and whether an impairment charge is required involves significant	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the goodwill impairment analysis through the following procedures: We tested the methodology applied in the value in use calculation by comparing it to the requirements of IAS 36, Impairment of Assets, and we tested the



management judgement, including identifying on which cash generating unit level the goodwill is tested and estimating the future performance of the business and the discount rate applied to these future cash flows.

Due to materiality and judgment associated we have considered valuation of goodwill as key audit matter in the audit of the Group.

mathematical accuracy of calculation;

We evaluated the process by which the future cash flow forecasts are drawn up, including comparing them to the latest Board approved targets and long-term plans

We tested the key underlying assumptions for the cash flow forecasts, including sales and profitability forecasts, discount rate used and the implied growth rates beyond the forecasted period

We compared the current year actual results included in the prior year impairment model to consider whether forecasts included assumptions that, with hindsight, had been optimistic

We tested whether the sensitivity analysis performed by the management around key assumptions of the cash flow forecast are appropriate by considering the likelihood of the movements of these key assumptions.

Capitalization of R&D costs

Refer to accounting principles and note 13 for the consolidated financial statements.

Company's research and development activities have increased due to focus on the development of new products and product amendments both for corporate and consumer customers.

Capitalization of R&D costs requires use of judgment as capitalization requires estimating technical and economical feasibility of the product developed. In addition, there is judgement involved in assessing recoverability of capitalized R&D costs as future cash flows generated by these intangible assets needs to be estimated.

Due to materiality and judgment associated with capitalization of R&D costs, we have considered capitalization of R&D as key audit matter in the audit of the Group.

We assessed appropriateness of the company's R&D capitalization policy.

We evaluated the design and operating effectiveness of controls over R&D capitalization.

We assessed whether capitalization criteria for R&D projects are met.

We tested a sample of costs capitalized during the year.

We evaluated the relevant assumptions used in the impairment testing of intangible assets, focusing on the reasonableness of the forecasted economic information.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they 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 Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's 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 good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Appointment

We were first appointed as auditors by the annual general meeting on 7 April 2016. Our appointment represents a total period of uninterrupted engagement of six years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.



If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 16 February 2022









PricewaterhouseCoopers Oy
Authorised Public Accountants










Janne Rajalahti
Authorised Public Accountant (KHT)










SCHEDULE 3: LIST OF REGISTERED TRANSFERRING INTELLECTUAL PROPERTY RIGHTS










LIITE 3: LUETTELO SIIRTYVISTÄ REKISTERÖIDYSTÄ IMMATERIAALIOIKEUKSISTA
(SCHEDULE 3: LIST OF REGISTERED TRANSFERRING INTELLECTUAL PROPERTY RIGHTS)











TAVARAMERKIT (TRADEMARKS)











Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Clas- ses)	Asianumero (Case No.)
Euroopan unioni (European Union)	F (flat logo)	Figura- tive mark		12696381	14.3.2014	12696381	12.8.2014	9, 38, 42	BV301276
Etelä-Afrikka (South Africa)	F (flat logo)	Figura- tive mark		2017/35340	4.12.2017			38	BV301277
Etelä-Afrikka (South Africa)	F (flat logo)	Figura- tive mark		2017/35341	4.12.2017			42	BV301278
Etelä-Afrikka (South Africa)	F (flat logo)	Figura- tive mark		2017/35339	4.12.2017			9	BV301279
Argentiina (Argentina)	F (flat logo)	Figura- tive mark		3351654	5.9.2014	2743607	24.7.2015	42	BV301299
Brasilia (Brazil)	F (flat logo)	Figura- tive mark		908260628	10.9.2014	908260628	7.3.2017	9	BV301301
Chile (Chile)	F (flat logo)	Figura- tive mark		1122568	9.9.2014	1183437	21.10.2015	9, 38, 42	BV301303
Kanada (Canada)	F (flat logo)	Figura- tive mark		1692594	5.9.2014	976510	24.7.2017	9, 38, 42, 45	BV301306





Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusno (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Hong Kong (Hong Kong)	F (flat logo)	Figura- tive mark		303123288	3.9.2014	303123288	3.9.2014	9, 38, 42	BV301308
Malesia (Malaysia)	F (flat logo)	Figura- tive mark		2014009877	3.9.2014	2014009877	6.4.2016	38	BV301311
Malesia (Malaysia)	F (flat logo)	Figura- tive mark		2014009878	3.9.2014	2014009878	6.4.2016	42	BV301314
Malesia (Malaysia)	F (flat logo)	Figura- tive mark		2014009876	3.9.2014	2014009876	19.4.2016	9	BV301315
Peru (Peru)	F (flat logo)	Figura- tive mark		707490-2017	5.6.2017	17802	11.9.2017	9, 38, 42	BV301316
Iso-Britannia (United Kingdom)	F (flat logo)	Figura- tive mark		3378882	27.2.2019	3378882	17.5.2019	9, 38, 42	BV301324
Yhdysvallat (USA)	F (flat logo)	Figura- tive mark		86222387	15.3.2014	4837548	20.10.2015	9, 38, 42	BV301325
Brasilia (Brazil)	F (flat logo)	Figura- tive mark		908260890	10.9.2014	908260890	7.3.2017	42	BV301468
Brasilia (Brazil)	F (flat logo)	Figura- tive mark		908260776	10.9.2014	908260776	7.3.2017	38	BV301469

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Argentiina (Argentina)	F (flat logo)	Figura- tive mark		3351653	5.9.2014	2743606	24.7.2015	9	BV301748
Iso-Britannia (United Kingdom)	F (flat logo)	Figura- tive mark		12696381	14.3.2014	UK00912696381	12.8.2014	9, 38, 42	BV303850
Kansainvä- linen TM (Internati- onal TM (M2))	F (flat logo)	Figura- tive mark			29.8.2014	1240626	29.8.2014	9, 38, 42	BV301348
Australia (Australia)	F (flat logo)	Figura- tive mark			29.8.2014	1240626	24.6.2015	9, 38, 42	BV301348AU
Sveitsi (Switzerland)	F (flat logo)	Figura- tive mark			29.8.2014	1240626	18.2.2016	9, 38, 42	BV301348CH
Kiina (China)	F (flat logo)	Figura- tive mark			29.8.2014	1240626	18.12.2015	9, 38, 42	BV301348CN
Kolumbia (Colombia)	F (flat logo)	Figura- tive mark			29.8.2014	1240626	1.2.2016	9, 38, 42	BV301348CO
Intia (India)	F (flat logo)	Figura- tive mark			29.8.2014	1240626	3.10.2017	9, 38, 42	BV301348IN
Japani (Japan)	F (flat logo)	Figura- tive mark			29.8.2014	1240626	16.9.2016	9, 38, 42	BV301348JP

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Meksiko (Mexico)	F (flat logo)	Figura- tive mark			29.8.2014	1240626	30.11.2016	9, 38, 42	BV301348MX
Venäjä (Russian Federation)	F (flat logo)	Figura- tive mark			29.8.2014	1240626	29.2.2016	9, 38, 42	BV301348RU
Singapore (Singapore)	F (flat logo)	Figura- tive mark			29.8.2014	1240626	12.11.2015	9, 38, 42	BV301348SG
Euroopan unioni (European Union)	F (flat logo) blue	Figura- tive mark		18217490	30.3.2020	18217490	29.9.2020	9, 38, 41, 42, 45	BV301974
Iso-Britannia (United Kingdom)	F (flat logo) blue	Figura- tive mark		18217490	30.3.2020	UK00918217490	29.9.2020	9, 38, 41, 42, 45	BV304858
Kansainvä- linen TM (Internati- onal TM (M2))	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	15.10.2009	9, 42	BV301313
Australia (Australia)	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	17.6.2010	9, 42	BV301313AU
Sveitsi (Switzerland)	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	15.10.2009	9, 42	BV301313CH
Kiina (China)	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	15.10.2009	9, 42	BV301313CN

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Kroatia (Croatia)	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	23.2.2012	9, 42	BV301313HR
Islanti (Iceland)	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	31.5.2010	9, 42	BV301313IS
Japani (Japan)	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	8.6.2012	9, 42	BV301313JP
Etelä-Korea (South Korea)	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	22.12.2010	9, 42	BV301313KR
Norja (Norway)	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	30.7.2010	9, 42	BV301313NO
Venäjä (Russian Federation)	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	22.12.2010	9, 42	BV301313RU
Singapore (Singapore)	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	12.5.2010	9, 42	BV301313SG
Turkki (Turkey)	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	10.12.2010	9, 42	BV301313TR
Vietnam (Vietnam)	F (logo new shield shape)*	Figura- tive mark			15.10.2009	1024711	14.4.2011	9, 42	BV301313VN
Kanada (Canada)	F (logo new shield shape)*	Figura- tive mark		1457497	30.10.2009	801988	12.7.2011	9, 42, 45	BV301318

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Euroopan unioni (European Union)	F (logo new shield shape)*	Figura- tive mark		8514572	27.8.2009	8514572	22.2.2010	9, 42	BV301351
Iso-Britannia (United Kingdom)	F (logo new shield shape)*	Figura- tive mark		UK00908514572	27.8.2009	UK00908514572	22.2.2010	9, 42	
Etelä-Afrikka (South Africa)	F (logo new shield shape)*	Figura- tive mark		2009/19518	5.10.2009	2009/19518	3.8.2011	9	BV301369
Etelä-Afrikka (South Africa)	F (logo new shield shape)*	Figura- tive mark		2009/19519	5.10.2009	2009/19519	3.8.2011	42	BV301370
Intia (India)	F (logo new shield shape)*	Figura- tive mark		1880194	4.11.2009	1880194	29.3.2011	9, 42	BV301374
Malesia (Malaysia)	F (logo new shield shape)*	Figura- tive mark		9016855	29.9.2009	9016855	4.3.2011	9	BV301375
Malesia (Malaysia)	F (logo new shield shape)*	Figura- tive mark		9016854	29.9.2009	9016854	7.7.2011	42	BV301376
Suomi (Finland)	F (logo new shield shape)*	Figura- tive mark		T200902248	28.8.2009	248064	29.1.2010	9, 42	BV301421
Argentiina (Argentina)	F-logo (new shield shape)*	Figura- tive mark		3125578	31.10.2011	2550794	28.12.2012	42	
Argentiina (Argentina)	F-logo (new shield shape)*	Figura- tive mark		3125577	31.10.2011	2550795	28.12.2012	9	

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusno (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Brasilia (Brazil)	F-logo (new shield shape)*	Figura- tive mark		830412174	1.10.2009	83042174	31.7.2012	9	
Brasilia (Brazil)	F-logo (new shield shape)*	Figura- tive mark		830412166	1.10.2009	830412166	31.7.2012	42	
Kolumbia (Colombia)	F-logo (new shield shape)*	Figura- tive mark		12045320	15.3.2012	456922	27.7.2012	42	
Kolumbia (Colombia)	F-logo (new shield shape)*	Figura- tive mark		12045325	15.3.2012	456923	27.7.2012	9	
Suomi (Finland)	FREEDOME	Word mark		T201450069	15.1.2014	266064	24.2.2016	9, 38, 42	BV301326
Euroopan unioni (European Union)	FREEDOME	Word mark		12235958	18.10.2013	12235958	4.9.2014	9, 42	BV301328
Yhdysvallat (USA)	FREEDOME	Word mark		86095736	18.10.2013	4690713	24.2.2015	9, 38, 42	BV301329
Iso-Britannia (United Kingdom)	FREEDOME	Word mark		12235958	18.10.2013	UK00912235958	4.9.2014	9, 42	BV303801
Euroopan unioni (European Union)	F-SECURE	Word mark		731950	16.1.1998	731950	9.9.1999	9, 42	BV301280

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Brasilia (Brazil)	F-Secure	Word mark		911954872	24.11.2016	911954872	2.6.2020	38	BV301283
Brasilia (Brazil)	F-Secure	Word mark		911954902	24.11.2016	911954902	2.6.2020	42	BV301284
Brasilia (Brazil)	F-Secure	Word mark		911954821	24.11.2016	911954821	2.6.2020	9	BV301285
Argentiina (Argentina)	F-SECURE	Word mark		3567969	21.12.2016	3050532	27.12.2019	38	BV301286
Argentiina (Argentina)	F-SECURE	Word mark		3567970	21.12.2016	3151887	19.3.2021	42	BV301287
Argentiina (Argentina)	F-SECURE	Word mark		3567968	21.12.2016	3050531	27.12.2019	9	BV301288
Etelä-Afrikka (South Africa)	F-Secure	Word mark		2017/34359	24.11.2017	2017/34359	29.6.2021	38	BV301289
Etelä-Afrikka (South Africa)	F-Secure	Word mark		2017/34360	24.11.2017	2017/34360	26.4.2021	42	BV301290
Etelä-Afrikka (South Africa)	F-Secure	Word mark		2017/34358	24.11.2017	2017/34358	26.4.2021	9	BV301291
Kanada (Canada)	F-SECURE	Word mark		1239983	8.12.2004	676834	14.11.2006	9, 42	BV301317





Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusno (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Kansainvä- linen TM (Internati- onal TM (M2))	F-Secure	Word mark			10.11.2016	1350927	10.11.2016	9, 38, 42	BV301321
Australia (Australia)	F-Secure	Word mark			10.11.2016	1350927	11.1.2018	9, 38, 42	BV301321AU
Sveitsi (Switzerland)	F-Secure	Word mark			10.11.2016	1350927	18.5.2018	9, 38, 42	BV301321CH
Kolumbia (Colombia)	F-Secure	Word mark			10.11.2016	1350927	18.10.2018	9, 38, 42	BV301321CO
Intia (India)	F-Secure	Word mark			10.11.2016	1350927	20.11.2017	9, 38, 42	BV301321IN
Iran (Iran)	F-Secure	Word mark			10.11.2016	1350927	10.11.2016	9, 38, 42	BV301321IR
Japani (Japan)	F-Secure	Word mark			27.3.2020	1350927		9, 38, 42	BV301321JP
Meksiko (Mexico)	F-Secure	Word mark			10.11.2016	1350927	13.4.2018	9, 38, 42	BV301321MX
Norja (Norway)	F-Secure	Word mark			10.11.2016	1350927	23.2.2018	9, 38, 42	BV301321NO
Uusi-Seelanti (New Zealand)	F-Secure	Word mark			10.11.2016	1350927	31.10.2017	9, 38, 42	BV301321NZ
Venäjä (Russian Federation)	F-Secure	Word mark			10.11.2016	1350927	29.1.2018	9, 38, 42	BV301321RU

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusno (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Clas- ses)	Asianumero (Case No.)
Singapore (Singapore)	F-Secure	Word mark			10.11.2016	1350927	15.11.2018	9, 38, 42	BV301321SG
Turkki (Turkey)	F-Secure	Word mark			10.11.2016	1350927	19.11.2018	9, 38, 42	BV301321TR
Yhdysvallat (USA)	F-Secure	Word mark		79210343	10.11.2016	1350927 (5547774)	28.8.2018	9, 38, 42	BV301321US
Yhdysvallat (USA)	F-SECURE	Word mark		86203072	25.2.2014	4710681	31.3.2015	9, 38, 42	BV301343
Euroopan unioni (European Union)	F-SECURE	Word mark		3764041	26.4.2004	3764041	6.9.2005	9, 42	BV301345
Euroopan unioni (European Union)	F-Secure	Word mark		15348295	19.4.2016	15348295	5.8.2016	9, 38, 42	BV301347
Suomi (Finland)	F-Secure	Word mark		T201651625	28.6.2016	267856	1.11.2016	9, 38, 42	BV301350
Yhdysvallat (USA)	F-SECURE	Word mark		75723972	8.6.1999	2486674	11.9.2001	9	BV301353
Kanada (Canada)	F-Secure	Word mark		1811610	29.11.2016	995019	23.4.2018	9, 38, 42	BV301391
Chile (Chile)	F-Secure	Word mark		1234811	21.12.2016	1263545	16.11.2017	9, 38, 42	BV301393

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Malesia (Malaysia)	F-Secure	Word mark		2016013983	23.12.2016	2016013983	23.8.2018	38	BV301395
Malesia (Malaysia)	F-Secure	Word mark		2016013982	23.12.2016	2016013982	23.8.2018	42	BV301398
Malesia (Malaysia)	F-Secure	Word mark		2016013984	23.12.2016	2016013984	9.8.2018	9	BV301399
Hong Kong (Hong Kong)	F-Secure	Word mark		303978541	30.11.2016	303978541	30.11.2016	9, 38, 42	BV301400
Taiwan (Taiwan)	F-Secure	Word mark		105076686	21.12.2016	1878296	1.11.2017	42	BV301401
Indonesia (Indonesia)	F-Secure	Word mark		2016058710	28.11.2016	601510	27.2.2018	9, 38, 42	BV301402
Etelä-Korea (South Korea)	F-Secure	Word mark		40-2017- 0011879	26.1.2017	40-1327096	1.2.2018	9, 38, 42	BV301404
Peru (Peru)	F-Secure	Word mark		707489-2017	5.6.2017	17669	28.8.2017	9, 38, 42	BV301405
Iso-Britannia (United Kingdom)	F-Secure	Word mark		3379227	28.2.2019	3379227	19.7.2019	9, 38, 42	BV301437
Tsekki (Czechia)	F-SECURE	Word mark		129362	20.1.1998	217328	23.4.1999	9, 42	BV301438
Kroatia (Croatia)	F-SECURE	Word mark		381-04/98	2.2.1998	980127	9.10.1998	9, 42	BV301439

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Malesia (Malaysia)	F-SECURE	Word mark		5015354	14.9.2005	5015354	14.9.2005	42	BV301443
Brasilia (Brazil)	F-SECURE	Word mark		827128215	21.1.2005	827128215	30.10.2007	42	BV301444
Brasilia (Brazil)	F-SECURE	Word mark		827128207	21.1.2005	827128207	17.9.2019	9	BV301446
Intia (India)	F-SECURE	Word mark		1383346	9.9.2005	1383346	5.6.2013	9, 42	BV301447
Malesia (Malaysia)	F-SECURE	Word mark		5015355	14.9.2005	5015355	14.9.2005	9	BV301449
Taiwan (Taiwan)	F-SECURE	Word mark		94043781	13.9.2005	1210741	16.5.2006	9, 42	BV301450
Kolumbia (Colombia)	F-SECURE	Word mark		12-045316	15.3.2012	456921	27.7.2012	9	BV301451
Kolumbia (Colombia)	F-SECURE	Word mark		12-045311	15.3.2012	456920	27.7.2012	42	BV301452
Meksiko (Mexico)	F-SECURE	Word mark		1224794	3.11.2011	1280770	20.4.2012	9	BV301453
Meksiko (Mexico)	F-SECURE	Word mark		1224795	3.11.2011	1278368	10.4.2012	42	BV301454
Taiwan (Taiwan)	F-Secure	Word mark		105076685	21.12.2016	1867277	16.9.2017	9	BV301464


Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusno (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Iso-Britannia (United Kingdom)	F-SECURE	Word mark		731950	16.1.1998	UK00900731950	9.9.1999	9, 42	BV303056
Iso-Britannia (United Kingdom)	F-SECURE	Word mark		3764041	26.4.2004	UK00903764041	6.9.2005	9, 42	BV303255
Iso-Britannia (United Kingdom)	F-Secure	Word mark		15348295	19.4.2016	UK00915348295	5.8.2016	9, 38, 42	BV304125
Kansainvälinen TM (International TM (M2))	F-Secure (2006)	Word mark			7.3.2006	896516	7.3.2006	9, 42	BV301327
Australia (Australia)	F-Secure (2006)	Word mark			7.3.2006	896516	8.3.2007	9, 42	BV301327AU
Sveitsi (Switzerland)	F-Secure (2006)	Word mark			7.3.2006	896516	3.9.2008	9, 42	BV301327CH
Etelä-Korea (South Korea)	F-Secure (2006)	Word mark			7.3.2006	896516	14.3.2008	9, 42	BV301327KR
Singapore (Singapore)	F-Secure (2006)	Word mark			7.3.2006	896516	18.1.2007	9, 42	BV301327SG
Turkki (Turkey)	F-Secure (2006)	Word mark			7.3.2006	896516	10.1.2008	9, 42	BV301327TR
Suomi (Finland)	F-Secure (2006)	Word mark		T200600577	23.2.2006	237503	15.11.2006	9, 42	BV301342

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Japani (Japan)	F-SECURE (in Japan)	Word mark		10-19088	10.3.1998	4524593	22.11.2001	9	BV301440
Kiina (China)	F-Secure F	Figura- tive mark		10149255	4.11.2011	10149255	28.5.2014	9	BV301422
Japani (Japan)	F-SECURE F (logo old triangle)	Figura- tive mark		93351/1994	16.9.1994	3287992	25.4.1997	9	BV301320
Kiina (China)	F-SECURE F (logo old triangle)	Figura- tive mark		1000160	27.9.1995	1000160	7.5.1997	9	BV301322
Euroopan unioni (European Union)	F-Secure Sense	Word mark		14770895	6.11.2015	14770895	19.2.2016	9, 38, 42	BV301310
Hong Kong (Hong Kong)	F-Secure Sense	Word mark		303725208	28.3.2016	303725208	28.3.2016	9, 38, 42	BV301361
Kiina (China)	F-Secure Sense	Word mark		19744497	25.4.2016	19744497	14.6.2017	9	BV301364
Iso-Britannia (United Kingdom)	F-Secure Sense	Word mark		14770895	6.11.2015	UK00914770895	19.2.2016	9, 38, 42	BV304059
Suomi (Finland)	LOKKI	Word mark		T201450778	8.4.2014	261942	15.9.2014	9	BV301430

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusno (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Euroopan unioni (European Union)	SAFE HOME	Word mark		10733921	16.3.2012	10733921	19.9.2012	9, 42	BV301360
Iso-Britannia (United Kingdom)	SAFE HOME	Word mark		10733921	16.3.2012	UK00910733921	19.9.2012	9, 42	BV303686
Euroopan unioni (European Union)	Sense	Word mark		14769996	5.11.2015	14769996	18.5.2017	9	BV301363
Yhdysvallat (USA)	Sense	Word mark		86928890	4.3.2016	5330462	7.11.2017	9	BV301381
Iso-Britannia (United Kingdom)	Sense	Word mark		14769996	5.11.2015	UK00914769996	18.5.2017	9	BV304058
Euroopan unioni (European Union)	SWITCH ON FREE- DOM	Word mark		12651105	28.2.2014	12651105	21.7.2014	9, 38, 42	BV301365
Iso-Britannia (United Kingdom)	SWITCH ON FREE- DOM	Word mark		UK00912651105	28.2.2014	UK00912651105	21.7.2014	9, 38, 42	
Japani (Japan)	エフセキュ ア	Word mark		2016-070361	29.6.2016	5924635	17.2.2017	42	BV306217

*Berggreniä on ohjeistettu olemaan uudistamatta tavaramerkkejä, jotka koskevat F-kuviomerkkiä (F (logo new shield shape)).
(Please note that Berggren has been advised that the trademarks concerning F (logo new shield shape) will not be renewed at their next expiry dates.)

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Maa (Country)	Tekijänoikeus (Copyright)	Kuvio (Picture)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinumero (Registration number)	Rekisteröity (Registered)	Asianumero (Case No.)
Kiina (China)	Shield F-Logo (blue) Chinese		14.5.2014	2014-F-00124232	12.5.2014	BV301388

PATENTIT JA HYÖDYLLISYYSMALLIT (PATENTS AND UTILITY MODELS)

Asianumero (Case no.)	Maa (Country)	Hakemusnumero (Application number)	Rekisteröintinumero (Registration number)
FSC19DIVEPDE	Saksa (Germany)	09163950.0	2101242
FSC19DIVEPGB	Iso-Britannia (United Kingdom)	09163950.0	2101242
FSC19EPGB	Iso-Britannia (United Kingdom)	02783060.3	1440362
FSC19US	Yhdysvallat (USA)	10/493596	8127141
FSC29US	Yhdysvallat (USA)	09/975302	6986050
FSC47US	Yhdysvallat (USA)	11/806568	9092823
FSC172US	Yhdysvallat (USA)	12/587716	8981902
FSC178CONUS	Yhdysvallat (USA)	13/853,623	9009274
FSC178US	Yhdysvallat (USA)	12/587592	8443059
FSC338GB	Iso-Britannia (United Kingdom)	1220146.3	2505529
FSC338US	Yhdysvallat (USA)	14/070903	9231971
FSC344US	Yhdysvallat (USA)	14/070754	9984215
FSC405GB	Iso-Britannia (United Kingdom)	1321755.9	2518460
FSC405US	Yhdysvallat (USA)	14/557,552	9407650
FSC448GB	Iso-Britannia (United Kingdom)	1420542.1	2532452
FSC448US	Yhdysvallat (USA)	14/940388	9712556
FSC480US	Yhdysvallat (USA)	15/284771	10652344
FSC548GB	Iso-Britannia (United Kingdom)	1617801.4	2555384
FSC574US	Yhdysvallat (USA)	15/978300	11019036
FSC606DE	Saksa (Germany)	202018101647.4	202018101647
FSC606FI	Suomi (Finland)	U20184053	12267
FSC619US	Yhdysvallat (USA)	16/787903	

Asianumero (Case no.)	Maa (Country)	Hakemusnumero (Application number)	Rekisteröintinumero (Registration number)
FSC621GB	Iso-Britannia (United Kingdom)	1902145.0	2581389
FSC621US	Yhdysvallat (USA)	16/789813	
FSC624GB	Iso-Britannia (United Kingdom)	1906412.0	2583736
FSC624US	Yhdysvallat (USA)	16/868233	
FSC626GB	Iso-Britannia (United Kingdom)	1907200.8	
FSC626US	Yhdysvallat (USA)	16/881634	
FSC643GB	Iso-Britannia (United Kingdom)	2108754.9	
FSC645GB	Iso-Britannia (United Kingdom)	2114578.4	

MALLIT (DESIGNS)

Asianumero (Case No.)	Maa (Country)	Hakemusnumero (Application Number)	Rekisteröintinumero (Registration number)	Otsikko (Title)
FSC606EU	Euroopan unioni (European Union)	005018504-0001	005018504-0001	Communication devices (part of -), Graphical user interfaces
FSC606EU	Iso-Britannia (United Kingdom)		9005018504-0001	Communication devices (part of -), Graphical user interfaces
FSC606EU	Euroopan unioni (European Union)	005018504-0002	005018504-0002	Graphical user interfaces, Commu- nication devices
FSC606EU	Iso-Britannia (United Kingdom)		9005018504-0002	Graphical user interfaces, Commu- nication devices
FSC606US	Yhdysvallat (USA)	29/663,992	D911,380	Display Screen or Portion thereof with Transitional Virtual Camera Shutter Graphical User Interface

VERKKOTUNNUKSET (DOMAIN NAMES)

Verkkotunnus (Domain name)
antiphishing.eu
antispam.eu
antispyware.eu
antivirus.fi
anti-virus.mobi
bankingprotection.com
banking-protection.com
bestprivacyapp.com
df-data.com
foneav.com
freedome-vpn.com
freedome-vpn.net
friendscreen.info
friendscreen.net
friendscreen.org
f-s.ec
fsapi.net
fscdc.net
fsec.it
fsec.me
f-secu.re
fsecure.ae
f-secure.ae
f-secure.aero
fsecure.am
f-secure.am
fsecure.asia
f-secure.asia

f-secure.at
fsecure.ba
f-secure.ba
fsecure.be
f-secure.be
fsecure.biz
f-secure.biz
fsecure.bo
f-secure.bo
fsecure.bs
f-secure.bs
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f-secure.website
f-secure.xxx
f-secure-antispam.co.uk
f-secure-antispymware.co.uk
f-secure-antivirus.co.uk
f-securebusiness.com
f-secure-campaigns.com
f-securecloud.com
f-secureconsulting.com
fsecurecorporation.com
f-securecorporation.com
f-securedownload.com
f-secure-firewall.co.uk
fsecuregroup.com
f-securegroup.com
f-secure-internetsecurity.co.uk
fsecurekampanja.fi

f-securemarketingcenter.com
f-secure-onlinebackup.co.uk
f-secure-online-solutions.com
f-secure-parentalcontrol.co.uk
f-securerewards.com
f-secureteam.com
f-secure-totalsecurity.co.uk
fsecureusa.com
f-secureusa.com
fsecurevas.com.br
fsecurevip.com
fsecurevip.fi
f-security.com
f-sos.com
f-sos.net
fs-test.com
fsupdate.com
fsupdate.fi
fsupdate.net
fsvpn.net
f-tune.com
ftune.vc
f-tune.vc
fuckingsecure.com
fucking-secure.com
fucksecure.com
fuck-secure.com
getfs.com
getyouunited.com
internetsecurity.eu
internetsecurity.fi

ismydnshijacked.com
ismydnslegit.com
kid-secure.com
kid-secure.net
littleflocker.com
lok.ki
macrocontrol.com
mobilesecurity.mobi
mobvirus.com
no-virus.com
online-wellbeing.com
onlinewellbeing.net
online-wellbeing.net
phoneav.com
phoneav.mobi
play-it-safe.com
protectingtheirreplaceable.co.uk
protecting-the-irreplaceable.co.uk
protectingtheirreplaceable.com
protecting-the-irreplaceable.com
protectingtheirreplaceable.us
protecting-the-irreplaceable.us
protection.mobi
roskaposti.fi
safeandsavvy.co.uk
safeandsavvy.com
safe-playground.net
security-online-services.com
sp-secure.com
steekr.com
supersafeboost.co.uk

virusencyclopedia.com
virus-free.com
virus-help.com
virusinfo.com
virusinfo.fi
virusprotection.com
virusreference.com
virusshield.com
younited.events
younited.fi
younited.hu
younitedapi.com
younited-app.com
younitedcontent.com
younitedevents.com
younitedhosted.com
younitredcontent.com

**SCHEDULE 4: PRELIMINARY ILLUSTRATION OF THE BALANCE SHEETS OF THE
DEMORGING COMPANY AND THE RECEIVING COMPANY**

Schedule 4: Preliminary illustration of the balance sheets of the Demerging Company and the Receiving Company

Balance sheet as at 31 December 2021

EUR 1000	Demerging Company balance sheet	Planned loan repayment	Demerging Company balance sheet prior to Demerger	Receiving Company balance sheet after Demerger	Demerging Company balance sheet after Demerger
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	19 508	-	19 508	5 920	13 588
Tangible assets	811	-	811	-	811
Investments in group companies	122 951	-	122 951	68	122 883
Long term receivables	5 757	-	5 757	-	5 757
Total non-current assets	149 027	-	149 027	5 988	143 039
CURRENT ASSETS					
Inventories	51	-	51	51	-
Trade and other receivables	54 461	-	54 461	19 556	34 906
Short-term investments	26	-	26	-	26
Cash and bank accounts	39 023	-3 000	36 023	12 440	23 583
Total current assets	93 561	-3 000	90 561	32 046	58 515
TOTAL ASSETS	242 588	-3 000	239 588	38 034	201 554
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					
Share capital	1 551	-	1 551	80	80
Share premium	165	-	165	-	-
Treasury shares	-849	-	-849	-	-849
Reserve for invested unrestricted equity	6 789	-	6 789	7 946	6 789
Retained earnings	76 871	-	76 871	-	72 680
Profit for the financial year	15 714	-	15 714	-	13 515
Total shareholders' equity	100 241	-	100 241	8 026	92 215
APPROPRIATIONS					
Depreciation reserve	91	-	91	-	91
LIABILITIES					
Long-term liabilities ¹³	42 423	-	42 423	3 751	38 672
Short-term liabilities ²⁴	99 834	-3 000	96 834	26 257	70 577
Total liabilities	142 256	-3 000	139 256	30 008	109 248
TOTAL SHAREHOLDER EQUITY AND LIABILITIES	242 588	-3 000	239 588	38 034	201 554

¹ Demerging company balance includes bank loan of EUR 13 million which will remain with Demerging Company after the Demerger.

² Demerging company balance includes bank loan of EUR 6 million which will remain with Demerging Company after the Demerger.

³ Demerging company balance includes deferred revenue in total of EUR 18 million of which EUR 15 million will remain with Demerging Company and EUR 3 million will transfer to Receiving Company.

⁴ Demerging company balance includes deferred revenue in total of EUR 42 million of which 26 million will remain with Demerging Company and EUR 16 million will transfer to Receiving Company.

Financial information presented in the unaudited preliminary illustration of the Balance Sheets of the Demerging Company and the Receiving Company ("the illustrative demerger balance sheet") is derived from the audited financial statements of Demerging Company for the financial year ended 31 December 2021 prepared in accordance with the Finnish Accounting Act.

The illustrative demerger balance sheet presented above has been adjusted with the planned repayment of the current bank loan of EUR 3.0 million prior to the Demerger. The impact to the illustrative demerger balance sheet is presented in the column Planned loan repayment.

The shareholder's equities of the Demerging company and Receiving company after the Demerger have been illustrated as described in sections 8, 10.4 and 11 of this Demerger plan.

The illustrative demerger balance sheet presented above does not take into account, among other things, the following potential events which may have a significant impact on the final amount of the assets and liabilities of Demerging Company prior to the execution of the Demerger: The impact of potential changes in the group structure due to the Demerger and their financing are not included in the illustrative demerger balance sheet. The impacts of transaction costs arising from the Demerger and listing after 31 December 2021, or any potential prepayments of the bank loan are not included in the illustrative demerger balance sheet.

In addition, as described in Section 19.1 of the Demerger plan, Demerging Company is investigating a possibility to raise funds by way of a share issue to selected Finnish and international institutional investors and other qualified investors prior to the Effective Date of Demerger. As explained in Section 10.2(p) and 19.9 (c) of the Demerger Plan, any net proceeds raised by way of a potential share issue will remain with Demerging Company after the Demerger. The impact of potential net proceeds to be raised in the share issue is not included in the illustrative demerger balance sheet.

Demerging Company is also considering a new revolving credit facility that would be available for working capital needs for Receiving Company. The impact of the potential revolving credit facility is not included in the illustrative demerger balance sheet. The current undrawn revolving credit facility of Demerging Company at the date of this Demerger plan will remain with Demerging Company.

The final Demerger will take place based on the balance sheet values as at the registration date of the completion of the Demerger. The unaudited illustrative demerger balance sheet information presented above is therefore only indicative and subject to change.

Auditor's statement to the general meeting of F-Secure Oyj (unofficial translation of the Finnish Original)

We have performed a reasonable assurance engagement regarding the demerger plan prepared by F-Secure Corporation (0705579-2) (Demerging Company) dated 17.2.2022. The board of directors of Demerging Company proposes to the shareholders' general meeting of the Demerging Company that the general meeting resolve on the partial demerger of the Demerging Company so that the assets and liabilities related to the Demerging Company's consumer security business will transfer to a company to be incorporated in connection with the partial demerger, which will later be named as F-Secure Corporation.

The Demerging Company is proposed to be renamed as WithSecure Corporation.

Responsibility of the Board of Directors

The Board of Directors of F-Secure Corporation is responsible for the preparation of the demerger plan that give a true and fair view, as referred to in the Limited Liability Companies Act, of the grounds for setting the demerger consideration, as well as of the distribution of the consideration.

Auditor's independence and quality control

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Control (ISQC) 1 and therefore maintains a comprehensive quality control system including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to issue a statement regarding the demerger plan. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000. The engagement includes procedures to obtain reasonable assurance as to whether a true and fair view has been provided, as referred to in the Limited Liability Companies Act, in the demerger plan of the grounds for setting the demerger consideration, as well as of the distribution of the demerger consideration.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Statement

As our statement pursuant to chapter 17 section 4 of the Limited Liability Companies Act we state that a true and fair view has been provided, as referred to in the Limited Liability Companies Act, in the demerger plan of the grounds for setting the demerger consideration, as well as of the distribution of the consideration.

Helsinki 17 February 2022

PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT)

**APPENDIX B - INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF PRO
FORMA FINANCIAL INFORMATION INCLUDED IN THE OFFERING CIRCULAR**

To the Board of Directors of WithSecure Corporation

Independent auditor's assurance report on the compilation of pro forma financial information included in an Offering Circular (translation)

We have completed our assurance engagement to report on the compilation of pro forma financial information of consumer business of WithSecure Corporation which shall be transferred in a partial demerger from WithSecure Corporation to F-Secure Corporation, ("F-Secure"), a new company to be established in the partial demerger (the "Demerger"), which has been compiled by the Board of Directors of WithSecure Corporation. The pro forma financial information comprises pro forma combined statement of financial position as at 31 March 2022, pro forma combined statement of income for the three months period ended 31 March 2022 and for the year ended 31 December 2021 and related notes set out in the section "Unaudited Pro Forma Financial Information" of the Offering Circular issued by WithSecure Corporation. The applicable basis used by the Board of Directors of WithSecure Corporation in compiling the pro forma financial information is specified in Annex 20 of Commission Delegated Regulation (EU) 2019/980 and described in the section "Unaudited Pro Forma Financial Information" of the Offering Circular.

The pro forma financial information has been compiled by the Board of Directors of WithSecure Corporation to illustrate the impact of the Demerger set out in the section "Unaudited Pro Forma Financial Information" of the Offering Circular on financial position as at 31.3.2022 and its financial performance for the three months period ended 31.3.2022 and for the year ended 31.12.2021 of F-Secure Corporation, as if the Demerger had taken place at 31.3.2022 for the pro forma combined statement of financial position and at 1.1.2021 for the pro forma combined income statements. As part of this process, information about the financial position and financial performance has been extracted by the Board of Directors of WithSecure Corporation from carve-out financial statements of F-Secure for the year ended 31.12.2021, on which an audit report has been published and carve-out interim financial information of F-Secure for the period ended 31.3.2022, on which no audit or review report has been published.

The Board of Director's responsibility for the pro forma financial information

The Board of Directors of WithSecure Corporation is responsible for compiling the pro forma financial information in accordance with the Commission Delegated Regulation (EU) 2019/980.

The Practitioner's Independence and Quality Control

We are independent from the company according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted.

The practitioner applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The practitioner's responsibilities

Our responsibility is to express an opinion, as required by section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980, as to whether the pro forma financial information has been compiled, in all material respects, by the Board of Directors of WithSecure Corporation on the basis stated and whether that basis is consistent with the accounting policies applied in the carve-out financial statements of F-Secure.



We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3420) Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance as to whether the pro forma financial information has been compiled by the Board of Directors of WithSecure Corporation, in all material respects, in accordance with Commission Delegated Regulation (EU) 2019/980.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in an Offering Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the issuer involves performing procedures to assess whether the basis used by the Board of Directors of WithSecure Corporation in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the basis stated has been consistently applied in the pro forma adjustments; and
- the resulting pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

- the pro forma financial information has been properly compiled on the basis stated in the section "Unaudited Pro Forma Financial Information" of the Offering Circular and
- the basis stated is consistent with the accounting policies applied by F-Secure in the carve-out financial statements.

Restriction to the distribution and the use of the report

This report has been issued solely for the purposes of including in the Offering Circular prepared in accordance with Prospectus Regulation (EU) 2017/1129 and Commission Delegated Regulation (EU) 2019/980.

Helsinki 13 May 2022

PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT)

Last page of Offering Circular, no page numbering.