



F-SECURE CORPORATION
HALF YEAR FINANCIAL
REPORT

1 JANUARY–30 JUNE 2022



CREATING STRONG FOUNDATION FOR GROWTH

HIGHLIGHTS OF APRIL–JUNE (Q2)

- Revenue increased by 4.3% to EUR 27.5 million (EUR 26.3 million)
 - Revenue from Partner Channel increased by 4.3% to EUR 21.7 million (EUR 20.8 million)
 - Revenue from Direct Channel increased by 4.1% to EUR 5.7 million (EUR 5.5 million)
- Adjusted EBITA decreased by 14.6% to EUR 10.1 million (EUR 11.8 million), 36.7% of revenue (44.8%)
- Items affecting comparability (IAC) for Adjusted EBITA were EUR -3.0 million (EUR -2.4 million)
- Earnings per share (EPS) was EUR 0.03 (EUR 0.04)
- Cash flow from operating activities before financial items and taxes was EUR 9.2 million (EUR 10.9 million)

HIGHLIGHTS OF JANUARY–JUNE (H1)

- Revenue increased by 4.2% to EUR 54.8 million (EUR 52.6 million)
 - Revenue from Partner Channel increased by 4.3% to EUR 43.4 million (EUR 41.6 million)
 - Revenue from Direct Channel increased by 3.7% to EUR 11.4 million (EUR 11.0 million)
- Adjusted EBITA decreased by 3.8% to EUR 22.7 million (EUR 23.6 million), 41.5% of revenue (44.9%)
- Items affecting comparability (IAC) for Adjusted EBITA were EUR -3.8 million (EUR -2.4 million)
- Earnings per share (EPS) was EUR 0.08 (EUR 0.09)
- Cash flow from operating activities before financial items and taxes was EUR 20.0 million (EUR 19.2 million)

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 was formed as a result of the partial demerger from WithSecure Corporation (“**Demerger**”), which was completed on 30 June 2022.

In this half-year report, financial information is presented on an actual basis for the statement of financial position as at 30 June 2022, and on a carve-out basis for all other financial information for the other periods presented. 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 half year report is unaudited.

The trading in F-Secure shares commenced on 1 July 2022. Therefore, it is not possible to calculate key figures that are based on market value for years 2022 and 2021. 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.

OUTLOOK (ISSUED 3 JUNE 2022)

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	4-6/2022	4-6/2021	Change %	1-6/2022	1-6/2021	Change %	1-12/2021
Revenue	27.5	26.3	4.3%	54.8	52.6	4.2%	106.3
Partner channel	21.7	20.8	4.3%	43.4	41.6	4.3%	84.2
Direct channel	5.7	5.5	4.1%	11.4	11.0	3.7%	22.1
Cost of revenue	-2.6	-2.0	29.2%	-4.7	-4.1	14.5%	-8.8
Gross Margin	24.9	24.3	2.2%	50.1	48.5	3.3%	97.4
% of revenue	90.5%	92.3%		91.4%	92.1%		91.7%
Other operating income	0.2	0.1	30.1%	0.4	0.3	57.5%	0.5
Operating expenses¹⁾	-14.9	-12.6	18.3%	-27.7	-25.0	10.6%	-50.6
Sales & Marketing	-8.8	-7.2	21.8%	-16.2	-13.9	15.8%	-28.5
Research & Development	-4.3	-3.7	15.3%	-8.2	-7.7	6.6%	-15.6
Administration	-1.8	-1.6	9.6%	-3.3	-3.3	-1.8%	-6.5
Adjusted EBITDA¹⁾	10.1	11.8	-14.5%	22.8	23.7	-3.8%	47.4
% of revenue	36.9%	45.0%		41.6%	45.1%		44.6%
Adjusted EBITA¹⁾	10.1	11.8	-14.6%	22.7	23.6	-3.8%	47.2
% of revenue	36.7%	44.8%		41.5%	44.9%		44.4%
Items affecting comparability (IAC)²⁾	-3.0	-2.4	24.3%	-3.8	-2.4	58.3%	-2.4
Depreciation & amortization	-0.4	-0.4	-0.9%	-0.8	-0.7	6.3%	-1.5
EBIT	6.8	9.1	-25.3%	18.3	20.6	-11.3%	43.5
% of revenue	24.7%	34.5%		33.4%	39.2%		40.9%
Adjusted EBIT¹⁾	9.7	11.5	-15.0%	22.1	23.0	-4.1%	45.9
% of revenue	35.5%	43.5%		40.2%	43.7%		43.2%
Earnings per share (EUR)³⁾	0.03	0.04	-28.4%	0.08	0.09	-11.7%	0.20
Operating cash flow	7.1	9.0	-21.8%	15.4	15.0	2.7%	36.1
Cash conversion %	113.1%	107.3%		98.0%	87.7%		95.6%
Deferred revenue				20.6	19.7	4.7%	19.7
Net debt (+) / Net cash (-)⁴⁾				-1.8	0.2		0.2
Equity ratio %				18.8%	24.9%		24.5%
Personnel at the end of the period⁵⁾				368	245	50.2 %	248

The key figures and other financial information are presented on an actual basis for the financial position as at 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⁾ 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 number of shares upon formation of F-Secure on 30 June 2022.

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 Q2 2022, the figure comprises all personnel employed by F-Secure.

TIMO LAAKSONEN, CEO

This has been a year of change for us, as the Demerger was carried out and completed at the end of June, followed by the listing of F-Secure Corporation on the main market of Nasdaq Helsinki on 1 July 2022. A new, independent F-Secure was created, enabling us to better meet and serve the needs of our customers and partners.

As we embark on a new era for F-Secure, we are happy with this quarter of continued growth and several strategic advances. Revenue for the quarter grew by 4.3%, amounting to EUR 27.5 million, reflecting a solid demand for F-Secure's products and partially supported by the strong dollar. Revenue for the first half of 2022 increased 4.2%. The adjusted EBITA decreased, being EUR 10.1 million in the second quarter and EUR 22.7 million for the first half of the year.

F-Secure strives for continued profitable growth based on three strategic pillars: increase average revenue per user (ARPU), develop current offering and new products, and expand into new channels. The roll-out of the latest version of F-Secure TOTAL, which combines VPN, password management, and endpoint and identity protection into one unified application experience, got into full swing in the partner channel in the second quarter with six partners launching services. We develop new product categories like connected home security with F-Secure SENSE to provide a complete security experience to consumers. During the quarter, we focused on creating a partner program and standardizing our delivery model for SENSE to enable business scalability. F-Secure has a strong position in the consumer security market through our global partner network, and we see great potential to expand into new channel partnerships and thereby widen our potential customer base. We signed up with several new partners in the quarter.

As stated in connection with the Demerger, F-Secure and WithSecure entered into transitional services agreements (TSAs) covering certain areas such as general services (HR, IT and finance), and the technology stack. The term of each service is defined separately, the period varies from three to eighteen months. The fees are determined on an arm's length basis. Many of the support function TSAs are planned to terminate at the end of 2022, and the rest during 2023.

F-Secure's vision is to become the number one security experience company in the world. To remain a leading force in the market, we have formed cross-functional teams, so called product business cells to ensure a high degree of customer focus and agility. The first two cells were set up for Security Suite and Network Security*. Alongside the Demerger, we have developed our internal processes, business support systems and operational excellence, and this work continues actively during the second half of the year. We remain focused on the three strategic growth priorities as the year progresses, while keeping our 2022 outlook unchanged: revenue growth of 4-6% year-on-year and adjusted EBITA at approximately 40%.

The first half of 2022 provides a solid foundation for the future. An important milestone has been passed and F-Secure's employees have done a great job and demonstrated dedication and flexibility during the Demerger process. I want to thank all our colleagues for a fantastic job up to this point. I would also like to take this opportunity to welcome all shareholders to F-Secure. As an independent company, we are able to execute fully our growth strategy and focus capital allocation in the best interest of F-Secure and our shareholders.



*Security Suite refers to VPN, terminal and identity security products F-Secure TOTAL and Network Security refers to F-Secure SENSE.

GROUP PERFORMANCE

April–June 2022

Revenue

The group's revenue increased by 4.3% to EUR 27.5 million (EUR 26.3 million) during the second quarter, driven by sales of the latest F-Secure products. Both partner and direct channels contributed to the growth.

Partner Channel

Revenue from the partner channel grew by 4.3% to EUR 21.7 million (EUR 20.8 million) with an increase in sales across several regions, such as the Nordic countries and Asia. Sales increased in North America, driven by continued good demand for F-Secure's products, and partially supported by the strong dollar. 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 got into full swing in the partner channel in the second quarter.

Direct Channel

Revenue from direct channel increased by 4.1% to EUR 5.7 million (EUR 5.5 million). Sales in F-Secure e-commerce increased especially in Germany. Renewal performance remained steady during the quarter. Average revenue per user continued to grow, as consumers are increasingly interested in bundled security and privacy solutions to secure their digital lives, which is driving sales of F-Secure TOTAL.

Gross margin

Gross margin increased by EUR 0.6 million to 24.9 million (EUR 24.3 million) and was 90.5% of revenue (92.3%). Royalties and hosting costs increased year-on-year during the quarter.

Operating expenses

Operating expenses excluding depreciation, amortization and items affecting comparability (IAC) increased by EUR 2.3 million to EUR 14.9 million (EUR 12.6 million) in the second quarter of 2022. Sales and marketing costs increased by EUR 1.6 million to EUR 8.8 million (EUR 7.2 million) due to an increase in sales and marketing activities. Research and development (R&D) costs increased to EUR 4.3 million (EUR 3.7 million). Administration costs increased by EUR 0.2 million to EUR 1.8 million (EUR 1.6 million).

The costs incurred due to the listing totaled EUR 3.0 million in the second quarter and are included as an item affecting comparability, described in Alternative performance measures on page 25. Items affecting comparability (IAC) totaled EUR 3.0 million in the second quarter (EUR 2.4 million). Depreciation and amortization totaled EUR 0.4 million (EUR 0.4 million) in the second quarter of 2022.

Profitability

Adjusted EBITA was EUR 10.1 million and 36.7% of revenue (EUR 11.8 million, 44.8%) for the second quarter of 2022. EBIT was EUR 6.8 million and 24.7% of revenue (EUR 9.1 million, 34.5%), including EUR 3.0 million of costs related to the listing. Profitability in the second quarter was burdened by increased sales and marketing costs and R&D costs, as we are building up and strengthening our competences as an independent company.

January–June 2022

Revenue

The company's total revenue in January–June increased by 4.2% to EUR 54.8 million (52.6 million). Both partner and direct channels contributed to the growth.

Partner Channel

Revenue from the partner channel grew by 4.3% to EUR 43.4 million (EUR 41.6 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 got into full swing in the partner channel in the second quarter of the year.

Direct Channel

Revenue from direct channel increased by 3.7% to EUR 11.4 million (EUR 11.0 million). Sales in F-Secure e-commerce increased especially in Germany. Renewal performance remained steady throughout the period. Average revenue per user 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.

Gross margin

Gross margin increased by EUR 1.6 million to 50.1 million (EUR 48.5 million) and was 91.4% of revenue (92.1%). Royalties and hosting increased during the review period.

Operating expenses

Operating expenses excluding depreciation, amortization and items affecting comparability (IAC) increased by EUR 2.7 million to EUR 27.7 million (EUR 25.0 million). Sales and marketing costs increased by EUR 2.3 million to EUR 16.2 million (EUR 13.9 million) due to an increase in sales and marketing activities. Research and development costs increased slightly to EUR 8.2 million (EUR 7.7 million).

The costs incurred due to the listing totaled EUR 3.8 million in January–June, and are included as an item affecting comparability, described in Alternative performance measures on page 25. Items affecting comparability (IAC) totaled EUR 3.8 million (EUR 2.4 million). Depreciation and amortization totaled EUR 0.8 million (EUR 0.7 million).

Profitability

Adjusted EBITA was EUR 22.7 million and 41.5% of revenue (EUR 23.6 million, 44.9%). EBIT was EUR 18.3 million and 33.4% of revenue (EUR 20.6 million, 39.2%), including EUR 3.8 million of costs related to the listing. Profitability was burdened by increased sales and marketing costs as well as R&D costs.

Revenue by sales channel

EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Revenue (External)					
Partner channel	21.7	20.8	43.4	41.6	84.2
Direct channel	5.7	5.5	11.4	11.0	22.1
Total	27.5	26.3	54.8	52.6	106.3

Revenue by geography

EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Revenue (External)					
Nordic countries	9.9	9.1	19.5	18.2	36.9
Rest of Europe	12.1	12.4	24.5	24.9	49.6
North America	4.1	3.6	8.1	7.0	14.6
Rest of the world	1.4	1.2	2.7	2.5	5.2
Total	27.5	26.3	54.8	52.6	106.3

CASH FLOW, FINANCIAL POSITION AND FINANCING

EUR million	Change			Change			
	4-6/2022	4-6/2021	%	1-6/2022	1-6/2021	%	1-12/2021
Cash and cash equivalents				5.9	-		-
Receivable from WithSecure				6.8	10.5		12.1
Interest-bearing receivables				3.8	-		-
Lease liabilities, non-current				1.3	0.1		0.1
Lease liabilities, current				0.9	0.1		0.1
Other interest-bearing liabilities, non-current				5.7	-		-
Capital Expenditure	0.6	0.5	9.5%	1.1	0.7	66.1%	1.7
% of revenue	2.1%	2.0%		2.1%	1.3%		1.6%

In January–June, cash flow from operating activities before financial items and taxes amounted to EUR 20.0 million (EUR 19.2 million). Cash flow from operations was EUR 15.4 million (EUR 15.0 million) and the cash conversion rate was 98.0% (87.7%). Prior to the Demerger on 30 June 2022, no cash or cash equivalents were allocated to F-Secure in the carve-out financial information. As at 30 June 2022, cash and cash equivalents were EUR 5.9 million. The receivable from WithSecure will be transferred as cash to F-Secure in July 2022. Additionally, F-Secure has a committed revolving credit facility of EUR 10 million as at 30 June (undrawn). Refer to Significant Events During the Review Period for the details.

Total assets were EUR 47.3 million (EUR 39.1 million) at the end of June 2022 and the equity ratio was 18.8% (24.9%). F-Secure's net cash was EUR 1.8 million (net debt of EUR 0.2 million) at the end of June.

As at 30 June 2022, F-Secure's current lease liabilities were EUR 0.9 million (EUR 0.1 million) and non-current lease liabilities were EUR 1.3 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 totaled EUR 5.7 million and the receivables totaled EUR 3.8 million, presented in the table above as Other interest-bearing liabilities (non-current) and interest-bearing receivables, respectively.

DEMERGER FROM WITHSECURE CORPORATION

WithSecure Corporation announced on 17 February 2022 that the Board of Directors of WithSecure had decided to pursue the separation of WithSecure's consumer security business and had approved a demerger plan according to which all assets and liabilities of WithSecure's consumer security business would be transferred without a liquidation procedure to a company to be incorporated in connection with the Demerger and to be named F-Secure Corporation. The Demerger is expected to strengthen the preconditions for shareholder value creation in both companies.

The Extraordinary General Meeting of WithSecure Corporation, held on 31 May 2022 resolved to approve the demerger plan. The General Meeting also resolved that the shareholders of WithSecure will receive as demerger consideration one (1) new share in F-Secure for each share they hold in WithSecure on the effective date on 30 June 2022. The Demerger was registered with the Trade Register maintained by the Finnish Patent and Registration Office on the effective date on 30 June 2022. After the Demerger was completed, the total number of shares in F-Secure was 174,526 944 and its share capital was EUR 80,000. Trading in the shares of F-Secure, admitted to trading on the official list of Nasdaq Helsinki under the trading code FSECURE (ISIN code: FI4000519236), commenced on 1 July 2022.

ORGANIZATION AND LEADERSHIP

F-Secure had 368 (245) employees at the end of the period.

On 12 April 2022, WithSecure Corporation's Board of Director appointed the President & CEO and Management Team members for F-Secure. Timo Laaksonen was appointed President & Chief Executive Officer of F-Secure. Furthermore, the following persons have been appointed to constitute F-Secure's Management Team, together with the President & CEO:

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

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. F-Secure is classified as a Mid Cap company in the Technology sector.

At the commencement of trading, F-Secure had 30,805 shareholders, 174,526 944 shares and EUR 80,000 in share capital. 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.

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. Inflation has increased the risk of negative development of the cost structure, and possible inflation in salary levels in the IT and technology sectors could have adverse effect on F-Secure's personnel expenses. Inflation may have a negative impact on the demand for F-Secure's products, and it is monitored very closely.

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.

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 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

On 12 April 2022, WithSecure announced appointments of F-Secure's President and CEO and Management Team with effect upon the completion of the Demerger. Timo Laaksonen was appointed President and CEO.

WithSecure negotiated on behalf of F-Secure, a revolving credit facility with Nordea Bank Abp amounting to EUR 10 million with a maturity of three years and with an equity ratio-based margin grid. Financial covenants include Net Debt to EBITDA and an equity ratio and other standard covenants to similar unsecured transactions. The credit facility agreement was signed by Nordea Bank Abp in May 2022. The revolving credit facility transferred to F-Secure on the effective date on 30 June 2022.

On 31 May 2022, the Extraordinary General Meeting of WithSecure decided that F-Secure will demerge through a partial demerger so that all of the assets and liabilities relating to the company's security business transfer without a liquidation procedure to F-Secure Corporation. The completion of the Demerger was registered with the Finnish Trade Register on 30 June 2022. In connection with the completion of the Demerger, Nasdaq Helsinki Ltd approved the listing application concerning the shares of F-Secure. Upon the completion of the Demerger, F-Secure's shareholders received as demerger consideration one (1) F-Secure share for each WithSecure share that they held.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

Trading in F-Secure's shares commenced on the Helsinki Stock Exchange on 1 July 2022. The trading code of the shares in F-Secure is FSECURE. At the beginning of trading, the number of shares in F-Secure subject to trading was 174,526 944.

As on 1 July 2022, F-Secure's share capital was 80,000 and the company has one share class. Each share carries one vote and entitles to the same dividend. At the beginning of trading on 1 July 2022, the company had 30,805 shareholders. The company did not hold any treasury shares at the end of the period or on the date of this report. A list of the largest shareholders is available on the company's website at www.f-secure.com.

FINANCIAL CALENDAR

In 2022, F-Secure Corporation will publish financial information as follows:

- Interim Report for January-September 2022, 31 October 2022

Helsinki, July 20, 2022

F-Secure Corporation

Board of Directors

FINANCIAL INFORMATION

INCOME STATEMENT

	4-6/2022	4-6/2021	Change %	1-6/2022	1-6/2021	Change %	1-12/2021
Revenue	27.5	26.3	4%	54.8	52.6	4%	106.3
Cost of revenue	-2.6	-2.0	29%	-4.7	-4.1	14%	-8.8
Gross margin	24.9	24.3	2%	50.1	48.5	3%	97.4
Other operating income	0.2	0.1	30%	0.4	0.3	58%	0.5
Sales and marketing	-8.9	-7.3	22%	-16.2	-14.0	16%	-28.7
Research and development	-4.6	-4.1	14%	-8.9	-8.4	7%	-16.9
Administration ¹⁾	-4.7	-4.0	18%	-7.1	-5.7	23%	-8.8
EBIT	6.8	9.1	-25%	18.3	20.6	-11%	43.5
Financial income	0.4	-0.1	-690%	0.7	0.1	1341%	0.3
Financial expenses	-0.4	0.2	-289%	-0.5	0.1	-901%	-0.2
Profit before taxes	6.8	9.2	-26%	18.5	20.8	-11%	43.6
Income tax	-1.5	-1.9	-19%	-4.0	-4.3	-7%	-9.1
Result for the period	5.3	7.4	-28%	14.5	16.5	-12%	34.4
Other comprehensive income							
Items that may be reclassified to profit or loss:							
Exchange difference on translation of foreign operations	0.1	0.0	398%	-0.2	0.1	-342%	0.1
Comprehensive income for the period	5.4	7.4	-27%	14.4	16.5	-13%	34.5
Earnings per share							
Earnings per share, basic and diluted, EUR	0.03	0.04	-28%	0.08	0.09	-12%	0.20

Income statement information has been prepared on a carve-out basis - refer to Note 1, Basis of Preparation.

¹⁾ Costs related to listing and strategic review increase administration expenses by EUR 3.0 million in Q2/2022, EUR 3.8 million in H1/2022 and EUR 2.4 million in 2021.

STATEMENT OF FINANCIAL POSITION

Assets	30 Jun 2022	30 Jun 2021	31 Dec 2021
Tangible assets	0.2	0.0	0.0
Right-of-use assets ¹⁾	2.2	0.2	0.3
Intangible assets	6.2	5.6	5.9
Deferred tax assets	0.1	0.4	0.2
Interest-bearing receivables	3.8	-	-
Total non-current assets	12.6	6.3	6.4
Inventories	0.0	0.1	0.1
Accrued income	2.1	1.5	1.3
Trade and other receivables ²⁾	19.0	20.9	19.1
Receivable from WithSecure ³⁾	6.8	10.5	12.1
Income tax receivables	0.9	-	-
Cash and cash equivalents	5.9	-	-
Total current assets	34.8	32.9	32.5
Total assets	47.3	39.1	38.9
Shareholders' equity and liabilities	30 Jun 2022	30 Jun 2021	31 Dec 2021
Total Equity	8.9	9.7	9.5
Interest bearing liabilities, non-current	7.0	0.1	0.1
Deferred tax liabilities	0.3	0.3	0.2
Deferred revenue, non-current	3.3	3.2	3.1
Other non-current liabilities	0.1	-	0.0
Total non-current liabilities	10.7	3.6	3.5
Interest-bearing liabilities, current	0.9	0.1	0.1
Trade and other payables	8.7	9.2	9.2
Income tax liabilities	0.9	-	-
Deferred revenue, current	17.3	16.5	16.6
Total current liabilities	27.8	25.8	25.9
Total equity and liabilities	47.3	39.1	38.9

Statement of financial position information has been prepared on an actual basis as at 30 June 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⁾ Allowances for expected credit losses continue to include a small increase due to the Covid-19 pandemic.

³⁾ Prior to the Demerger on 30 June 2022, no cash was allocated to F-Secure in the carve-out financial information.

CASH FLOW STATEMENT

	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Cash flow from operations					
Result for the period	5.3	7.4	14.5	16.5	34.4
Adjustments	2.1	2.2	4.8	5.0	11.1
Cash flow from operations before change in working capital	7.3	9.5	19.3	21.5	45.5
Change in net working capital	1.9	1.4	0.7	-2.2	-0.4
Cash flow from operations before financial items and taxes	9.2	10.9	20.0	19.2	45.1
Net financial items and taxes	-2.2	-1.9	-4.6	-4.3	-9.0
Cash flow from operations	7.1	9.0	15.4	15.0	36.1
Cash flow from investments					
Net Investments in tangible and intangible assets	-0.6	-0.5	-1.1	-0.7	-1.7
Proceeds from sale of intangible and tangible assets	-	-0.0	-	-0.0	0.0
Cash flow from investments	-0.6	-0.5	-1.1	-0.7	-1.6
Cash flow from financing activities					
Repayments of lease liabilities	-0.1	-0.0	-0.1	-0.1	-0.2
Increase in interest-bearing liabilities with WithSecure	5.7	-	5.7	-	-
Increase in interest-bearing receivables with WithSecure	-3.8	-	-3.8	-	-
Equity financing with WithSecure, net	-2.4	-8.5	-10.1	-14.2	-34.3
Cash flow from financing activities	-0.6	-8.5	-8.3	-14.3	-34.5
Change in balance¹⁾	5.9	-	5.9	-	-
Cash and cash equivalents at the beginning of the period ¹⁾	-	-	-	-	-
Cash and cash equivalents at period end ¹⁾	5.9	-	5.9	-	-

Refer to Note 1, Basis of Preparation, for details of the financial information prepared on an actual basis (financial position as at 30 June 2022) and carve-out basis (all other financial information for the other periods presented).

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 and retained earnings	Share capital	Unrestricted equity reserve	Retained earnings	Total
Invested equity December 31, 2020	9.1				9.1
Result for the period	16.5				16.5
Translation difference	0.1				0.1
Total comprehensive income for the period	16.5				16.5
Cost of share-based payments	-0.1				-0.1
Equity transactions with WithSecure	-15.7				-15.7
Invested equity June 30, 2021	9.7				9.7
Invested equity December 31, 2021	9.5				9.5
Result for 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	0.0
Equity June 30, 2022	-	0.1	10.7	-1.9	8.9

Refer to Note 1, Basis of Preparation, for details of the financial information prepared on an actual basis (financial position as at 30 June 2022) and carve-out basis (all other financial information for the other periods presented).

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 half-year report, financial information is presented on an actual basis for the statement of financial position as at 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.

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 years 2022 and 2021. 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 Jun 2022	30 Jun 2021	31 Dec 2021	1-6/2022	1-6/2021	1-12/2021
USD	1.0387	1.1884	1.1326	1.0849	1.2089	1.1894
GBP	0.8582	0.8581	0.8403	0.8436	0.8724	0.8633
JPY	141.54	131.43	130.38	134.86	129.62	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 Jun 2022	30 Jun 2021	31 Dec 2021
USD	-0.7/+0.8	-0.2/+0.3	+/-0.2

2. REVENUE

Disaggregation of revenue

Sales channels	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Revenue from external customers					
Partner channel	21.7	20.8	43.4	41.6	84.2
Direct channel (E-commerce)	5.7	5.5	11.4	11.0	22.1
Total	27.5	26.3	54.8	52.6	106.3

Geographical information	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Revenue from external customers					
Nordic countries	9.9	9.1	19.5	18.2	36.9
Rest of Europe	12.1	12.4	24.5	24.9	49.6
North America	4.1	3.6	8.1	7.0	14.6
Rest of world	1.4	1.2	2.7	2.5	5.2
Total	27.5	26.3	54.8	52.6	106.3

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

	30 Jun 2022	30 Jun 2021	31 Dec 2021
Book value at the beginning of the period	6.2	5.9	5.9
Additions ¹⁾	3.3	0.7	1.9
Depreciation and amortization	-0.8	-0.7	-1.5
Book value at the end of the period	8.7	5.8	6.2

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

	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Depreciation and amortization by function					
Sales and marketing	0.0	0.0	0.1	0.1	0.2
Research and development	0.3	0.3	0.7	0.6	1.3
Total depreciation and amortization	0.4	0.4	0.8	0.7	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 Jun 2022			
Cash and cash equivalents	5.9		5.9
Receivable from WithSecure	6.8		6.8
Interest-bearing receivables	3.8		3.8
Trade receivables	15.8		15.8
Trade payables		4.1	4.1
Lease liabilities		2.2	2.2
Other interest-bearing liabilities		5.7	5.7
30 Jun 2021			
Related party receivable from WithSecure	10.5		10.5
Trade receivables	16.4		16.4
Trade payables		2.1	2.1
Lease liabilities		0.2	0.2
31 Dec 2021			
Related party 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

Prior to the Demerger on 30 June 2022, no cash or cash equivalents were allocated to F-Secure in the carve-out financial information. As at 30 June 2022, cash and cash equivalents were EUR 5.9 million. The receivable from WithSecure will be transferred as cash to F-Secure in July 2022.

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. The credit facility agreement was signed by Nordea Bank Abp in May 2022 (see also Significant Events During the Review Period). The revolving credit facility transferred to F-Secure on the effective date on 30 June 2022 (undrawn).

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 3.8 million,

presented in the table above as Other interest-bearing liabilities (non-current) and interest-bearing receivables, respectively.

As at 30 June 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 lease agreements for its office premises.

Financial liabilities

Contractual maturities of financial liabilities:

	30 Jun 2022	30 Jun 2021	31 Dec 2021
Amount due for settlement within 12 months	5.0	2.2	1.6
Amount due for settlement after 12 months	7.0	0.1	0.1
Total	12.0	2.3	1.7

QUARTERLY FIGURES AND ALTERNATIVE PERFORMANCE MEASURES

Income statement quarterly

	4-6/2022	1-3/2022	10-12/2021	7-9/2021	4-6/2021
Revenue	27.5	27.4	27.1	26.5	26.3
Cost of revenue	-2.6	-2.1	-2.5	-2.2	-2.0
Gross margin	24.9	25.2	24.6	24.3	24.3
Other operating income	0.2	0.2	0.2	0.1	0.1
Sales and marketing	-8.9	-7.4	-7.6	-7.1	-7.3
Research and development	-4.6	-4.3	-4.6	-4.0	-4.1
Administration	-4.7	-2.3	-1.7	-1.4	-4.0
EBIT	6.8	11.5	10.9	12.0	9.1
Financial net	-0.0	0.2	-0.0	-0.0	0.1
Profit before taxes	6.8	11.7	10.9	11.9	9.2
Income tax	-1.5	-2.5	-2.4	-2.4	-1.9
Profit for the period	5.3	9.3	8.5	9.5	7.4

Income statement information has been prepared on a carve-out basis - refer to Note 1, Basis of Preparation.

Key figures

EUR million	4-6/2022	1-3/2022	10-12/2021	7-9/2021	4-6/2021
Revenue	27.5	27.4	27.1	26.5	26.3
Revenue growth %	4.3%	4.1%	-	-	-
Adjusted EBITDA	10.1	12.7	11.3	12.4	11.8
% of revenue	36.9%	46.4%	41.7%	46.7%	45.0%
EBITA	7.1	11.9	11.2	12.3	9.4
% of revenue	25.9%	43.3%	41.5%	46.4%	35.8%
Adjusted EBITA	10.1	12.7	11.2	12.3	11.8
% of revenue	36.7%	46.3%	41.5%	46.4%	44.8%
EBIT	6.8	11.5	10.9	12.0	9.1
% of revenue	24.7%	42.1%	40.2%	45.1%	34.5%
Adjusted EBIT	9.7	12.3	10.9	12.0	11.5
% of revenue	35.5%	45.0%	40.2%	45.1%	43.5%
Profit for the period	5.3	9.3	8.5	9.5	7.4
% of revenue	19.2%	33.8%	31.2%	35.9%	27.9%
Earnings per share, basic and diluted, EUR ¹⁾	0.03	0.05	0.05	0.05	0.04
R&D costs	4.6	4.3	4.6	4.0	4.1
% of revenue	16.9%	15.6%	16.8%	15.0%	15.5%
Capital expenditure	0.6	0.6	0.6	0.4	0.5
% of revenue	2.1%	2.0%	2.2%	1.4%	2.0%
Deferred revenue	20.6	20.2	19.7	19.0	19.7
Operating cash flow	7.1	8.3	13.6	7.6	9.0
Net debt (+) / Net cash (-) ²⁾	-1.8	0.2	0.2	0.2	0.2
Equity ratio %	18.8%	23.7%	24.5%	30.8%	24.9%
Cash conversion %	113.1%	86.1%	134.9%	75.0%	107.3%
Personnel at the end of the period ³⁾	368	255	248	246	245

The Key Figures are presented on an actual basis for the financial position as at 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 number of shares upon formation of F-Secure on 30 June 2022.

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 its 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 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

	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Adjusted EBITDA	10.1	11.8	22.8	23.7	47.4
Adjustments to EBITDA					
Costs related to strategic review	-	-2.4	-	-2.4	-2.4
Costs related to listing	-3.0	-	-3.8	-	-
EBITDA	7.2	9.5	19.1	21.4	45.0
Depreciation and amortization	-0.4	-0.4	-0.8	-0.7	-1.5
EBIT	6.8	9.1	18.3	20.6	43.5
Adjusted EBITA	10.1	11.8	22.7	23.6	47.2
Adjustments to EBITA					
Costs related to strategic review	-	-2.4	-	-2.4	-2.4
Costs related to listing	-3.0	-	-3.8	-	-
EBITA	7.1	9.4	19.0	21.3	44.8
Amortization	-0.3	-0.3	-0.7	-0.6	-1.3
EBIT	6.8	9.1	18.3	20.6	43.5
Adjusted EBIT	9.7	11.5	22.1	23.0	45.9
Adjustments to EBIT					
Costs related to strategic review	-	-2.4	-	-2.4	-2.4
Costs related to listing	-3.0	-	-3.8	-	-
EBIT	6.8	9.1	18.3	20.6	43.5

Classification of adjusted costs in operating expenses

	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Operating expenses					
Sales and marketing	-8.9	-7.3	-16.2	-14.0	-28.7
Research and development	-4.6	-4.1	-8.9	-8.4	-16.9
Administration	-4.7	-4.0	-7.1	-5.7	-8.8
Total	-18.2	-15.4	-32.2	-28.1	-54.5
Depreciation and amortization by function					
Sales and marketing	0.0	0.0	-0.1	-0.1	-0.2
Research and development	-0.3	-0.3	-0.7	-0.6	-1.3
Total	-0.4	-0.4	-0.8	-0.7	-1.5
Items affecting Comparability (IAC) by function					
Administration	-4.7	-4.0	-7.1	-5.7	-8.8
Less: Costs related to strategic review	-	2.4	-	2.4	2.4
Less: Costs related to listing	3.0	-	3.8	-	-
Administration excluding IAC	-1.8	-1.6	-3.3	-3.3	-6.5
Operating expenses less depreciation, amortization and IAC					
Sales and marketing	-8.8	-7.2	-16.2	-13.9	-28.5
Research and development	-4.3	-3.7	-8.2	-7.7	-15.6
Administration	-1.8	-1.6	-3.3	-3.3	-6.5
Total	-14.9	-12.6	-27.7	-25.0	-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 material items outside normal course of business, such as restructuring, strategic reviews and costs 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
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



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