



INTERIM REPORT

1 JANUARY—30 SEPTEMBER 2022 | F-SECURE CORPORATION



WE ARE OFF TO A GOOD START

HIGHLIGHTS OF JULY–SEPTEMBER (Q3)

- Revenue increased by 5.3% to EUR 27.9 million (EUR 26.5 million)
 - Revenue from Partner Channel increased by 5.5% to EUR 22.1 million (EUR 21.0 million)
 - Revenue from Direct Channel increased by 4.7% to EUR 5.8 million (EUR 5.5 million)
- Adjusted EBITA was EUR 11.4 million (EUR 12.3 million), 40.8% of revenue (46.4%)
- Earnings per share (EPS) was EUR 0.05 (EUR 0.05)
- Cash flow from operating activities before financial items and taxes was EUR 11.4 million (EUR 10.0 million)

HIGHLIGHTS OF JANUARY–SEPTEMBER

- Revenue increased by 4.6% to EUR 82.8 million (EUR 79.2 million)
 - Revenue from Partner Channel increased by 4.7% to EUR 65.5 million (EUR 62.6 million)
 - Revenue from Direct Channel increased by 4.0% to EUR 17.2 million (EUR 16.6 million)
- Adjusted EBITA was EUR 34.2 million (EUR 36.0 million), 41.3% of revenue (45.4%)
- Items affecting comparability (IAC) for Adjusted EBITA were EUR -3.8 million (EUR -2.4 million)
- Earnings per share (EPS) was EUR 0.13 (EUR 0.15)
- Cash flow from operating activities before financial items and taxes was EUR 31.4 million (EUR 29.2 million)

F-Secure Corporation has formed a separate legal group as of June 30, 2022. The financial information presented in this interim report is based on actual figures as an independent group after the consummation of the partial demerger and carve-out figures prior to the consummation of the partial demerger. Figures in brackets refer to the corresponding period in the previous year, unless otherwise stated. Percentages and figures presented herein may include rounding differences and therefore may not add up precisely to the totals presented. All figures in the following tables are EUR million unless otherwise stated. This interim year report is unaudited.

OUTLOOK (UNCHANGED)

In June 2022, WithSecure Corporation Board of Directors, with F-Secure Corporation Board of Directors, issued the following financial outlook for F-Secure for 2022.

We expect F-Secure revenue to grow by 4-6% year-on-year.

Due to necessary investments into establishing our independence and ensuring future growth, we will see lower profitability during the rest of the year compared to Q1/2022. Thus, we expect the adjusted EBITA to be approximately 40% for the full year 2022.

FINANCIAL TARGETS (UNCHANGED)

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%
- **Dividend Yield:** F-Secure aims to pay around or above 50% of net profit as dividend on an annual basis.

F-Secure Corporation follows the Rule of 40 metric as internal performance measurement and guiding principle, according to which the combined revenue growth rate and profitability margin should be equal to or greater than 40%.

FINANCIAL PERFORMANCE

| EUR million | 7-9/2022 | 7-9/2021 | Change % | 1-9/2022 | 1-9/2021 | Change % | 1-12/2021 |
|---|----------|----------|----------|----------|----------|----------|-----------|
| Revenue | 27.9 | 26.5 | 5.3% | 82.8 | 79.2 | 4.6% | 106.3 |
| Partner channel | 22.1 | 21.0 | 5.5% | 65.5 | 62.6 | 4.7% | 84.2 |
| Direct channel | 5.8 | 5.5 | 4.7% | 17.2 | 16.6 | 4.0% | 22.1 |
| Cost of revenue | -2.2 | -2.2 | 2.0% | -7.0 | -6.3 | 10.2% | -8.8 |
| Gross Margin | 25.7 | 24.3 | 5.6% | 75.8 | 72.8 | 4.1% | 97.4 |
| % of revenue | 92.0% | 91.8% | | 91.6% | 92.0% | | 91.7% |
| Other operating income | 0.4 | 0.1 | 264.2% | 0.8 | 0.4 | 119.8% | 0.5 |
| Operating expenses¹⁾ | -14.5 | -12.1 | 19.7% | -42.1 | -37.1 | 13.6% | -50.6 |
| Sales & Marketing | -6.2 | -7.0 | -11.0% | -22.4 | -21.0 | 6.8% | -28.5 |
| R&D | -3.3 | -3.6 | -9.2% | -11.5 | -11.4 | 1.5% | -15.6 |
| Administration | -4.9 | -1.4 | 245.8% | -8.2 | -4.8 | 71.9% | -6.5 |
| Adjusted EBITDA¹⁾ | 11.7 | 12.4 | -5.8% | 34.5 | 36.1 | -4.5% | 47.4 |
| % of revenue | 41.7% | 46.7% | | 41.7% | 45.6% | | 44.6% |
| Adjusted EBITA¹⁾ | 11.4 | 12.3 | -7.3% | 34.2 | 36.0 | -5.0% | 47.2 |
| % of revenue | 40.8% | 46.4% | | 41.3% | 45.4% | | 44.4% |
| Items affecting comparability (IAC)²⁾ | | | | -3.8 | -2.4 | 58.3% | -2.4 |
| Depreciation & amortization | -0.6 | -0.4 | 44.4% | -1.4 | -1.1 | 20.2% | -1.5 |
| EBIT | 11.1 | 12.0 | -7.6% | 29.4 | 32.6 | -9.9% | 43.5 |
| % of revenue | 39.6% | 45.1% | | 35.5% | 41.2% | | 40.9% |
| Adjusted EBIT¹⁾ | 11.1 | 12.0 | -7.6% | 33.1 | 35.0 | -5.3% | 45.9 |
| % of revenue | 39.6% | 45.1% | | 40.0% | 44.2% | | 43.2% |
| Earnings per share (EUR)³⁾ | 0.05 | 0.05 | -8.0% | 0.13 | 0.15 | -10.4% | 0.20 |
| Shareholders' equity per share, EUR | 0.10 | | | | | | |
| Operating cash flow | 10.3 | 7.6 | 36.1% | 25.7 | 22.5 | 13.9% | 36.1 |
| Cash conversion % | 82.5% | 75.0% | | 92.8% | 83.4% | | 95.6% |
| Deferred revenue | 19.8 | 19.0 | 4.2% | 19.8 | 19.0 | 4.2% | 19.7 |
| Net debt (+) / Net cash (-)⁴⁾ | | | | -10.8 | 0.2 | | 0.2 |
| Gearing, % | | | | -37.8% | | | |
| Equity ratio, % | | | | 32.4% | 30.8% | | 24.5% |
| Personnel at the end of the period⁵⁾ | | | | 361 | 246 | 46.7% | 248 |

The key figures and other financial information are presented on an actual basis for the income statement Q3/2022 and financial position as at 30 September 2022, combining actuals and carve-out basis for 1-9/2022, and on a carve-out basis for all other financial information for the other periods presented. Refer to Note 1, Basis of Preparation.

¹⁾ Excluding Items Affecting Comparability (IAC) and depreciation and amortization.

²⁾ A reconciliation of items affecting comparability is presented at the end of this report.

³⁾ Based on the average number of shares for Q3/2022 and on the number of shares upon formation of F-Secure on 30 June 2022 for all other periods.

⁴⁾ Prior to the demerger on 30 June 2022, no cash or certain lease liabilities, such as lease liabilities related to business premises or machinery and equipment, were allocated to F-Secure. From 30 June 2022 onwards, the figure includes F-Secure's interest-bearing liabilities, less interest-bearing receivables and cash and cash equivalents.

⁵⁾ Prior to the demerger on 30 June 2022, the figure consisted of personnel directly employed by the consumer security business and did not include the share of personnel in shared group functions. At the end of Q3 2022, the figure comprises all personnel employed by F-Secure.

TIMO LAAKSONEN, CEO

F-Secure's first quarter as an independent company commenced well in terms of both revenue and profitability development, despite persisting macroeconomic and geopolitical turmoil. The cyber security space has proven to be resilient in economic downturns, and global megatrends such as accelerating digitalization and consumers increased awareness of the need for cyber security underpin the demand for our products.

The underlying market demand for F-Secure products was favorable across geographies, even though we experienced somewhat weaker consumer sentiment in the third quarter. This resulted in a weaker new business sales in the direct channel, which can be contributed to lower laptop and mobile device sales [source: Gartner]. Our service renewal rates remained strong. In the third quarter of 2022, revenue increased by 5.3% amounting to EUR 27.9 million, supported by good development especially in the partner channel and partially supported by the strong dollar. Revenue growth from the beginning of the year was 4.6% compared to the previous year. The adjusted EBITA margin was 40.8% in the third quarter and 41.3% year-to-date.



Operationally, we progressed according to plan. We continued to add new partners while improving ARPU (average revenue per user) with existing partners with our products F-Secure TOTAL and F-Secure SENSE. Customer loyalty also continued to improve. During the course of this year approximately 20 existing partners have signed up for F-Secure TOTAL upgrade, over half of them already live in production. We are delighted to see the strong market response to our comprehensive all-in-one security suite. Our other strategic growth initiatives have also developed well. The expansion into new vertical partnerships is progressing well with a mid-sized European insurance company and a European bank having signed up for F-Secure TOTAL in Q3 with service launches planned for late 2022 and H1/2023. Also, a utility company and an insurance company in the Nordics went live with their F-Secure TOTAL services during Q3. On the new product front F-Secure SENSE and ID Protection have been well received by the market which is reflected in the positive revenue development.

Key for delivering sustainable and profitable growth is to have the right ecosystem of customers, partners and committed people. One highlight of the quarter was F-Secure SPECIES – a global conference where F-Secure partners from around the world can meet and exchange ideas, experiences and best practices. This year's conference was a great success according to partner feedback, and it was a pleasure to meet so many of our partners, this time in Helsinki, Finland. In September we published the results from our partner NPS (Net Promoter Score) survey from July 2022 indicating great partner satisfaction, as the score was excellent at 57. Also, based on our eNPS (Employee Net Promoter Score) survey conducted in September 2022 our employee satisfaction is on a very good level. During the third quarter we launched an employee share savings plan (ESSP), which contributes to aligning the interests of the shareholders and the employees as well as to increasing employees' long-term commitment to the company. The share savings plan was well received by our personnel, which is reflected in the high participation rate.

I am proud of the strong performance of our people during the quarter, right after successfully demerging into a company focusing solely on consumer cyber security. It hasn't been without challenges to balance projects towards independence, maintaining high level of business performance while also developing completely new growth initiatives and ramping up our operations. In our daily work, our decisions are guided by the vision to become the number one security experience company. We continue referring to our current and prospective customers and partners as our compass, to gain deeper understanding of their needs and the value they expect from us. With that in mind, we develop our products and services to secure the digital moments that give consumers' online lives meaning and purpose and most importantly of all, a sense of security.

GROUP PERFORMANCE

July–September 2022

Revenue

F-Secure revenue increased by 5.3% to EUR 27.9 million (EUR 26.5 million) in the third quarter, driven by good demand for our strategic growth products, F-Secure TOTAL, SENSE and ID Protection. Revenue growth was especially strong in the partner channel, but both channels contributed to the growth.

Partner Channel

Revenue from the partner channel grew by 5.5% to EUR 22.1 million (EUR 21.0 million) with an increase in sales especially in North America and Nordic countries. Growth was strongest in North America, mainly attributable to a positive currency impact. Revenue decreased in the rest of Europe, due to lower retail sales and a regulatory change in Poland that has a continued negative impact on adoption rates on the local market. The roll-out of the latest version of F-Secure TOTAL continued and progressed as planned in the partner channel during the third quarter. During the quarter, a mid-sized European insurance company and a European bank signed up for F-Secure TOTAL among others.

Direct Channel

Revenue from direct channel increased by 4.7% to EUR 5.8 million (EUR 5.5 million). Sales in F-Secure e-commerce increased especially in Germany. Renewal performance was strong during the third quarter. Average revenue per user (ARPU) continued to grow, as consumers are increasingly interested in bundled security and privacy solutions to secure their digital lives, which is driving sales of F-Secure TOTAL. The consumer sentiment turned somewhat weaker in the third the quarter, impacting new business sales in the direct channel.

Gross margin

Gross margin increased by EUR 1.4 million to 25.7 million (EUR 24.3 million) and was 92.0% of revenue (91.8%). In connection with the demerger from WithSecure, F-Secure and WithSecure entered into transitional services agreements (“TSA”) to support the continuous operations of F-Secure. In the third quarter, the TSA costs were EUR 1.0 million in cost of revenue. These TSAs in cost of revenue are planned to terminate latest by the end of 2023.

Operating expenses

Operating expenses excluding depreciation and amortization were EUR 14.5 million (EUR 12.1 million) in the third quarter of 2022. Sales and marketing costs were EUR 6.2 million (EUR 7.0 million). Research and development (R&D) costs were EUR 3.3 million (EUR 3.6 million) and administration costs were EUR 4.9 million (EUR 1.4 million). Figures for previous period are not fully comparable as the classification and allocation method used in carve-out vary from actuals, see more in Note 1, Basis of Preparation on page 19. Administration costs increased due to the ongoing ramp-up process as we are strengthening and developing our internal operations after the demerger. In connection with the demerger from WithSecure, F-Secure and WithSecure entered into transitional services agreements (“TSA”) to support the continuous operations of F-Secure. TSA costs incurred in the third quarter were EUR 1.0 million in R&D and EUR 2.6 million in administration. Majority of the administration TSAs are planned to terminate at the end of 2022, and the rest of administration and all of R&D by the end of 2023.

Depreciation and amortization totaled EUR 0.6 million (EUR 0.4 million) in the third quarter of 2022.

Profitability

Adjusted EBITA was EUR 11.4 million and 40.8% of revenue (EUR 12.3 million, 46.4%) for the third quarter of 2022. EBIT was EUR 11.1 million and 39.6% of revenue (EUR 12.0 million, 45.1%). Profitability in the third quarter was burdened by increased administration costs, as we are still building up and strengthening our operations as an independent company.

January–September 2022

Revenue

F-Secure revenue in January–September increased by 4.6% to EUR 82.8 million (79.2 million). Growth was strong especially in the partner channel, but both channels contributed to the growth.

Partner Channel

Revenue from the partner channel grew by 4.7% to EUR 65.5 million (EUR 62.6 million) with an increase in sales across several regions, such as the Nordic countries, North America and Asia. Growth 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. The roll-out of the latest version of F-Secure TOTAL accelerated in the partner channel towards the end of the review period, with approximately 20 existing partners having signed up for F-Secure TOTAL upgrade.

Direct Channel

Revenue from direct channel increased by 4.0% to EUR 17.2 million (EUR 16.6 million). Sales in F-Secure e-commerce increased especially in Germany. Renewal performance remained strong throughout the period. Average revenue per user grew, as consumers are increasingly interested in bundled security and privacy solutions to secure their digital lives, which is driving sales of F-Secure TOTAL. We experienced somewhat weaker consumer sentiment towards the end of the review period, impacting new business sales in the direct channel.

Gross margin

Gross margin increased by EUR 3.0 million to 75.8 million (EUR 72.8 million) and was 91.6% of revenue (92.0%). Royalties and hosting costs increased during the review period, due to negative USD currency impacts. In connection with the demerger from WithSecure, F-Secure and WithSecure entered into transitional services agreements (“TSA”) to support the continuous operations of F-Secure. The TSA costs incurred in the third quarter and were EUR 1.0 million in cost of revenue. These TSAs in cost of revenue are planned to terminate latest by the end of 2023.

Operating expenses

Operating expenses excluding depreciation, amortization and items affecting comparability (IAC) were EUR 42.1 million (EUR 37.1 million). Sales and marketing costs were EUR 22.4 million (EUR 21.0 million). Research and development costs were EUR 11.5 million (EUR 11.4 million). Administration costs were EUR 8.2 million (EUR 4.8 million). Figures for previous period are not fully comparable as the classification and allocation method used in carve-out vary from actuals, see more in Note 1, Basis of Preparation on page 19. The increase in operating expenses resulted from increased and partially overlapping expenses in connection with the post-demerger ramp-up as we have been building up the necessary capabilities to operate as an independent company. In connection with the demerger from WithSecure, F-Secure and WithSecure entered into transitional services agreements (“TSA”) to support the continuous operations of F-Secure. The TSA costs incurred in the third quarter and were EUR 1.0 million in R&D and EUR 2.6 million in administration. Majority of the administration TSAs are planned to terminate at the end of 2022, and the rest of admin and all of R&D by the end of 2023.

Items affecting comparability (IAC) totaled EUR 3.8 million (EUR 2.4 million), attributable to costs incurred due to the listing in the second quarter of 2022 (described in Alternative performance measures on page 25).

Depreciation and amortization totaled EUR 1.4 million (EUR 1.1 million).

Profitability

Adjusted EBITA was EUR 34.2 million and 41.3% of revenue (EUR 36.0 million, 45.4%). EBIT was EUR 29.4 million and 35.5% of revenue (EUR 32.6 million, 41.2%), including EUR 3.8 million of costs related to the listing. The demerger-related ramp-up process burdened profitability as we are building up and strengthening our operations as an independent company.

Revenue by sales channel

| EUR million | 7-9/2022 | 7-9/2021 | 1-9/2022 | 1-9/2021 | 1-12/2021 |
|--|-------------|-------------|-------------|-------------|--------------|
| Revenue from external customers | | | | | |
| Partner channel | 22.1 | 21.0 | 65.5 | 62.6 | 84.2 |
| Direct channel (E-commerce) | 5.8 | 5.5 | 17.2 | 16.6 | 22.1 |
| Total | 27.9 | 26.5 | 82.8 | 79.2 | 106.3 |

Revenue by geography

| EUR million | 7-9/2022 | 7-9/2021 | 1-9/2022 | 1-9/2021 | 1-12/2021 |
|--|-------------|-------------|-------------|-------------|--------------|
| Revenue from external customers | | | | | |
| Nordic countries | 9.9 | 9.3 | 29.4 | 27.5 | 36.9 |
| Rest of Europe | 12.0 | 12.3 | 36.4 | 37.2 | 49.6 |
| North America | 4.4 | 3.7 | 12.5 | 10.7 | 14.6 |
| Rest of world | 1.6 | 1.3 | 4.4 | 3.8 | 5.2 |
| Total | 27.9 | 26.5 | 82.8 | 79.2 | 106.3 |

CASH FLOW, FINANCIAL POSITION AND FINANCING

| EUR million | 7-9/2022 | 7-9/2021 | Change % | 1-9/2022 | 1-9/2021 | Change % | 1-12/2021 |
|---|----------|----------|----------|----------|----------|----------|-----------|
| Cash and cash equivalents | | | | 14.6 | | | |
| Receivable from WithSecure | | | | | 10.2 | | 12.1 |
| Interest-bearing receivables | | | | 3.9 | | | |
| Lease liabilities, non-current | | | | 1.1 | 0.1 | | 0.1 |
| Lease liabilities, current | | | | 1.0 | 0.1 | | 0.1 |
| Other interest-bearing liabilities, non-current | | | | 5.7 | | | |
| Capital Expenditure | 1.6 | 0.6 | 175.9% | 2.7 | 1.1 | 158.9% | 1.7 |
| % of revenue | 5.8% | 2.2% | | 3.3% | 1.3% | | 1.6% |

In January–September 2022, cash flow from operating activities before financial items and taxes amounted to EUR 31.4 million (EUR 29.2 million). Cash flow from operations was EUR 25.7 million (EUR 22.5 million) and the cash conversion rate was 92.8% (83.4%). Prior to the Demerger on 30 June 2022, no cash or cash equivalents were allocated to F-Secure in the carve-out financial information, instead it was presented as Receivable from WithSecure. The receivable from WithSecure was transferred as cash to F-Secure in July 2022, and as at 30 September 2022, cash and cash equivalents were EUR 14.6 million in total. Additionally, F-Secure has a committed revolving credit facility of EUR 10 million as at 30 September (undrawn).

Total assets were EUR 56.0 million (EUR 39.1 million) at the end of September 2022. Equity ratio was 32.4% (30.8%), while gearing was -37.8%. F-Secure net cash was EUR 10.8 million (net debt of EUR 0.2 million) at the end of September 2022.

As at 30 September 2022, F-Secure's current lease liabilities were EUR 1.0 million (EUR 0.1 million) and non-current lease liabilities were EUR 1.1 million (EUR 0.1 million). The lease liabilities relate to leases for office premises and cars. In May 2022, in connection with the Demerger, F-Secure entered lease agreements for its office premises.

Prior to completion of the Demerger, WithSecure's consumer business conducted by its foreign subsidiaries was separated from the rest of the business 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 3.0 million. The payback time for the resulting payables and receivables 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. F-Secure's payables to WithSecure totaled EUR 5.7 million and the receivables from WithSecure totaled EUR 3.9 million, presented in the table above as Other interest-bearing liabilities (non-current) and interest-bearing receivables, respectively.

In January–September 2022, capital expenditure was EUR 2.7 million (EUR 1.1 million). Capital expenditure was mainly related to research and development and IT.

ORGANIZATION AND LEADERSHIP

At the end of the third quarter, F-Secure had 361 (246*) employees. The reported number of employees at the end of the third quarter is slightly lower than at the end of the second quarter, due to the number of changes in personnel in connection with the demerger in June and due to ending fixed-term contracts. Since the demerger, we have systematically invested into building our organization, employer brand and acquiring the right talent. Due to specialized technology skills required some of our efforts have proceeded more slowly than anticipated.

At the end of the third quarter, the composition of the Leadership Team was the following:

| | |
|------------------|--|
| Timo Laaksonen | President & Chief Executive Officer |
| Sari Somerkallio | Chief Financial Officer |
| Toby White | Chief Technology Officer |
| Kitta Virtavuo | Chief People Officer |
| Paul Palmer | Senior Vice President, Partner Business |
| Perttu Tynkkynen | Senior Vice President, Direct Business |
| Michal Iwan | Vice President, Security Suite Business Team |
| Mikko Kestilä | Vice President, Operations |
| Richard Larcombe | Chief Marketing Officer |
| Antero Norkio | Senior Vice President, Corporate Development |
| Steven Offerein | Vice President, Portfolio Management |
| Dmitri Vellikok | Vice President, Network Security Business Team |

* Prior to the demerger on 30 June 2022, the figure consisted of personnel directly employed by the consumer security business and did not include the share of personnel in shared group functions.

SHARES AND SHAREHOLDERS

F-Secure was created through the Demerger on 30 June 2022, when WithSecure's consumer security business was transferred into a new independent company. Trading in F-Secure's shares on Nasdaq Helsinki commenced on 1 July 2022.

At the end of September 2022, the registered share capital of F-Secure was 80,000 and the company had 174,526,944 fully paid shares. At the end of September 2022, the company's market capitalization was EUR 428 million. The share trading volume in the review period was EUR 23 million and 8.9 million shares. The share's volume weighted average price during the review period was EUR 2.58. The highest price during the review period was EUR 3.17 and the lowest EUR 2.29. The closing price of the share at the end of September 2022 was EUR 2.45.

The number of registered shareholders at the end of September was 31,532, including nominee registers. The company did not hold any treasury shares at the commencement of trading or on the date of this report.

GOVERNANCE

Extraordinary General Meeting 2022

The Extraordinary General Meeting of WithSecure Corporation was held on 31 May 2022. The Extraordinary General Meeting resolved to approve the demerger plan and the partial demerger, in which all assets and liabilities relating to the company's consumer security business transferred without a liquidation procedure to F-Secure Corporation in accordance with the demerger plan.

The General Meeting's resolution concerning the Demerger included also the resolutions concerning amending WithSecure's Articles of Association, the demerger consideration, reducing WithSecure's share capital and

dissolving WithSecure's share premium reserve as well as authorizing F-Secure's Board of Directors to decide on the repurchase of F-Secure's own shares and on the issuance of shares, option rights and other special rights entitling to shares.

Demerger consideration

The General Meeting resolved that the shareholders of WithSecure receive as demerger consideration one (1) new share in F-Secure for each share they hold in WithSecure on the Effective Date.

Authorization of the Board of Directors of F-Secure to decide on the repurchase of F-Secure's own shares

The General Meeting resolved, conditional upon the completion of the Demerger, to authorize the Board of Directors of F-Secure to decide upon 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 own unrestricted equity.

By virtue of the authorization, the Board of Directors shall decide on the repurchase also in deviation from the proportional holdings of the shareholders (directed repurchase). The authorization comprises the repurchase of shares either in the public trading or otherwise in the market on the trading price determined for the shares in public trading on the date of purchase, 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 shall be repurchased to be used for carrying out acquisitions or implementing other arrangements related to F-Secure's business, for optimizing the company's capital structure, as part of the implementation of the company's incentive scheme or otherwise to be transferred further or cancelled. The authorization includes the right of the Board of Directors of F-Secure to decide on all other terms related to the repurchase of the company's own shares.

The authorization is proposed to be valid until the conclusion of the first Annual General Meeting of F-Secure following the Effective Date as set forth in the demerger plan, in any case until no later than 30 June 2023.

Authorization of 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 General Meeting resolved, conditional upon the implementation of the Demerger, to authorize the Board of Directors of F-Secure to decide on the issuance of a maximum of 15,000,000 shares in total through a share issue as well as by issuing options and other special rights entitling to shares pursuant to Chapter 10, Section 1 of the Limited Liability Companies Act in one or several tranches. The authorization concerns both the issuance of new shares and the transfer of treasury shares held by F-Secure.

The authorization entitles the Board of Directors of F-Secure 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 authorization may be used for carrying out potential acquisitions or other arrangements, share-based incentive programs or otherwise for purposes decided by the Board of Directors. The Board of Directors of F-Secure is also entitled to decide on the sale of treasury shares on the regulated market of Nasdaq Helsinki Ltd in accordance with its rules and guidelines.

The authorization will be valid until the conclusion of the first Annual General Meeting of F-Secure following the Effective Date as set forth in the demerger plan, in any case until no later than 30 June 2023.

Handling of the remuneration policy for governing bodies of F-Secure

The General Meeting resolved, conditional upon the completion of the Demerger, to support the proposed remuneration policy for governing bodies of F-Secure. The resolution is advisory.

Resolution on the number of members of the Board of Directors of F-Secure

The General Meeting resolved, conditional upon the completion of the Demerger, that the number of members of the Board of Directors of F-Secure shall be six (6).

Resolution on the remuneration of the members of the Board of Directors of F-Secure

The General Meeting resolved, conditional upon the completion of the Demerger, that the remuneration for the term of the Board of Directors of F-Secure shall be paid as follows:

- EUR 80,000 for the Chairperson of the Board of Directors,
- EUR 48,000 for the Committee Chairpersons
- EUR 38,000 for the members of the Board of Directors, and

- EUR 12,667 for the members of the Board of Directors employed by F-Secure.

Further, the General Meeting resolved that approximately 40 per cent of 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 the 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.

Election of members of the Board of Directors of F-Secure

The General Meeting resolved, conditional upon the implementation of the Demerger and in accordance with the Board of Directors' recommendation, to elect Pertti Ervi, Thomas Jul, Madeleine Lassoued, Risto Siilasmaa, Petra Teräsaho and Calvin Gan, who belongs to the personnel of F-Secure, as members of the Board of Directors of F-Secure.

Resolution on the remuneration of the auditor of F-Secure

The General Meeting resolved, conditional upon the implementation of the Demerger and in accordance with the Board of Directors' recommendation, that the remuneration to the auditor of F-Secure be paid in accordance with the approved invoice.

Election of the auditor of F-Secure

The General Meeting resolved, conditional upon the implementation of the Demerger and in accordance with the Board of Directors' recommendation, to elect PricewaterhouseCoopers Oy as auditor of F-Secure. PricewaterhouseCoopers Oy has stated that Mr Janne Rajalahti, APA, will act as the Responsible Auditor.

Organizing meeting of the Board of Directors

In its organizing meeting held after The Extraordinary General Meeting of WithSecure, the members of F-Secure's Board of Directors resolved to elect from among its members Pertti Ervi as the Chairperson of the Board of Directors. The members of the Board of Directors of F-Secure resolved at the same time to establish an Audit Committee and elect Petra Teräsaho as its Chairperson and Pertti Ervi and Risto Siilasmaa as its members.

RISKS AND UNCERTAINTIES

Risks related to the Demerger

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

F-Secure's business organizations are dependent to a certain extent on 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.

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.

F-Secure may be liable for certain obligations of WithSecure following the effective date of the Demerger and such obligations could have an adverse effect on F-Secure's financial position and results of operations.

Risks related 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.

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

Inflation has increased the risk of negative development of the cost structure, especially inflation in salary levels could have adverse effect on F-Secure personnel expenses. Rising energy prices could have an impact mainly on cost of revenue through cloud production cost. Inflation may have a negative impact due to lower consumer sentiment mostly indirectly due to decreasing sales of devices for which F-Secure products are typically purchased, but as well directly due to lower renewal rates.

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, and reduce the demand for the products and services offered by F-Secure. The Ukraine war has increased the uncertainty in the world and the risk of unexpected disruptions of the world economy. 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.

Risks related to F-Secure's business operations and strategy

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

Actual, possible or perceived defects, disruptions or vulnerabilities in F-Secure's products or services, including risks from cyber security 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.

Risks related to the technology used by F-Secure, intellectual property rights and other regulations

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. 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. Leakage of personal data collected by F-Secure 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.

SIGNIFICANT EVENTS DURING THE REVIEW PERIOD

F-Secure was created through the Demerger on 30 June 2022, when WithSecure's consumer security business was transferred into a new independent company. Trading in F-Secure's shares commenced on the Helsinki Stock Exchange on 1 July 2022.

On 23 August 2022, F-Secure announced that the Board of Directors of F-Secure Corporation had decided to establish an Employee Share Savings Plan (ESSP) for the employees of F-Secure Corporation and its subsidiaries. The aim of the ESSP is to encourage employees to acquire and own F-Secure shares, and it is intended to align the interests of the shareholders and the employees as well as to increase employees' long-term commitment to the company. Participation in the ESSP is voluntary and the employees will be invited to participate in one plan period at a time. The first plan period will commence on 1 October 2022 and end on 30 September 2025. The holding period of the first plan period begins at the first acquisition of savings shares and ends on 30 September 2025.

FINANCIAL CALENDAR

In 2023, F-Secure will publish financial information as follows:

- Financial Statement Release 2022 and Annual Report 2022, Friday, February 17, 2023
- Interim Report for January-March 2023, Wednesday, April 26, 2023
- Half-Year Financial Report for January-June 2023, Thursday, July 20, 2023
- Interim Report for January-September 2023, Wednesday, October 25, 2023

The Annual General Meeting of F-Secure Corporation is planned to be held on March 23, 2023.

Helsinki, October 31, 2022

F-Secure Corporation

Board of Directors

FINANCIAL INFORMATION

INCOME STATEMENT

| | 7-9/2022 | 7-9/2021 | Change % | 1-9/2022 | 1-9/2021 | Change % | 1-12/2021 |
|--|-------------|-------------|--------------|-------------|-------------|---------------|-------------|
| Revenue | 27.9 | 26.5 | 5.3% | 82.8 | 79.2 | 4.6% | 106.3 |
| Cost of revenue | -2.2 | -2.2 | 2.0% | -7.0 | -6.3 | 10.2% | -8.8 |
| Gross margin | 25.7 | 24.3 | 5.6% | 75.8 | 72.8 | 4.1% | 97.4 |
| Other operating income | 0.4 | 0.1 | 264.2% | 0.8 | 0.4 | 119.8% | 0.5 |
| Sales and marketing | -6.5 | -7.1 | -8.3% | -22.7 | -21.1 | 7.7% | -28.7 |
| Research and development | -3.6 | -4.0 | -8.4% | -12.5 | -12.3 | 1.8% | -16.9 |
| Administration ¹⁾ | -4.9 | -1.4 | 245.8% | -12.0 | -7.1 | 67.4% | -8.8 |
| EBIT | 11.1 | 12.0 | -7.6% | 29.4 | 32.6 | -9.9% | 43.5 |
| Financial income | 0.5 | 0.1 | 360.6% | 1.3 | 0.2 | 674.8% | 0.3 |
| Financial expenses | -0.4 | -0.2 | 167.5% | -1.0 | -0.1 | 1007.6% | -0.2 |
| Profit before taxes | 11.2 | 11.9 | -6.4% | 29.7 | 32.7 | -9.2% | 43.6 |
| Income tax | -2.4 | -2.4 | -0.1% | -6.4 | -6.7 | -4.8% | -9.1 |
| Result for the period | 8.7 | 9.5 | -8.0% | 23.3 | 26.0 | -10.4% | 34.4 |
| Other comprehensive income | | | | | | | |
| Items that may be reclassified to profit or loss: | | | | | | | |
| Exchange difference on translation of foreign operations | 0.3 | -0.1 | -432.1% | 0.2 | | -596.8% | 0.1 |
| Comprehensive income for the period | 9.1 | 9.4 | -3.7% | 23.4 | 25.9 | -9.6% | 34.5 |
| Earnings per share | | | | | | | |
| Earnings per share, basic and diluted, EUR | 0.05 | 0.05 | -8.0% | 0.13 | 0.15 | -10.4% | 0.20 |

Apart from Q3/2022, income statement information has been prepared on a carve-out basis - refer to Note 1, Basis of Preparation. Cumulative figure for 2022 combines actuals and carve-out figures.

¹⁾ Costs related to listing and strategic review increase administration expenses by EUR 3.8 million in 1-9/2022 and EUR 2.4 million in 1-9/2021 and 1-12/2021.

STATEMENT OF FINANCIAL POSITION

| Assets | 30 Sep 2022 | 30 Sep 2021 | 31 Dec 2021 |
|---|--------------------|--------------------|--------------------|
| Tangible assets | 0.1 | 0.0 | 0.0 |
| Right-of-use assets ¹⁾ | 2.0 | 0.2 | 0.3 |
| Intangible assets | 7.6 | 5.6 | 5.9 |
| Deferred tax assets | 0.1 | 0.4 | 0.2 |
| Interest-bearing receivables | 3.9 | | |
| Total non-current assets | 13.8 | 6.3 | 6.4 |
| Inventories | 0.0 | 0.1 | 0.1 |
| Accrued income | 1.3 | 1.4 | 1.3 |
| Trade and other receivables | 26.1 | 21.1 | 19.1 |
| Receivable from WithSecure | | 10.2 | 12.1 |
| Income tax receivables | 0.1 | | |
| Cash and cash equivalents ²⁾ | 14.6 | | |
| Total current assets | 42.2 | 32.8 | 32.5 |
| Total assets | 56.0 | 39.1 | 38.9 |
| Shareholders' equity and liabilities | 30 Sep 2022 | 30 Sep 2021 | 31 Dec 2021 |
| Total Equity | 18.2 | 12.0 | 9.5 |
| Interest bearing liabilities, non-current | 6.8 | 0.1 | 0.1 |
| Deferred tax liabilities | 0.4 | 0.3 | 0.2 |
| Deferred revenue, non-current | 3.4 | 3.1 | 3.1 |
| Other non-current liabilities | 0.1 | 0.0 | 0.0 |
| Total non-current liabilities | 10.6 | 3.5 | 3.5 |
| Interest-bearing liabilities, current | 1.0 | 0.1 | 0.1 |
| Trade and other payables | 8.5 | 7.6 | 9.2 |
| Income tax liabilities | 1.4 | | |
| Deferred revenue, current | 16.4 | 15.9 | 16.6 |
| Total current liabilities | 27.3 | 23.6 | 25.9 |
| Total equity and liabilities | 56.0 | 39.1 | 38.9 |

Statement of financial position information has been prepared on an actual basis as at 30 September 2022 and on a carve-out basis for the other periods presented. Refer to Note 1, Basis of Preparation.

¹⁾ Right-of-use assets were recognized on 30 June 2022 following the Demerger from WithSecure and commencement of lease contracts for office premises.

²⁾ Prior to the Demerger on 30 June 2022, no cash was allocated to F-Secure in the carve-out financial information.

CASH FLOW STATEMENT

| | 7-9/2022 | 7-9/2021 | 1-9/2022 | 1-9/2021 | 1-12/2021 |
|---|-------------|-------------|-------------|--------------|--------------|
| Cash flow from operations | | | | | |
| Result for the period | 8.7 | 9.5 | 23.3 | 26.0 | 34.4 |
| Adjustments | 3.1 | 3.2 | 7.9 | 8.2 | 11.1 |
| Cash flow from operations before change in working capital | 11.8 | 12.7 | 31.1 | 34.2 | 45.5 |
| Change in net working capital | -0.4 | -2.7 | 0.3 | -4.9 | -0.4 |
| Cash flow from operations before financial items and taxes | 11.4 | 10.0 | 31.4 | 29.2 | 45.1 |
| Net financial items and taxes | -1.1 | -2.4 | -5.7 | -6.7 | -9.0 |
| Cash flow from operations | 10.3 | 7.6 | 25.7 | 22.5 | 36.1 |
| Cash flow from investments | | | | | |
| Net Investments in tangible and intangible assets | -1.6 | -0.4 | -2.7 | -1.1 | -1.7 |
| Proceeds from sale of intangible and tangible assets | -0.0 | | -0.0 | -0.0 | 0.0 |
| Cash flow from investments | -1.6 | -0.4 | -2.7 | -1.1 | -1.6 |
| Cash flow from financing activities | | | | | |
| Repayments of lease liabilities | -0.3 | -0.1 | -0.4 | -0.2 | -0.2 |
| Increase in interest-bearing liabilities with WithSecure | | | 5.7 | | |
| Increase in interest-bearing receivables with WithSecure | | | -3.8 | | |
| Equity financing with WithSecure, net | | -7.1 | -10.1 | -21.3 | -34.3 |
| Cash flow from financing activities | -0.3 | -7.2 | -8.6 | -21.5 | -34.5 |
| Change in cash | 8.4 | | 14.3 | | |
| Cash and cash equivalents at the beginning of the period | 5.9 | | | | |
| Effect of exchange rate changes on cash | 0.2 | | 0.2 | | |
| Cash and cash equivalents at period end ¹⁾ | 14.6 | | 14.6 | | |

Refer to Note 1, Basis of Preparation, for details of the financial information prepared on an actual basis (income statement for Q3/2022 and financial position as at 30 September 2022) and carve-out basis (all other financial information for the other periods presented). Cumulative figure for 2022 income statement combines actuals and carve-out figures.

¹⁾ Prior to the Demerger on 30 June 2022, no cash was allocated to F-Secure in the carve-out financial information.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

| | Invested equity | Share capital | Unrestricted equity reserve | Retained earnings | Translation difference | Total |
|--|-----------------|---------------|-----------------------------|-------------------|------------------------|-------------|
| Invested equity December 31, 2020 | 9.1 | | | | | 9.1 |
| Result of the period | 26.0 | | | | | 26.0 |
| Translation difference | 0.0 | | | | | 0.0 |
| Total comprehensive income for the year | 25.9 | | | | | 25.9 |
| Cost of share-based payments | -0.3 | | | | | -0.3 |
| Equity transactions with WithSecure | -22.7 | | | | | -22.7 |
| Invested equity September 30, 2021 | 12.0 | | | | | 12.0 |
| Invested equity December 31, 2021 | 9.5 | | | | | 9.5 |
| Result of the period | 14.5 | | | | | 14.5 |
| Translation difference | -0.2 | | | | | -0.2 |
| Total comprehensive income for the period | 14.4 | | | | | 14.4 |
| Cost of share-based payments | -0.2 | | | | | -0.2 |
| Equity transactions with WithSecure | -14.8 | | | | | -14.8 |
| Invested equity June 30, 2022 | 8.9 | | | | | 8.9 |
| Demerger June 30, 2022 | -8.9 | 0.1 | 10.7 | -1.9 | | |
| Equity June 30, 2022 | | 0.1 | 10.7 | -1.9 | | 8.9 |
| Changes in equity after demerger (7-9/2022) | | | | | | |
| Result of the period | | | | 8.7 | 0.3 | 9.1 |
| Total comprehensive income for the year | | | | 8.7 | 0.3 | 9.1 |
| Cost of share-based payments | | | | 0.2 | | 0.2 |
| Equity September 30, 2022 | | 0.1 | 10.7 | 7.1 | 0.3 | 18.2 |

Refer to Note 1, Basis of Preparation, for details of the financial information prepared on an actual basis (income statement for Q3/2022 and financial position as at 30 September 2022) and carve-out basis (all other financial information for the other periods presented). Cumulative figure for 2022 income statement combines actuals and carve-out figures.

1. BASIS OF PREPARATION

WithSecure Board of Directors announced on 17 February 2022 its decision to pursue towards the separation of its Consumer Security business through a partial demerger. F-Secure Corporation ("**F-Secure**") was formed as a result of the partial demerger from WithSecure Corporation ("**WithSecure**"), (the "**Demerger**"), which was completed on 30 June 2022. Trading in F-Secure's shares on the main market of Nasdaq Helsinki started on 1 July 2022.

This unaudited financial information has been prepared in accordance with IAS 34, Interim Financial Reporting. In this interim report, financial information is presented on an actual basis for the income statement Q3/2022 and the statement of financial position as at 30 September 2022 and 30 June 2022, and on a carve-out basis for all other financial information for the other periods presented. 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 financial information of F-Secure has been prepared on a carve-out basis from WithSecure's audited consolidated financial statements using the historical income and expenses, assets and liabilities and cash flows attributable to F-Secure business. The carve-out financial information also includes the allocation of income, expense, assets, liabilities and cash flows which are based on management judgement, assumptions and estimates. 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 information may not necessarily represent F-Secure's 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 information of interim periods is unaudited. Percentages and figures presented herein may include rounding differences and therefore may not add up precisely to the totals presented. All figures are presented as EUR million unless otherwise stated.

The trading in F-Secure shares commenced on 1 July 2022. Therefore, it's not possible to calculate key figures that are based on market value for year 2021 and January–June 2022. This applies to the following key figures: price/earnings ratio, share price development, market capitalization of shares, trading volume of shares as number and percentage, weighted average adjusted number of shares during the financial period, adjusted number of shares at the end of the financial period.

Segment information

F-Secure has only one segment (consumer security). Revenue per sales channel and geographical information about revenue are presented in Note 2 Revenue.

Significant exchange rates and sensitivity to exchange rate changes

| One euro is | Closing rate | | | Average rate | | |
|-------------|--------------|-------------|-------------|--------------|----------|-----------|
| | 30 Sep 2022 | 30 Sep 2021 | 31 Dec 2021 | 1-9/2022 | 1-9/2021 | 1-12/2021 |
| USD | 0.9748 | 1.1579 | 1.1326 | 1.0736 | 1.2016 | 1.1894 |
| GBP | 0.8830 | 0.8605 | 0.8403 | 0.8447 | 0.8669 | 0.8633 |
| JPY | 141.01 | 129.67 | 130.38 | 134.97 | 129.94 | 130.00 |

FX sensitivity

The sensitivity of F-Secure's profit before taxes to foreign exchange rate fluctuations when all other variables are held constant is as follows:

| +/- 10% FX rate change | 30 Sep 2022 | 30 Sep 2021 | 31 Sep 2021 |
|------------------------|-------------|-------------|-------------|
| USD | -0.7/+0.8 | -0.2/+0.3 | +/-0.2 |

2. REVENUE

Disaggregation of revenue

| Sales channels | 7-9/2022 | 7-9/2021 | 1-9/2022 | 1-9/2021 | 1-12/2021 |
|--|-------------|-------------|-------------|-------------|--------------|
| Revenue from external customers | | | | | |
| Partner channel | 22.1 | 21.0 | 65.5 | 62.6 | 84.2 |
| Direct channel (E-commerce) | 5.8 | 5.5 | 17.2 | 16.6 | 22.1 |
| Total | 27.9 | 26.5 | 82.8 | 79.2 | 106.3 |

| Geographical information | 7-9/2022 | 7-9/2021 | 1-9/2022 | 1-9/2021 | 1-12/2021 |
|--|-------------|-------------|-------------|-------------|--------------|
| Revenue from external customers | | | | | |
| Nordic countries | 9.9 | 9.3 | 29.4 | 27.5 | 36.9 |
| Rest of Europe | 12.0 | 12.3 | 36.4 | 37.2 | 49.6 |
| North America | 4.4 | 3.7 | 12.5 | 10.7 | 14.6 |
| Rest of world | 1.6 | 1.3 | 4.4 | 3.8 | 5.2 |
| Total | 27.9 | 26.5 | 82.8 | 79.2 | 106.3 |

3. RIGHT-OF-USE, INTANGIBLE AND TANGIBLE ASSETS

| | 30 Sep 2022 | 30 Sep 2021 | 31 Dec 2021 |
|--|-------------|-------------|-------------|
| Book value at the beginning of the period | 6.2 | 5.9 | 5.9 |
| Additions ¹⁾ | 5.0 | 1.2 | 1.9 |
| Depreciation and amortization | -1.4 | -1.1 | -1.5 |
| Book value at the end of the period | 9.8 | 5.9 | 6.2 |

¹⁾ Right-of-use assets were recognized on 30 June 2022 following the Demerger and commencement of lease contracts for office premises.

| | 7-9/2022 | 7-9/2021 | 1-9/2022 | 1-9/2021 | 1-12/2021 |
|--|------------|------------|------------|------------|------------|
| Depreciation and amortization by function | | | | | |
| Sales and marketing | 0.3 | 0.1 | 0.3 | 0.2 | 0.2 |
| Research and development | 0.3 | 0.3 | 1.0 | 1.0 | 1.3 |
| Administration | 0.0 | | 0.0 | | |
| Total depreciation and amortization | 0.6 | 0.4 | 1.4 | 1.1 | 1.5 |

4. FINANCIAL ASSETS AND LIABILITIES

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.

| | Carrying value | | Total |
|------------------------------------|------------------|-----------------------|-------|
| | Financial assets | Financial liabilities | |
| | Amortized cost | Amortized cost | |
| 30 Sep 2022 | | | |
| Cash and cash equivalents | 14.6 | | 14.6 |
| Interest-bearing receivables | 3.9 | | 3.9 |
| Trade receivables | 20.9 | | 20.9 |
| Trade payables | | 2.8 | 2.8 |
| Lease liabilities | | 2.0 | 2.0 |
| Other interest-bearing liabilities | | 5.7 | 5.7 |
| 30 Sep 2021 | | | |
| Receivable from WithSecure | 10.2 | | 10.2 |
| Trade receivables | 17.0 | | 17.0 |
| Trade payables | | 0.5 | 0.5 |
| Lease liabilities | | 0.2 | 0.2 |
| 31 Sep 2021 | | | |
| Receivable from WithSecure | 12.1 | | 12.1 |
| Trade receivables | 14.9 | | 14.9 |
| Trade payables | | 1.4 | 1.4 |
| Lease liabilities | | 0.2 | 0.2 |

In connection with the demerger process, WithSecure negotiated on behalf of F-Secure, a revolving credit facility with Nordea Bank Abp amounting to EUR 10.0 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. Revolving credit facility is undrawn as at 30 September.

Prior to completion of the demerger, WithSecure's consumer business conducted by its foreign subsidiaries was separated from the rest of the business into separate companies through business acquisitions or similar transactions in each relevant country. The transaction prices vary between approximately EUR 70 thousand and EUR 3.0 million. The payback time for the resulting payables and receivables 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. F-Secure's payables totaled EUR 5.7 million and the receivables totaled EUR 3.9 million, presented in the table above as Other interest-bearing liabilities (non-current) and interest-bearing receivables, respectively.

As at 30 September 2022, F-Secure's lease liabilities relate to leases for office premises and cars. In May 2022, in connection with the demerger, F-Secure entered subleasing agreements for its office premises, as well as entered one new office lease agreement.

Financial liabilities

Contractual maturities of financial liabilities:

| | 30 Sep 2022 | 30 Sep 2021 | 31 Sep 2021 |
|--|-------------|-------------|-------------|
| Amount due for settlement within 12 months | 3.8 | 0.6 | 1.6 |
| Amount due for settlement after 12 months | 6.8 | 0.1 | 0.1 |
| Total | 10.5 | 0.6 | 1.7 |

QUARTERLY FIGURES AND ALTERNATIVE PERFORMANCE MEASURES

Income statement quarterly

| | 7-9/2022 | 4-6/2022 | 1-3/2022 | 10-12/2021 | 7-9/2021 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue | 27.9 | 27.5 | 27.4 | 27.1 | 26.5 |
| Cost of revenue | -2.2 | -2.6 | -2.1 | -2.5 | -2.2 |
| Gross margin | 25.7 | 24.9 | 25.2 | 24.6 | 24.3 |
| Other operating income | 0.4 | 0.2 | 0.2 | 0.2 | 0.1 |
| Sales and marketing | -6.5 | -8.9 | -7.4 | -7.6 | -7.1 |
| Research and development | -3.6 | -4.6 | -4.3 | -4.6 | -4.0 |
| Administration | -4.9 | -4.7 | -2.3 | -1.7 | -1.4 |
| EBIT | 11.1 | 6.8 | 11.5 | 10.9 | 12.0 |
| Financial net | 0.1 | 0.0 | 0.2 | 0.0 | 0.0 |
| Profit before taxes | 11.2 | 6.8 | 11.7 | 10.9 | 11.9 |
| Income tax | -2.4 | -1.5 | -2.5 | -2.4 | -2.4 |
| Profit for the period | 8.7 | 5.3 | 9.3 | 8.5 | 9.5 |

Apart from Q3/2022, income statement information has been prepared on a carve-out basis - refer to Note 1, Basis of Preparation.

Key figures

| EUR million | 7-9/2022 | 4-6/2022 | 1-3/2022 | 10-12/2021 | 7-9/2021 |
|--|----------|----------|----------|------------|----------|
| Revenue | 27.9 | 27.5 | 27.4 | 27.1 | 26.5 |
| Revenue growth % | 5.3% | 4.3% | 4.1% | | |
| Adjusted EBITDA | 11.7 | 10.1 | 12.7 | 11.3 | 12.4 |
| % of revenue | 41.7% | 36.9% | 46.4% | 41.7% | 46.7% |
| EBITA | 11.4 | 7.1 | 11.9 | 11.2 | 12.3 |
| % of revenue | 40.8% | 25.9% | 43.3% | 41.5% | 46.4% |
| Adjusted EBITA | 11.4 | 10.1 | 12.7 | 11.2 | 12.3 |
| % of revenue | 40.8% | 36.7% | 46.3% | 41.5% | 46.4% |
| EBIT | 11.1 | 6.8 | 11.5 | 10.9 | 12.0 |
| % of revenue | 39.6% | 24.7% | 42.1% | 40.2% | 45.1% |
| Adjusted EBIT | 11.1 | 9.7 | 12.3 | 10.9 | 12.0 |
| % of revenue | 39.6% | 35.5% | 45.0% | 40.2% | 45.1% |
| Profit for the period | 8.7 | 5.3 | 9.3 | 8.5 | 9.5 |
| % of revenue | 31.3% | 19.2% | 33.8% | 31.2% | 35.9% |
| Earnings per share, basic and diluted, EUR ¹⁾ | 0.05 | 0.03 | 0.05 | 0.05 | 0.05 |
| Shareholders' equity per share, EUR | 0.10 | | | | |
| R&D costs | 3.6 | 4.6 | 4.3 | 4.6 | 4.0 |
| % of revenue | 13.0% | 16.9% | 15.6% | 16.8% | 15.0% |
| Capital expenditure | 1.6 | 0.6 | 0.6 | 0.6 | 0.4 |
| % of revenue | 5.8% | 2.1% | 2.0% | 2.2% | 1.4% |
| Deferred revenue | 19.8 | 20.6 | 20.2 | 19.7 | 19.0 |
| Operating cash flow | 10.3 | 7.1 | 8.3 | 13.6 | 7.6 |
| Net debt (+) / Net cash (-) ²⁾ | -10.8 | -1.8 | 0.2 | 0.2 | 0.2 |
| Equity ratio, % | 32.4% | 18.8% | 23.7% | 24.5% | 30.8% |
| Gearing, % | -37.8% | | | | |
| Cash conversion % | 82.5% | 113.1% | 86.1% | 134.9% | 75.0% |
| Personnel at the end of the period ³⁾ | 361 | 368 | 255 | 248 | 246 |

The Key Figures are presented on an actual basis for the income statement Q3/2022 and financial position as at 30 September and 30 June 2022, and on a carve-out basis for all other financial information for the other periods presented. Refer to Note 1, Basis of Preparation.

¹⁾ Based on the average number of shares for Q3/2022 and on the number of shares upon formation of F-Secure on 30 June 2022 for all other periods.

²⁾ Prior to the demerger on 30 June 2022, no cash or certain lease liabilities, such as lease liabilities related to business premises or machinery and equipment, were allocated to F-Secure. From 30 June 2022 onwards, the figure includes F-Secure's interest-bearing liabilities, less interest-bearing receivables and cash and cash equivalents.

³⁾ Prior to the demerger on 30 June 2022, the figure consisted of personnel directly employed by the consumer security business and did not include the share of personnel in shared group functions. At the end of Q3 and Q2 2022, the figure comprises all personnel employed by F-Secure.

Alternative Performance Measures

In addition to EBIT, F-Secure uses Adjusted EBIT, Adjusted EBITA and Adjusted EBITDA as key performance indicators when measuring performance between periods. Adjusted EBIT, Adjusted EBITA and Adjusted EBITDA exclude items that affect comparability. Items affecting comparability are associated with strategic reviews and listing costs. Adjusted EBIT, Adjusted EBITA and Adjusted EBITDA are presented in addition to EBIT 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.

Reconciliation between adjusted EBITDA, EBITDA, adjusted EBITA, EBITA, adjusted EBIT and EBIT

| | 7-9/2022 | 7-9/2021 | 1-9/2022 | 1-9/2021 | 1-12/2021 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Adjusted EBITDA | 11.7 | 12.4 | 34.5 | 36.1 | 47.4 |
| Adjustments to EBITDA | | | | | |
| Costs related to strategic review | | | | -2.4 | -2.4 |
| Costs related to listing | | | -3.8 | | |
| EBITDA | 11.7 | 12.4 | 30.7 | 33.7 | 45.0 |
| Depreciation and amortization | -0.6 | -0.4 | -1.4 | -1.1 | -1.5 |
| EBIT | 11.1 | 12.0 | 29.4 | 32.6 | 43.5 |
| | 7-9/2022 | 7-9/2021 | 1-9/2022 | 1-9/2021 | 1-12/2021 |
| Adjusted EBITA | 11.4 | 12.3 | 34.2 | 36.0 | 47.2 |
| Adjustments to EBITA | | | | | |
| Costs related to strategic review | | | | -2.4 | -2.4 |
| Costs related to listing | | | -3.8 | | |
| EBITA | 11.4 | 12.3 | 30.4 | 33.6 | 44.8 |
| Amortization | -0.3 | -0.3 | -1.0 | -1.0 | -1.3 |
| EBIT | 11.1 | 12.0 | 29.4 | 32.6 | 43.5 |
| | 7-9/2022 | 7-9/2021 | 1-9/2022 | 1-9/2021 | 1-12/2021 |
| Adjusted EBIT | 11.1 | 12.0 | 33.1 | 35.0 | 45.9 |
| Adjustments to EBIT | | | | | |
| Costs related to strategic review | | | | -2.4 | -2.4 |
| Costs related to listing | | | -3.8 | | |
| EBIT | 11.1 | 12.0 | 29.4 | 32.6 | 43.5 |

Classification of adjusted costs in operating expenses

| | 7-9/2022 | 7-9/2021 | 1-9/2022 | 1-9/2021 | 1-12/2021 |
|---|--------------|--------------|--------------|--------------|--------------|
| Operating expenses | | | | | |
| Sales and marketing | -6.5 | -7.1 | -22.7 | -21.1 | -28.7 |
| Research and development | -3.6 | -4.0 | -12.5 | -12.3 | -16.9 |
| Administration | -4.9 | -1.4 | -12.0 | -7.1 | -8.8 |
| Total | -15.1 | -12.5 | -47.2 | -40.6 | -54.5 |
| Depreciation and amortization by function | | | | | |
| Sales and marketing | -0.3 | -0.1 | -0.3 | -0.2 | -0.2 |
| Research and development | -0.3 | -0.3 | -1.0 | -1.0 | -1.3 |
| Administration | -0.0 | | -0.0 | | |
| Total | -0.6 | -0.4 | -1.4 | -1.1 | -1.5 |
| Items affecting Comparability (IAC) by function | | | | | |
| Administration | -4.9 | -1.4 | -12.0 | -7.1 | -8.8 |
| Less: Costs related to strategic review | | | | -2.4 | -2.4 |
| Less: Costs related to listing | | | -3.8 | | |
| Administration excluding IAC | -4.9 | -1.4 | -8.2 | -4.8 | -6.5 |
| Operating expenses less depreciation, amortization and IAC | | | | | |
| Sales and marketing | -6.2 | -7.0 | -22.4 | -21.0 | -28.5 |
| Research and development | -3.3 | -3.6 | -11.5 | -11.4 | -15.6 |
| Administration | -4.9 | -1.4 | -8.2 | -4.8 | -6.5 |
| Total | -14.5 | -12.1 | -42.1 | -37.1 | -50.6 |

CALCULATION OF KEY FIGURES

| Key figure | Definition |
|-------------------------------------|--|
| EBITDA | EBIT + Depreciation, amortization and impairment |
| EBITA | EBIT + Amortization and impairment |
| EBIT | Result before taxes and net financial items |
| Adjusted EBITDA | EBITDA before items affecting comparability |
| Adjusted EBITA | EBITA before items affecting comparability |
| Adjusted EBIT | EBIT before items affecting comparability |
| Items affecting comparability | Items affecting comparability are associated with strategic reviews and cost related to listing |
| Operating expenses | Sales and marketing, research and development, and administration expenses |
| Capital expenditure | Corresponds to the Statement of Cash Flows line item Investments in intangible and tangible assets |
| Operating cash flow | Corresponds to the Statement of Cash Flows line item Cash flow from operations |
| Net debt (+) / Net cash (-) | Interest-bearing liabilities – Interest-bearing receivables - Cash and cash equivalents |
| Equity ratio, % | Total equity/Total assets |
| Gearing, % | (Interest bearing liabilities – cash and bank) / Total equity |
| Cash conversion, % | (Adjusted EBITDA –Capital expenditure –/+ Change in net working capital) / Adjusted EBITDA |
| Earnings per share, EUR | Profit attributable to equity holders of the company / Weighted average number of outstanding shares |
| Shareholders' equity per share, EUR | Equity attributable to equity holders of the company / Number of outstanding shares at the end of period |



Tammasaarenkatu 7, 00180, Helsinki
www.f-secure.com