

EXTRACT FROM THE OFFERING CIRCULAR. NOT FOR DISCLOSURE OR DISTRIBUTION IN OR INTO THE UNITED STATES, OR IN ANY OTHER JURISDICTION WHERE DISCLOSURE OR DISTRIBUTION WOULD BE PROHIBITED BY APPLICABLE LAW

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Basis of compilation of unaudited pro forma financial information

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

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

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

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

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

The pro forma financial information is unaudited.

Effects of the Demerger

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

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

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

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

Historical financial information

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

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

Other considerations

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

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

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

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

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

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

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

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

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

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

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

See accompanying notes to unaudited pro forma financial information

Notes to the unaudited pro forma financial information

Note 1a – Leasing

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

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

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

Note 1b – Listing costs

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

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

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

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

Note 1c – Revolving credit facility

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

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

Note 1d – Group formation

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

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

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

Note 2 – Pro forma earnings per share

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

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

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

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

Note 3 – Additional pro forma information

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

Unaudited pro forma key figures

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

Definitions for the unaudited pro forma key figures

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

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

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

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

Reconciliation of Pro Forma Adjusted EBITDA to EBIT

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

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

¹⁾Audited

Reconciliation of Pro Forma Adjusted EBITA to EBIT

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

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

¹⁾Audited

Reconciliation of Pro Forma Adjusted EBIT to EBIT

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

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

¹⁾Audited

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

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