



“F-Secure’s vision is to become the number one security experience company in the world.”

Timo Laaksonen  
President and CEO, F-Secure Corporation



# THE PARTIAL DEMERGER OF WITHSECURE™ — SEPARATION OF THE CONSUMER SECURITY BUSINESS INTO A NEW COMPANY CALLED F-SECURE™

**Marketing brochure.** This is not a prospectus approved by the Finnish Financial Supervisory Authority. The Finnish language demerger and listing prospectus and English language translation thereof are available at [www.withsecure.com/en/about-us/investor-relations/demerger](http://www.withsecure.com/en/about-us/investor-relations/demerger).

## IMPORTANT DATES

<b>17 February 2022</b>	Demerger plan signed and stock exchange release related to the demerger published
<b>16 March 2022</b>	F-Secure Corporation became WithSecure Corporation
<b>12 April 2022</b>	Notice of Extraordinary General Meeting of WithSecure
<b>13 May 2022</b>	Finnish prospectus and offering circular becomes available
<b>18 May 2022</b>	Record date of the Extraordinary General Meeting of WithSecure
<b>23 May 2022 at 4:00 p.m. (Finnish time)</b>	Registration for WithSecure's Extraordinary General Meeting and advance voting ends
<b>26 May 2022 at 10:00 a.m. (Finnish time)</b>	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
<b>31 May 2022</b>	Extraordinary General Meeting of WithSecure
<b>30 June 2022</b>	Planned effective date (provided that the conditions for the execution of the demerger are fulfilled)
<b>30 June 2022</b>	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)
<b>1 July 2022</b>	Demerger consideration shares registered in the book-entry accounts of the shareholders of WithSecure (provided that the effective date is 30 June 2022)
<b>1 July 2022</b>	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)

**Note:** This is not a prospectus approved by the Finnish Financial Supervisory Authority. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this marketing brochure or on its completeness, accuracy or fairness. Potential investors must neither accept any offer for, nor acquire, any securities to which this marketing brochure refers unless they do so on the basis of the information contained in the Finnish language prospectus or English language offering circular published by WithSecure, and potential investors should carefully read the Finnish language prospectus or English language offering circular before making any investment decisions in order to fully understand the potential risks and rewards associated with the decision to invest in the securities. Readers of this marketing brochure should also be cautioned that approval by the Finnish Financial Supervisory Authority of the Finnish language prospectus shall not be considered as an endorsement of the issuer that is the subject of the Finnish language prospectus.



## SUMMARY OF THE DEMERGER

WithSecure's consumer security business is planned to be separated through a partial demerger and transferred into a new independent company. This new consumer security company will be named F-Secure Corporation. WithSecure Corporation will focus on corporate security business.

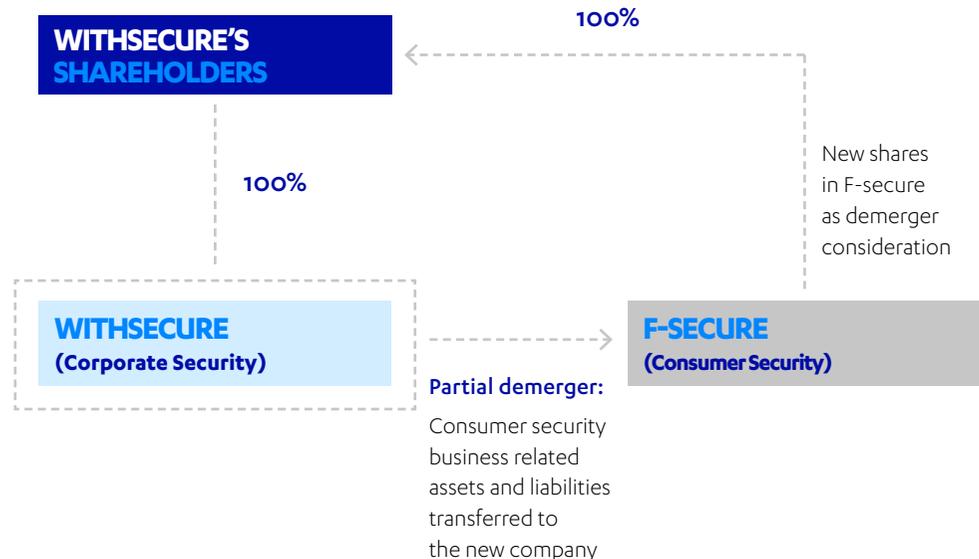
The purpose of the planned demerger is to carry out the separation of WithSecure's consumer security business, which consists of designing and providing a comprehensive range of security and privacy products and services, sold directly to consumers or to organisations delivering products and services to consumers. This consumer security business will then be transferred to a new company which will be named F-Secure.

WithSecure 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 to other end users than consumers.

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. 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.

### Summary of the partial demerger's execution



- WithSecure's shareholders will receive as demerger consideration one F-Secure share for each share they hold in WithSecure.
- To receive these demerger consideration shares, **no action is required from WithSecure's shareholders**.
- The Demerger is subject to approval by WithSecure's Extraordinary General Meeting that will be held on 31 May 2022.

**Juhani Hintikka**

## DEAR WITHSECURE'S SHAREHOLDER,

In February 2022, we announced our plan to separate the consumer security business through a partial demerger and transfer it into a new independent company. The new consumer security company would be named F-Secure Corporation and the existing company, WithSecure Corporation, would focus on corporate security.

We are very pleased and excited about the planned transaction and believe that this is the right time to pursue the change. By creating two separate companies, we are benefiting from the current strong momentum in both businesses. The demerger would enable both companies to serve their end customers even better by focusing on different customer needs. The different financial profiles of these companies also support shareholder value creation in the long term. We believe that the planned transaction would create two even more successful companies and offer new opportunities also for the employees.

The completion of the demerger is subject to approval by the Extraordinary General Meeting of WithSecure convened to be held on 31 May 2022. If the shareholders approve the contemplated demerger, it is expected to become effective as of 30 June 2022. The trading in F-Secure's shares is expected to commence on the

official list of Nasdaq Helsinki as soon as reasonably possible after the effective date.

If the demerger materialises, you will remain as a shareholder of WithSecure and automatically become a shareholder of F-Secure as well. You will receive one share in F-Secure for each share you hold in WithSecure. No action is required from you in order to receive these shares.

We believe this transaction would create value both for WithSecure and F-Secure and benefit our shareholders as well as other stakeholders.

**Juhani Hintikka**  
President and CEO  
WithSecure Corporation

**Timo Laaksonen**  
President and CEO  
F-Secure Corporation  
(from the effective date of  
the demerger)

**Timo Laaksonen**

“The optimal business structure for WithSecure has been under consideration for some time. Now, when both businesses have reached the EUR 100 million revenue milestone, we feel it is the right time for our customers, personnel and shareholders to pursue the separation of WithSecure’s consumer security business. We believe that the planned demerger has potential for shareholder value creation for both the new consumer security company as well as for the corporate security company.”

Risto Siilasmaa, Chairman of the Board, WithSecure Corporation



## F-SECURE IN BRIEF

**F-Secure operates in the consumer security market, which consists of a broad range of cyber security and privacy software products and services.**

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. These products are sold either via channel partners or directly to consumers.

**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.

**Direct Channel:** F-Secure makes stand-alone and all-in-one security solutions available to consumers through various e-commerce channels such as application stores and its own online store. 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.

F-Secure's main market areas are the Nordic countries, the other European countries, North America and Asia. In the financial year 2021, F-Secure's revenue was EUR 106.3 million<sup>8)</sup> and it employed 248 people at 31 December 2021.

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.

**# 1**  
in CSP channel<sup>1,2)</sup>

**~170**  
channel partners<sup>2)</sup>

**~16m**  
subscribers across  
channels<sup>3)</sup>

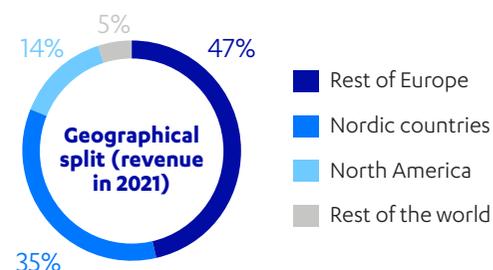
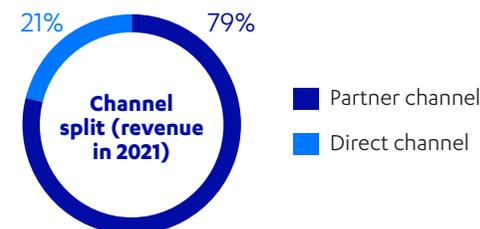
**>97%**  
service provider subscriber  
retention rate<sup>4)</sup>

**EUR 106m<sup>8)</sup>**  
revenue in 2021  
(6% YoY growth)

**EUR 47m**  
Adj. EBITA<sup>5)</sup>  
(44% margin) in 2021

**~98%**  
subscription-based  
revenue in 2021

**>90%**  
cash conversion  
rate in 2021<sup>6)</sup>



100+ countries<sup>7)</sup> in total

<sup>1)</sup> Communication Service Provider Partner Channel

<sup>2)</sup> Management estimate

<sup>3)</sup> As of December 31st 2021

<sup>4)</sup> December 2021

<sup>5)</sup> EBITA adjusted for non-recurring items, mainly related to strategic review

<sup>6)</sup> Defined as (adjusted EBITDA – CAPEX – Change in NWC) / adjusted EBITDA

<sup>7)</sup> Countries of sales

<sup>8)</sup> Audited

**Note:** On this page, there are preliminary and illustrative carve-out financial information for the financial year 2021. Presented figures are unaudited unless otherwise indicated. All financials are in euros.

## STRATEGIC RATIONALE

The Board of Directors of WithSecure is of the opinion that the next phase in the development of operations is best carried out in two separate companies.

This is mainly, because

- it gives both companies **better financing opportunities and clearer equity stories**, as well as a **more specialised and distinctive strategy and way of operation**
- it is expected 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
- 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 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



## F-SECURE AS AN INVESTMENT

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

F-Secure has a large and growing total addressable market. In 2020, the consumer spend on cyber security 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<sup>1)</sup>. 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 communication service providers ("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<sup>2)</sup>, long contract lengths, and its long-term partnerships with many CSP Partners. 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.

### 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 capabilities into a single application eases onboarding and simplifies product and service usage while allowing consumers to experience full digital safety.

F-Secure has also developed differentiating expert and cloud-based capabilities to support its channel partners.

### 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<sup>3)</sup>. F-Secure has managed to build a globally extensive network of around 130 CSP Partners.

### 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 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 stayed consistently highly profitable. F-Secure's financial performance is founded upon loyal and long-term partners and a high customer retention rate. F-Secure also operates with a very high cash conversion rate, and its cash conversion rate in the financial year 2021 was over 90%<sup>4)</sup>.

### 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 an extensive cyber security and product development expertise. For cyber security expertise, F-Secure is recognised by leading journals and independent testing organisations for its cybersecurity expertise, and its products have won multiple awards and recognitions.<sup>5)</sup>

<sup>1)</sup> 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.

<sup>2)</sup> According to WithSecure's partner survey, the partner Net Promoter Score was 63 in 2019.

<sup>3)</sup> According to an internally conducted market analysis done in March 2022, F-Secure is a market leader in providing cyber security 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.

<sup>4)</sup> Defined as (adjusted EBITDA – CAPEX – Change in NWC) / adjusted EBITDA.

<sup>5)</sup> 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).

## LARGE MARKET WITH ROBUST GROWTH DRIVERS

### F-Secure operates in the consumer security market, which consists of a broad range of security and privacy products and services.

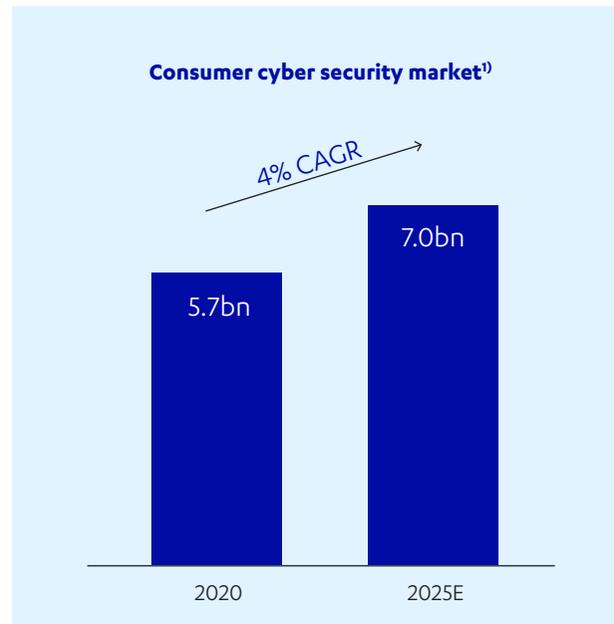
Consumer security products and services include, for example, products and solutions for endpoint protection, privacy VPN, identity and password protection, connected home security, and network security. The recent development in the number of devices connected to the internet has increased the need for products like these in order for consumers to protect their devices, personal information, homes, family members and themselves.

### Complex consumer security market creates demand for all-in-one solutions

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. As the time spent online has increased, so have the concerns about online security.

Similarly, an increasing number of devices is connected to the internet at homes, creating potential weak spots for hackers to attack.

Due to the above-mentioned factors, the market for consumer security and privacy products and solutions is complex and consumers face difficult decisions in regards to selecting an optimal security and privacy solution. 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.



<sup>1)</sup> Gartner Information Security Forecast 4Q/21, USD/EUR FX rate = 0.877

### Key growth drivers and market trends



Security experience is broken and consumers are moving towards all-in-one security solutions



Consumers are turning to communications service providers for security solutions



Increased awareness of cyber threats growing consumer willingness to pay

## F-SECURE'S 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.<sup>1)</sup>

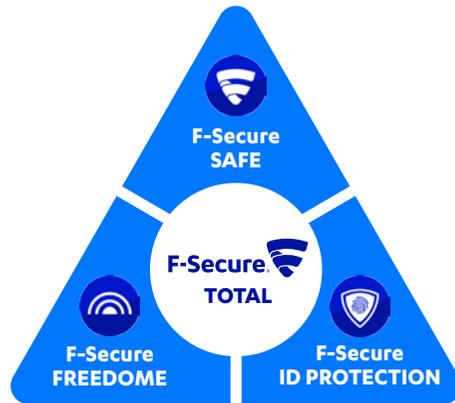
**F-SECURE'S MISSION IS TO  
CONTINUOUSLY DELIVER BRILLIANTLY  
SIMPLE, FRICTIONLESS SECURITY  
EXPERIENCES TO MAKE THINGS EASY  
FOR ITS PARTNERS AND CUSTOMERS.**

**F-SECURE'S VISION IS TO BECOME  
THE NUMBER ONE SECURITY  
EXPERIENCE COMPANY IN THE WORLD.**

<sup>1)</sup> 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.

# Strategy for continued profitable growth

F-Secure's strategy for continued profitable growth is built around three strategic pillars:



All-in-one integrated security experience

F-Secure  
SENSE



F-Secure  
ID PROTECTION



Insurance



Banking



Retail

## 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 stand-alone 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"). The key growth target for revenue generated through the direct channel is to continue to increase F-Secure TOTAL's proportional share of the direct channel sales.

## 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 the estimates of WithSecure's management, 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 stand-alone and as part of its all-in-one security offering (F-Secure TOTAL).

F-Secure aims to expand its market reach and addressable market by developing new product categories. 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. 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.

## 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 its business model and service offering and thereby significantly expand its potential customer base in a scalable manner.

## Medium term financial targets

### **GROWTH:**

High single digit organic revenue growth.

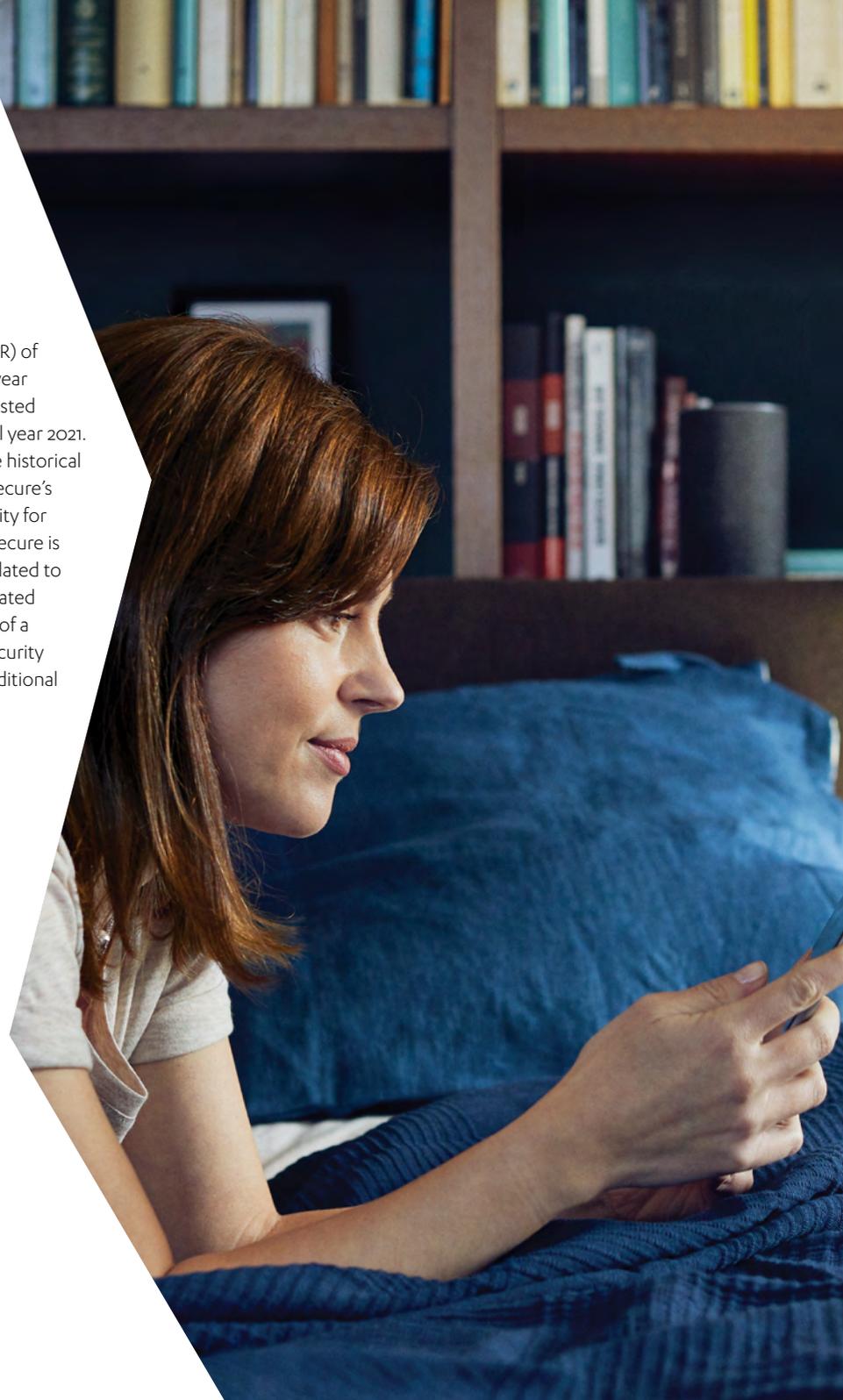
### **PROFITABILITY:**

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.



## F-SECURE'S BUSINESS

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.

F-Secure serves several customer types operating in different channels. Channel partners include, for example, communication service providers, retailers, banks, and insurance companies. In addition to selling products through channel partners (partner channel), 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 (direct channel).

### F-Secure's sales channels



## 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.

- **F-Secure TOTAL** – 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, the privacy and Wi-Fi protection of FREEDOME, and the personal information monitoring against data breaches and password manager of ID PROTECTION.
- **F-Secure SAFE** – An award-winning and easy to use antivirus and internet security suite for personal devices. SAFE protects consumer devices against viruses, trojans, and ransomware while securing their online browsing, online shopping and banking activities. SAFE also comes with family rules, which can be used to set healthy boundaries for children online, such as content filtering rules or bedtimes.
- **F-Secure FREEDOME** – A consumer virtual private network ("VPN") solution that provides 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 web sites and allows consumers to choose their virtual location (geo-IP address).

- **F-Secure ID PROTECTION** – A secure solution for protecting consumer's identity and accounts. Its 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.
- **F-Secure SENSE** – A security and privacy solution that, together with CSP Partners, is integrated with consumers' Wi-Fi routers to protect the entire connected 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 protecting all connected devices, including IoT, against online threats and hacking.

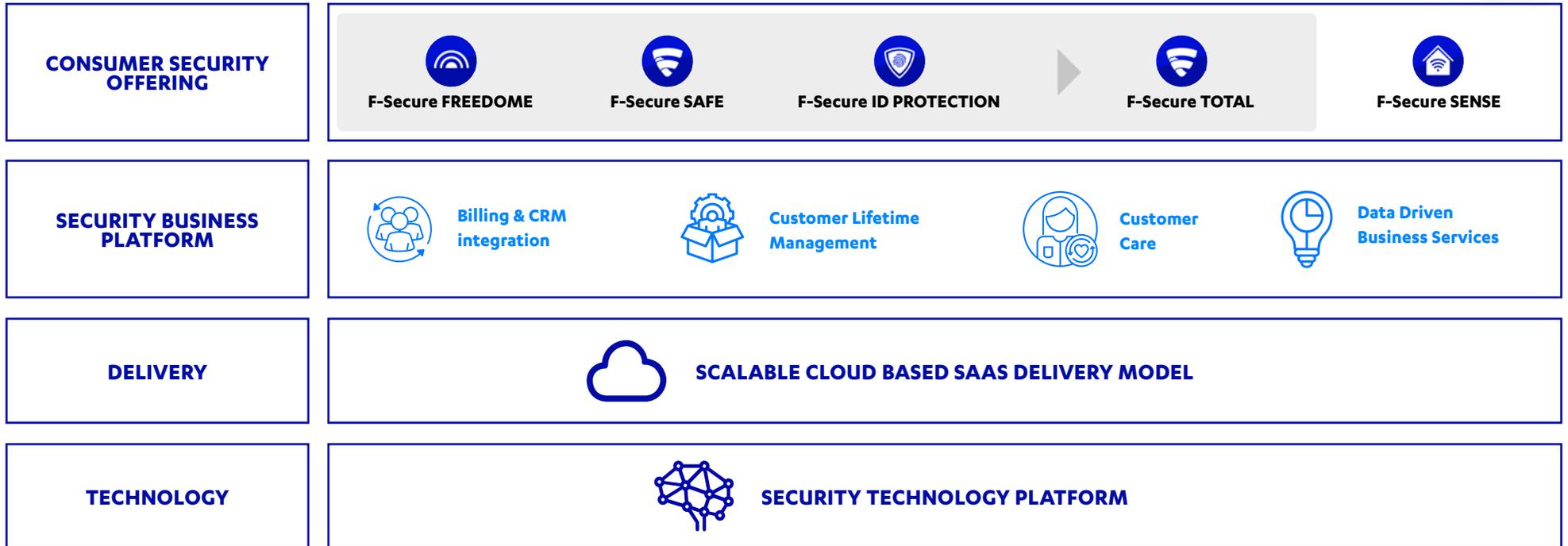
## Secure Business Platform

For more than a decade, F-Secure has developed differentiating expert and cloud-based capabilities 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 retail, banking and insurance industries.

### Optimised for channel partners, the Security Business Platform gives F-Secure:

- ability to configure the consumer cyber security offering to fit channel partners' security strategies and go-to-market models;
- ability to seamlessly integrate the cyber security offering with channel partners' business processes such as billing and offer data-driven business services; and
- a scalable cloud-based SaaS delivery model.

Consumer security offering



## FINANCIALS

The financial information of F-Secure that is illustrated in the table on the right 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 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 a standalone entity for 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.

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 <sup>1)</sup>	100.1 <sup>1)</sup>	94.8 <sup>1)</sup>
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 <sup>1)</sup>	44.7 <sup>1)</sup>	37.0 <sup>1)</sup>
% 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 <sup>1)</sup>	43.7 <sup>1)</sup>	36.8 <sup>1)</sup>
% of revenue	42.8%	43.9%	41.0%	43.6%	38.8%
R&D costs	4.3	4.3	16.9 <sup>1)</sup>	15.3 <sup>1)</sup>	14.6 <sup>1)</sup>
% of revenue	15.6%	16.3%	15.9%	15.2%	15.4%
Investments	0.6	0.2	1.7 <sup>1)</sup>	1.7 <sup>1)</sup>	3.1 <sup>1)</sup>
% of revenue	2.0%	0.6%	1.6%	1.7%	3.3%
Operating cash flow	8.3	5.9	36.1 <sup>1)</sup>	34.5 <sup>1)</sup>	32.0 <sup>1)</sup>
Net debt (+) / Net cash (-) <sup>3)</sup>	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 <sup>1)</sup>	14.3 <sup>1)</sup>	16.2 <sup>1)</sup>
Personnel on average <sup>2)</sup>	250	243	245	233	223
Personnel at the end of the period <sup>2)</sup>	255	244	248	243	227

<sup>1)</sup> Audited.

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

<sup>3)</sup> 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
<b>Revenue growth</b>	$(\text{Current year Revenue} - \text{Previous year Revenue}) / \text{Previous year Revenue}$	Revenue growth is presented to reflect the annual development of F-Secure's operating performance.
<b>EBITDA</b>	EBIT + Depreciation, amortisation and impairment	EBITDA and EBITA are an indicator to measure the operating performance of F-Secure.
<b>EBITA</b>	EBIT + amortisation and impairment	
<b>EBIT</b>	Result before taxes and net financial items	EBIT is used to measure profitability of operating activities of F-Secure.
<b>Adjusted EBITDA</b>	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.
<b>Adjusted EBITA</b>	EBITA before items affecting comparability	
<b>Adjusted EBIT</b>	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.
<b>Items affecting comparability</b>	Items affecting comparability are associated with restructuring activities, strategic reviews and cost related to contemplated listing	
<b>Investments</b>	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.
<b>Operating cash flow</b>	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.
<b>Net debt (+) / Net cash (-)</b>	Interest bearing liabilities – Cash and cash equivalents	Net debt indicates total external debt financing. A negative amount indicates a net cash position.
<b>Equity ratio %</b>	Total invested equity / Total assets	The equity ratio indicates the proportion of assets financed by equity to total assets of F-Secure.
<b>Cash conversion</b>	$(\text{Adjusted EBITDA} - \text{Investments} - \text{Change in net working capital}) / \text{Adjusted EBITDA}$	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.

## RISKS

**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 the offering circular.**

### 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
- 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
- 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
- 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

- 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
- The demerger may negatively affect F-Secure's market position, reliability and negotiating position
- 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
- The liquidity and financial stability, result of operations or financial position presented in F-Secure's unaudited pro forma financial information in the offering circular may differ from F-Secure's actual result of operations or financial position

### 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
- 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
- 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

- 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

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

### 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 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

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

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

### 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
- There can be no assurance of distribution of dividends or repayment of capital to the shareholders in the future
- Certain non-Finnish shareholders may be unable to exercise their right to vote
- Investors with a reference currency other than the euro will be exposed to certain foreign exchange risks when investing in the shares
- 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
- 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

### 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

## Q&A

### Why is WithSecure demerging into WithSecure and F-Secure?

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. This gives both companies better financing opportunities and clearer equity stories, as well as a more specialised and distinctive strategy and way of operation. It is also expected 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. The Boards of Directors and the management of these two independent companies will help the companies in accelerating strategy execution and to reach 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.

### What does a partial demerger mean?

In a partial demerger, the consumer security business related assets and liabilities are planned to be transferred from WithSecure to the new consumer security company F-Secure. WithSecure's shareholders will receive as a demerger consideration one share in F-Secure for each share they hold in WithSecure. The demerger will not affect the listing of WithSecure's or the trading of its shares on Nasdaq Helsinki.

### I am WithSecure's existing shareholder. What do I have to do because of the demerger?

The completion of the demerger is subject to, among other things, approval by the Extraordinary General Meeting of WithSecure convened to be held on 31 May 2022. If the demerger materialises, you will remain as a shareholder of WithSecure and automatically become a shareholder of F-Secure as well. You will receive one share in F-Secure for each share you hold in WithSecure. No action is required from you in order to receive these shares.

### What happens to my current shareholding in WithSecure?

Your current shareholding in WithSecure will remain unchanged. Upon the completion of the demerger, you will receive shares in the newly established consumer security company F-Secure based on your shareholding in WithSecure. If you own for example 100 WithSecure shares on the effective date, you will own 100 WithSecure shares and 100 F-Secure shares when the demerger has become effective. The completion of the demerger is expected to take place as of 30 June 2022.

### How many shares of F-Secure do I get?

The transaction will be implemented through a partial demerger, where WithSecure's shareholders will receive as a demerger consideration one (1) share in F-Secure for each share they hold in WithSecure.

### What is the planned time schedule for the demerger?

The demerger is subject to approval by an Extraordinary General Meeting (EGM) of WithSecure. The EGM will be held on 31 May 2022. The completion of the demerger is expected to become effective as of 30 June 2022. The trading in F-Secure's shares is expected to commence on the official list of Nasdaq Helsinki as soon as reasonably possible after the effective date.

### Is the demerger diluting the value of my shareholding?

The demerger does not dilute your shareholding in WithSecure. You will also receive shares in the newly established consumer security company F-Secure based on your holding in WithSecure.

### What will be the price of WithSecure's and F-Secure's shares after the demerger?

The listing of WithSecure's share continues as normal on Nasdaq Helsinki and its price will be determined based on the trading. We do not speculate on what the share price of F-Secure share could be.

### Will there be tax consequences for me?

As a main rule, for WithSecure's shareholders who live in Finland, there will not be any direct tax consequences. The Finnish Tax Administration is expected to give ruling on how the acquisition cost of the shares will be divided between the shares in WithSecure and F-Secure.

Shareholders who do not live in Finland should consult their local tax authorities for tax advisory.

### What is the last day to hold shares in WithSecure to be eligible for the demerger consideration and thus receive shares in the consumer security business?

The allocation of the demerger consideration shares is based on the number of WithSecure shares registered in the shareholder's book-entry account on the effective date, which is expected to be 30 June 2022. Please note that it can take a couple of banking days from the purchase of WithSecure's shares before they are shown on your book-entry account and are thus eligible for the demerger consideration.

### Where can I get more information about the demerger?

For more information about the demerger, please see the offering circular that is available at [www.withsecure.com/en/about-us/investor-relations/demerger](http://www.withsecure.com/en/about-us/investor-relations/demerger).



[www.f-secure.com](http://www.f-secure.com)