DEMERGER PLAN

regarding

the partial demerger of

a company currently registered as

F-SECURE CORPORATION

as the “Demerging Company”

into a company to be incorporated upon the registration of the completion of the demerger

as the “Receiving Company”

17 February 2022

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DEMERGER PLAN

The board of directors of a company currently registered as F-Secure Corporation (**Demerging Company**) proposes to the shareholders' general meeting of the Demerging Company that the general meeting resolve on the partial demerger of the Demerging Company so that the assets and liabilities related to the Demerging Company's consumer security business will transfer to a company to be incorporated in connection with the partial demerger (**Receiving Company**), as set forth in this demerger plan (**Demerger Plan**) (**Demerger**).

In this Demerger Plan, the Demerging Company and the Receiving Company may also be referred to jointly as the **Companies Participating in the Demerger**, and each individually as a **Company Participating in the Demerger**.

The Demerging Company will not be liquidated in connection with the Demerger, and it will retain the assets and liabilities related to its corporate security business.

In connection with the Demerger, the Receiving Company is proposed to be named as F-Secure Corporation. The Demerging Company is proposed to be renamed as WithSecure Corporation, as set forth in Section 3 of this Demerger Plan.

The shareholders of the Demerging Company will receive one new share in the Receiving Company as demerger consideration for each share they hold in the Demerging Company upon the registration of the completion of the Demerger, as set forth in Section 5 of this Demerger Plan.

It is planned that the date of registration of the completion of the Demerger (**Effective Date**) shall be on or about 30 June 2022, as set forth in Section 18 of this Demerger Plan. The actual Effective Date may still change from said date.

It is expected that the shares in the Receiving Company will be applied for to be admitted to trading on the official list of Nasdaq Helsinki Ltd (**Nasdaq Helsinki**), as set forth in Section 19.2 of this Demerger Plan. The trading in the Receiving Company's shares on Nasdaq Helsinki is expected to begin as soon as reasonably possible after the Effective Date. The Demerger will not affect the listing of, or trading in, the shares of the Demerging Company.

The Demerger will be carried out in accordance with the provisions of Chapter 17 of the Finnish Companies Act (624/2006, as amended) (**Finnish Companies Act**) and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended).

1 COMPANIES PARTICIPATING IN THE DEMERGER

Demerging Company

Current trade name:	F-Secure Corporation
Expected future trade name:	WithSecure Corporation
Business identity code:	0705579-2
Address:	Tammasaarenkatu 7, 00180 Helsinki, Finland
Registered office:	Helsinki, Finland

The Demerging Company is a public limited liability company whose shares have been admitted to trading on the official list of Nasdaq Helsinki.

Receiving Company

Future trade name:	F-Secure Corporation
Business identity code:	To be issued in connection with the registration of the Demerger Plan with the Finnish Trade Register
Address:	Tammasaarenkatu 7, 00180 Helsinki, Finland
Registered office:	Helsinki, Finland

The Receiving Company is a public limited liability company to be incorporated upon the registration of the completion of the Demerger whose shares are expected to be applied for to be admitted to trading on the official list of Nasdaq Helsinki.

2 ACCOUNT OF THE REASONS FOR THE DEMERGER

The purpose of the Demerger is to carry out the separation of the Demerging Company's consumer security business to an independent group of companies. The consumer security business consists of designing and providing a comprehensive range of cyber security products and services related to data security, privacy protection as well as privacy protection and digital identity protection of consumers' terminal devices, networks and devices connected to a network, sold, in each case, either directly or indirectly, to consumers (**Transferring Business**). The Demerging Company will, after the Demerger, concentrate on its corporate security business, which consists of designing and providing a comprehensive range of cyber security products, services and consultation as well as managed services, and designing and manufacturing software products related to data security of terminal devices and devices connected to a network, sold, in each case, either directly or indirectly, to other end users than consumers (**Remaining Business**). Thus, by way of the Demerger, the Demerging Company intends to divide its current business into two companies so that the Transferring Business will transfer to a new company to be incorporated, i.e., the Receiving Company, and the Remaining Business will remain in the Demerging Company.

At the date of this Demerger Plan, the Transferring Business is carried out in Finland by the Demerging Company and abroad by its direct and indirect subsidiaries. Key assets, debts and liabilities to be transferred in the Demerger have been listed in Section 10.1 and include, among other things, the shares in the subsidiaries engaged in the Transferring Business, intellectual property rights that are specific to the Transferring Business and assets including inventories, receivables, and liabilities including payables, directly attributable to the transferring business or to employees transferred to the transferring business.

The board of directors of the Demerging Company considers that the Demerger will, among other things, enable the Demerging Company and the Receiving Company to better serve and meet the specific needs of their respective customers and partners, with different business dynamics overall in consumer security and corporate security businesses. The Demerger will also enable the Demerging Company and the Receiving Company to improve focus on developing their respective operations more efficiently, investing in specific expertise, technology, and innovation, clarifying the structure, management, and financing of their current operations as well as the investment options and equity stories with different value creation profiles. In addition, this clearer focus due to Demerger will, in the long term, increase opportunities to optimise operational efficiency and value creation for both the Demerging Company and the Receiving Company providing both companies with a better way to capture growth opportunities and increase competitiveness through specialisation.

The board of directors of the Demerging Company is of the opinion that the next phase in the development of the Demerging Company's operations is best carried out in two separate companies, which, as explained above, enables a more specialised and distinctive strategy and way of operation for both. The expectation is that the boards of directors and the management of these two independent companies will, in the long term, help the companies to reach a stronger growth and better profitability.

All in all, the board of directors of the Demerging Company expects that the Demerger will strengthen the preconditions for shareholder value creation both in the Demerging Company as well as in the Receiving Company.

3 ARTICLES OF ASSOCIATION OF THE DEMERGING COMPANY AND THE RECEIVING COMPANY

3.1 Proposal for the amendment of the articles of association of the Demerging Company

Articles 2 and 8 of the articles of association of the Demerging Company are proposed to be amended upon the registration of the completion of the Demerger.

Article 2 is proposed to be amended to better reflect the operations of the Demerging Company to read as follows:

2 Line of business

The company's line of business is to design, manufacture, publish and provide products, including without limitation hardware and software products, and services, including without limitation managed services and consultation, relating in each case to information technology and cyber security, and to carry out import and export of any of the above or any equipment related to any of the above. The company may also trade in securities.

Article 8 is proposed to be amended to reflect the terminology used in the Finnish Auditing Act (1141/2015, as amended) (**Finnish Auditing Act**) to read as follows:

8 Auditor

The company has an auditor that must be an audit firm as defined in the Finnish Auditing Act. The term of office of the auditor expires at the end of the first annual general meeting following the election.

Given that the Receiving Company is proposed to be named as F-Secure Corporation (as indicated in Section 3.2 of this Demerger Plan), the board of directors of the Demerging Company expects to propose to a shareholders' general meeting of the Demerging Company to be convened prior to the Effective Date that the articles of association of the Demerging Company are to be amended to feature a new trade name and an English parallel trade name (in Finnish: *rinnakkaistoiminimi*) for the Demerging Company. The proposed new trade name is expected to be WithSecure Oyj, and the parallel trade name WithSecure Corporation.

For the sake of clarity, this Demerger Plan or the Demerger do not limit the authority of the shareholders' general meeting of the Demerging Company to resolve on any other amendments to the articles of association of the Demerging Company.

3.2 Proposal for the articles of association of the Receiving Company

A proposal for the articles of association of the Receiving Company, which shall enter into force upon the registration of the completion of the Demerger on the Effective Date, has been attached to this Demerger Plan as Schedule 1 (**New Articles**).

4 APPOINTMENT OF THE BOARD OF DIRECTORS, AUDITOR AND MANAGING DIRECTOR OF THE RECEIVING COMPANY

4.1 Members of the board of directors and their remuneration

According to the New Articles, the Receiving Company has a board of directors consisting of a minimum of three and a maximum of seven members. The term of office of the members of the board of directors expires at the end of the first annual general meeting following their election.

The number of members in the board of directors of the Receiving Company and their remuneration shall be decided, and such members shall be elected, by the shareholders' general meeting of the Demerging Company resolving on the Demerger. The decisions may be changed by a later shareholders' general meeting of the Demerging Company prior to the Effective Date, if necessary.

It is expected that Pertti Ervi and Risto Siilasmaa will be proposed to be elected as members of the board of directors of the Receiving Company and that Pertti Ervi will be elected as the chairperson of the board of directors. The names of the persons to be proposed as other members of the board of directors of the Receiving Company will be disclosed, at the latest, in the notice convening the shareholders' general meeting of the Demerging Company where the election of the members is proposed to take place.

It is also expected that both Pertti Ervi and Risto Siilasmaa will be proposed to continue in the board of directors of the Demerging Company.

Given that it will be necessary for the members of the board of directors of the Receiving Company to participate in and support actions required for the preparation of the Demerger, it is expected that the members of the board of directors of the Receiving Company are proposed to be paid remuneration also for a specific period preceding the registration of the completion of the Demerger on the Effective Date. Such remuneration is expected to be half of the remuneration payable to them as of the Effective Date.

The Receiving Company will be responsible for the remuneration of the members of the board of directors as well as any other costs and liabilities related to them, even to the extent such remuneration, cost or liability relates to a time preceding the registration of the completion of the Demerger on the Effective Date (i.e., already before the commencement of their term of office).

The term of office of the members of the board of directors of the Receiving Company shall commence upon the registration of the completion of the Demerger on the Effective Date and shall expire at the end of the first annual general meeting of the Receiving Company following the Effective Date.

If a person proposed as a member of the board of directors of the Receiving Company revokes their consent, or otherwise must be replaced by another person prior to the Effective Date, the shareholders' general meeting of the Demerging Company will be entitled to elect a new member in their place.

The proposals to the shareholders' general meeting of the Demerging Company concerning the number of members in the board of directors of the Receiving

Company, their remuneration and their election shall be made by the board of directors of the Demerging Company upon the recommendation of the personnel committee of the board of directors of the Demerging Company. Such proposals are not binding on the shareholders' general meeting.

4.2 Auditor and their remuneration

According to the New Articles, the Receiving Company has an auditor that must be an audit firm as referred to in the Finnish Auditing Act. The term of office of the auditor expires at the end of the first annual general meeting following their appointment.

The remuneration of the auditor of the Receiving Company shall be decided, and the auditor shall be appointed, by the shareholders' general meeting of the Demerging Company resolving on the Demerger. The decisions may be changed by a later shareholders' general meeting of the Demerging Company prior to the Effective Date, if necessary.

The Receiving Company will be responsible for the auditor's remuneration as well as any other costs and liabilities related to the auditor, even to the extent such remuneration, cost or liability relates to a time preceding the registration of the completion of the Demerger on the Effective Date (i.e., already before the commencement of its term of office).

The term of office of the auditor of the Receiving Company shall commence upon the registration of the completion of the Demerger on the Effective Date and shall expire at the end of the first annual general meeting of the Receiving Company following the Effective Date.

The proposals to the shareholders' general meeting of the Demerging Company concerning the remuneration and the appointment of the auditor shall be made by the board of directors of the Demerging Company. Such proposals are not binding on the shareholders' general meeting.

4.3 Managing director and their remuneration

According to the New Articles, the Receiving Company has a managing director who will be appointed by the board of directors.

The first managing director of the Receiving Company shall be appointed, and the managing director's remuneration shall be decided, by the board of directors of the Demerging Company prior to the registration of the completion of the Demerger on the Effective Date. The board of directors of the Demerging Company is also entitled to discharge the managing director of the Receiving Company prior to the Effective Date, if necessary.

Timo Laaksonen is expected to be appointed as the first managing director of the Receiving Company.

The Demerging Company shall enter into a customary service agreement with the managing director of the Receiving Company. The agreement, including without limitation all rights and obligations related thereto, will transfer to the Receiving Company upon the registration of the completion of the Demerger. The Receiving Company will be responsible for the managing director's remuneration under the agreement as well as any other costs and liabilities related to the managing director and the agreement, even to the extent such remuneration, cost or liability relates to a time preceding the registration of the completion of the Demerger.

If the managing director of the Receiving Company resigns, is discharged, or otherwise must be replaced by another person prior to the Effective Date, the Board of Directors of the Demerging Company is, until the Effective Date, entitled to appoint a new managing director for the Receiving Company. Thereafter, the board of directors of the Receiving Company shall have the right to appoint and discharge the managing director of the Receiving Company.

5 DEMERGER CONSIDERATION

5.1 Demerger Consideration

The shareholders of the Demerging Company shall receive as demerger consideration one new share in the Receiving Company for each share they hold in the Demerging Company (**Demerger Consideration**), i.e., the Demerger Consideration shall be issued to the shareholders of the Demerging Company in proportion to their existing shareholding with a ratio of 1:1.

Pursuant to Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, treasury shares held by the Demerging Company do not carry a right to receive Demerger Consideration.

As explained in Section 5.2 of this Demerger Plan, the allocation of the Demerger Consideration is based on the shareholding in the Demerging Company on the Effective Date. Accordingly, the final aggregate number of shares in the Receiving Company issued as Demerger Consideration will be determined based on the number of shares in the Demerging Company held by its shareholders, other than the Demerging Company itself, on the Effective Date. On the date of this Demerger Plan, there are a total of 158,798,739 shares in the Demerging Company, of which a total of 411,358 are treasury shares. According to the situation on the date of this Demerger Plan, the total number of shares in the Receiving Company to be issued as Demerger Consideration would therefore be 158,387,381 shares. The final total number of shares to be issued as Demerger Consideration may be affected by, among other things, any changes to the number of outstanding shares in the Demerging Company, including, for example, if the Demerging Company issues new shares (either in the share issue referred to in Section 19.1 or otherwise) or acquires its own shares prior to the Effective Date.

There is only one class of shares in the Receiving Company, and the shares in the Receiving Company do not have a nominal value.

It is expected that the shares in the Receiving Company will be applied for to be admitted to trading on the official list of Nasdaq Helsinki.

5.2 Timing of Issue of the Demerger Consideration

The Demerger Consideration shall be issued to the shareholders of the Demerging Company on the first business day after the Effective Date or as soon as possible thereafter.

The Demerger Consideration shall be issued through the book-entry securities system maintained by Euroclear Finland Oy, in such a manner that the shares shall be issued using the ratio specified in this Demerger Plan based on the number of outstanding shares in the Demerging Company and recorded on the book-entry accounts of the shareholders of the Demerging Company on the Effective Date.

The Demerger Consideration shall be distributed automatically, and no action is required from the shareholders of the Demerging Company in relation thereto.

5.3 Other Consideration

In addition to the Demerger Consideration, no other consideration shall be issued to the shareholders of the Demerging Company in connection with the Demerger.

6 OPTION RIGHTS AND OTHER SPECIAL RIGHTS ENTITLING TO SHARES

The Demerging Company has not issued any option rights or other special rights referred to in Chapter 10 of the Finnish Companies Act that would entitle their holder to subscribe for shares in the Demerging Company.

7 SHARE-BASED INCENTIVE PROGRAMS OF THE DEMERGING COMPANY

The Demerging Company has the following share-based incentive programs pursuant to which share rewards remain to be paid on the date of this Demerger Plan:

- Long-Term Incentive Plan, earning period 2019–2021,

- Performance Share Plan, earning periods 2020–2022, 2021–2023 and 2022–2024, and

- Restricted Share Plan, earning periods 2020–2021, 2021–2022, 2021–2023 and 2022–2024,

(jointly, **Share-Based Incentive Programs**).

The board of directors of the Demerging Company may resolve on the effects that the Demerger has on the Share-Based Incentive Programs in accordance with their terms and conditions prior to the registration of the completion of the Demerger. The board of directors of the Demerging Company may make such decisions also with respect to program participants who will transfer to the Receiving Company in the Demerger, and those decisions, if any, will be binding towards the Demerging Company, the Receiving Company and the relevant participants.

The board of directors of the Demerging Company may also resolve on adopting new share-based incentive programs (including without limitation new earning periods for the Share-Based Incentive Programs) concerning the personnel of the Demerging Company. Until the registration of the completion of the Demerger that includes, without limitation, also personnel transferring to the Receiving Company in the Demerger, after which any such programs for the transferring personnel shall be resolved by the board of directors of the Receiving Company.

8 SHARE CAPITAL AND OTHER EQUITY OF THE RECEIVING COMPANY

The share capital of the Receiving Company will be EUR 80,000.

The equity to be formed in the Receiving Company in the Demerger, insofar as it exceeds the above-mentioned amount to be recorded into the share capital, shall be recorded in its reserve for invested unrestricted equity, as set forth in Section 10.4.

9 ACCOUNT OF THE ASSETS, LIABILITIES AND EQUITY OF THE DEMERGING COMPANY AND CIRCUMSTANCES IMPACTING THEIR VALUATION

The assets, liabilities and equity of the Demerging Company as on 31 December 2021 have been presented in Schedule 4. The relevant financial information has been derived from the Demerging Company's financial statements for a period 1 January–31 December 2021 attached to this Demerger Plan as Schedule 2. The financial statements have been signed by the Demerging Company's board of directors and audited but, as at the date of this Demerger Plan, the Demerging Company's shareholders' general meeting is yet to adopt the financial statements. The intention is to decide on the adoption of the financial statements in the shareholders' annual general meeting of the Demerging Company which is planned to be held on 16 March 2022.

In the financial statements, the assets and liabilities of the Demerging Company have been booked and valued in compliance with the provisions of the Finnish Accounting Act (1336/1997, as amended) (**Finnish Accounting Act**).

10 ALLOCATION OF THE DEMERGING COMPANY'S ASSETS AND LIABILITIES BETWEEN COMPANIES PARTICIPATING IN THE DEMERGER, INTENDED EFFECT OF THE DEMERGER ON THE BALANCE SHEET OF THE RECEIVING COMPANY AND ACCOUNTING METHODS APPLIED IN THE DEMERGER

10.1 Assets and Liabilities Transferring to the Receiving Company

In the Demerger, the Transferring Business, i.e., all assets, debts and liabilities related or attributable to the Transferring Business (whether known, unknown or conditional and including without limitation all thereto related agreements and undertakings) existing at the time of the registration of the completion of the Demerger, shall transfer to the Receiving Company upon the registration of the completion of the Demerger on the Effective Date.

The assets, debts and liabilities transferring to the Receiving Company include, among other things, the following key items:

(a) All shares in the subsidiaries and associated companies directly held by the Demerging Company and all branches of the Demerging Company, in each case related to the Transferring Business, as well as any of their direct and indirect subsidiaries and branches related to the Transferring Business (jointly, **Transferring Subsidiaries**), including without limitation, as at the date of this Demerger Plan, the companies and branches specified in the following as well as any of their direct and indirect subsidiaries and branches that relate to the Transferring Business, and also any other Transferring Subsidiaries that may potentially be incorporated or registered between the Date of this Demerger Plan and the Effective Date:

(1) DF-Data Oy (a company incorporated and existing under the laws of Finland with business identity code 0797029-6);

(2) F-Secure Inc, a company incorporated and existing under the laws of the state of California with company number C1759144;

(3) F-Secure (UK) Ltd, a company incorporated and existing under the laws of England and Wales with company number 03782275;

(4) F-Secure e-Store GmbH, a company incorporated and existing under the laws of Germany with registration number HRB 156273;

(5) F-Secure Pvt Ltd, a company incorporated and existing under the laws of India with registration number 158613;

(6) F-Secure Iberia SL, a company incorporated and existing under the laws of Spain with registration number B65396103; and

(7) F-Secure do Brasil Technol. da Informacão Ltda, a company incorporated and existing under the laws of Brazil with register number 13.592.922/0001-87.

(b) The Demerging Company's receivables from and debts to the Transferring Subsidiaries to the extent they relate to the Demerging Company's cash pooling arrangement, and a part of the Demerging Company's cash or cash equivalents which, according to the Demerging Company's assessment, will be required for the Receiving Company's operations and working capital needs.

(c) The Demerging Company's receivables from the Transferring Subsidiaries, other than as described under Subsection 10.1(b) above, including without limitation dividend receivables, and the Demerging Company's debts to the Transferring Subsidiaries, other than as described under Subsection 10.1(b) above.

(d) The Demerging Company's inventories related to the Transferring Business.

(e) The Demerging Company's liabilities under any guarantees or counter indemnities related to guarantees, in each case given by the Demerging Company on behalf of the Transferring Subsidiaries or otherwise in relation to the Transferring Business. As at the date of this Demerger Plan, there are no such guarantees or counter indemnities.

(f) The Demerging Company's tangible assets related to the Transferring Business, including without limitation machinery and equipment related to or being used by the Transferring Business.

(g) The Demerging Company's intellectual property rights that are specific to the Transferring Business, including without limitation trademarks, copyrights, patents, utility models, design rights, domain names and business knowhow, regardless of whether such rights can be or have been registered. The ownership of copyrights, patents, domain names and business knowhow that are used by both or co-created by the Transferring Business and the Remaining Business will either transfer to the Receiving Company or remain with the Demerging Company based on a business-driven case-by-case basis as determined by the board of directors or the managing director of the Demerging Company prior to the Effective Date. Transferring intellectual property rights that have been registered are listed in Schedule 3. Copyrights, patents and business knowhow that are used by both or co-created by the Transferring Business and the Remaining Business and will remain with the Demerging Company will be subject to a licensing arrangement as described in Section 10.3 of this Demerger Plan. The use of such domain names that are used by both the Transferring Business and the Remaining Business will be agreed separately.

(h) The Demerging Company's intangible assets related to the Transferring Business, other than as described under Subsection 10.1(g) above, including without limitation capitalised expenditure related to development work related to the Transferring Business.

(i) The Demerging Company's contracts with customers, and all rights (including without limitation receivables such as accounts receivable and accrued income), obligations and liabilities (including without limitation advance payments and deferred revenue) thereunder, in each case to the extent they relate to the Transferring Business.

(j) The Demerging Company's lease contracts concerning cars, and all rights, obligations and liabilities thereunder, in each case to the extent they relate to the Transferring Business.

(k) Any possible contracts (other than as described under Subsections 10.1(i) and (j) above), undertakings, offers and requests for offers, and all rights, obligations and liabilities thereunder, in each case to the extent they relate to the Transferring Business and have been made, given or received by the Demerging Company, including without limitation all such contracts which, according to their terms and conditions, relate to the Transferring Business. For the avoidance of doubt, the Demerging Company's lease contracts concerning business premises shall not be transferred to the Receiving Company.

(l) All liabilities relating to the personnel transferring to the Receiving Company upon the registration of the completion of the Demerger, as set out in Section 19.3 of this Demerger Plan, including without limitation salaries, commissions, payments under the short-term incentive plan, bonuses and fees, tax withholdings, accumulated holidays, daily allowances, pension contributions and expense compensations.

(m) Share-Based Incentive Programs and any possible new share-based incentive programs adopted by the board of directors of the Demerging Company, and all rights, obligations and liabilities thereunder, in each case related to the personnel of the Demerging Company to the extent they will transfer to the Receiving Company upon the registration of the completion of the Demerger, as set out in Section 19.3 of this Demerger Plan or the personnel who have an existing employment or service relationship with a Transferring Subsidiary at the time of the registration of the completion of the Demerger on the Effective Date. This Demerger Plan does not limit the right of the board of directors of the Demerging Company to amend the terms and conditions of the incentive programs in accordance with the same prior to the Effective Date.

(n) Contracts that relate to the personnel of the Demerging Company to the extent they will transfer to the Receiving Company upon the registration of the completion of the Demerger, as set out in Section 19.3 of this Demerger Plan, or to the personnel who have an existing employment or service relationship with a Transferring Subsidiary at the time of the registration of the completion of the Demerger on the Effective Date.

(o) Any possible liabilities related to a prospectus to be prepared pursuant to the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation (Regulation (EU) 2017/1129) or an exemption document to be prepared pursuant to the Commission Delegated Regulation (EU) 2021/528), or otherwise relating to the offering or admission to trading of the shares in the Receiving Company, in each case in connection with the Demerger.

(p) The Demerging Company's tax receivables, tax debts or tax liabilities to the extent they relate to the Transferring Business or assets, debts or liabilities related thereto.

(q) Any assets, debts and liabilities that replace or substitute any of the items listed above in this Section 10.1 (to the extent they have not been explicitly allocated to the Demerging Company under Section 10.2), and any assets, debts and liabilities that have arisen or that the Demerging Company has otherwise received after the date of this Demerger Plan, in each case to the extent they relate to the Transferring Business.

(r) Any other possible assets, debts or liabilities, whether known or unknown, of the Demerging Company, in each case to the extent they relate to or are attributable to the Transferring Business.

If and to the extent any assets, debts or liabilities relate to both the Transferring Business and the Remaining Business, the Demerging Company and the Receiving Company will be entitled to or liable for them based on a determination whether and to what extent such asset, debt or liability relates to or is attributable to the Transferring Business or the Remaining Business, respectively. Notwithstanding the above, Sections 10.1(g), 10.2(g) and 10.3 shall apply in respect of any and all copyrights, patents and business knowhow that, prior to the Demerger, are used by both or co-created by the Transferring Business and the Remaining Business.

The Demerging Company is only secondarily liable as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act for all the known, unknown and contingent debts and liabilities that will transfer to the Receiving Company in the Demerger, unless a limitation or an exclusion of the secondary liability has been or will be agreed with the creditor, in which case the Demerging Company's liability towards such creditor will be subject to the agreed limitation or exclusion of liability, as applicable. The Demerging Company shall not be subject to the secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation transferring to the Receiving Company, other than any guarantee obligation that is considered a liability on the Effective Date pursuant to the aforementioned provision.

10.2 Assets and Liabilities Remaining with the Demerging Company

In the Demerger, all assets, debts and liabilities other than those that relate or attributable to the Transferring Business (whether known, unknown or conditional and including without limitation all thereto related agreements and undertakings) existing at the time of the registration of the completion of the Demerger, shall remain with the Demerging Company.

The assets, debts and liabilities remaining with the Demerging Company include, among other things, the following key items:

(a) All shares in the subsidiaries and associated companies directly held by the Demerging Company and all branches of the Demerging Company, as well as any of their direct and indirect subsidiaries and branches, other than the Transferring Companies.

(b) The Demerging Company's receivables from and debts to its subsidiaries or associated companies, or their direct and indirect subsidiaries, other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.

(c) The Demerging Company's inventories other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan. As at the date of this Demerger Plan, there are no such inventories that would remain with the Demerging Company.

(d) The Demerging Company's liabilities under any guarantees or counter indemnities related to guarantees, in each case given by the Demerging Company other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.

(e) The Demerging Company's existing banking relations, loan facilities and liabilities under any financing agreements other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan. The Demerging Company will therefore retain for instance the Demerging Company's revolving credit facility, which, at the date of this Demerger Plan, is undrawn as well as the Demerging Company's bank loan.

(f) The Demerging Company's tangible assets other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.

(g) The Demerging Company's intellectual property rights other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan. Copyrights, patents and business knowhow that are used by both or co-created by the Transferring Business and the Remaining Business and will transfer to the Receiving Company will be subject to a licensing arrangement as described in Section 10.3 of this Demerger Plan.

(h) The Demerging Company's intangible assets, other than as described in 10.2(g) above and other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.

(i) The Demerging Company's contracts with customers, and all rights (including without limitation receivables such as accounts receivable and accrued income), obligations and liabilities (including without limitation advance payments and deferred revenue) thereunder other than those that have been specified to be transferring to The Receiving Company in Section 10.1 of this Demerger Plan.

(j) The Demerging Company's lease contracts concerning business premises and cars, and all rights, obligations and liabilities thereunder, other than those that have been specified to be transferring to The Receiving Company in Section 10.1 of this Demerger Plan.

(k) Any possible contracts (other than as described under Subsections 10.2(i) and (j) above), undertakings, offers and requests for offers, and all rights, obligations and liabilities thereunder, other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.

(l) All liabilities relating to personnel, other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.

(m) Share-Based Incentive Programs and any possible new share-based incentive programs adopted by the board of directors of the Demerging Company, and all rights, obligations and liabilities thereunder, other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan. This Demerger Plan does not limit the right of the board of directors of the Demerging Company to amend the terms and conditions of the incentive programs in accordance with the same prior to the Effective Date.

(n) Contracts that relate to the personnel of the Demerging Company other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.

(o) The Demerging Company's tax receivables, tax debts or tax liabilities other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.

(p) Funds to be raised by way of a possible share issue arranged by the Demerging Company prior to the Effective Date as set forth in Section 19.1 of this Demerger Plan as well as liabilities related thereto.

(q) Any assets, debts and liabilities that replace or substitute any of the items listed above in this Section 10.2 (to the extent they have not been explicitly allocated to the Receiving Company under Section 10.1), and any assets, debts and liabilities that have arisen or that the Demerging Company has otherwise received after the date of this Demerger Plan, in each case other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.

(r) Any other possible assets, debts or liabilities, whether known or unknown, of the Demerging Company, in each case other than those that have been specified to be transferring to the Receiving Company in Section 10.1 of this Demerger Plan.

The Receiving Company is only secondarily liable as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act for all the known, unknown and contingent debts and liabilities that will remain with the Demerging Company, unless a limitation or an exclusion of the secondary liability has been or will be agreed with the creditor, in which case the Receiving Company's liability towards such creditor will be subject to the agreed limitation or exclusion of liability. The Receiving Company shall not be subject to the secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation remaining with the Demerging Company, other than any guarantee obligation that is considered a liability on the Effective Date pursuant to the aforementioned provision.

10.3 Licensing Arrangement

Any and all copyrights, patents and business knowhow that, prior to the Demerger, are used by both the Transferring Business and the Remaining Business, or to the creation of which both the Transferring Business and the Remaining Business were contributors, shall, in accordance with Sections 10.1(g) and 10.2(g) above either:

(a) remain with the Demerging Company in which case the Receiving Company shall be granted a perpetual (except for patents for the duration of each of their registration terms) irrevocable license to such intellectual property rights which license becomes effective upon the registration of the completion of the Demerger on the Effective Date and as a main rule enables further development; or

(b) transfer to the Receiving Company in which case the Demerging Company shall be granted a perpetual (except for patents for the duration of each of their registration terms) irrevocable license to such intellectual property rights which license becomes effective upon the registration of the completion of the Demerger on the Effective Date and as a main rule enables further development.

The licensee company will have a broad, perpetual (except for patents for the duration of each of their registration terms), irrevocable, worldwide, royalty free, non-exclusive, and non-transferable right to use, utilize and develop the copyrighted works and inventions covered by the patents further. The licenses will include the right to, *inter alia*, use, exploit, copy, make, sell, offer to sell, lease, import, export, distribute, make available, translate, modify, improve and create derivative works of the relevant intellectual property right. The license is sublicensable only in connection with the licensee company's own technology offering.

The licensee company will grant the licensor company a grant-back license regarding all further development of any licensed intellectual property rights, including without limitation additions, updates, and improvements. The grant-back licenses will become effective simultaneously with the licenses and will remain valid (i) in terms of copyrights and business knowhow, for a transitional period to be determined by the board of directors or the managing director of the Demerging Company prior to the Effective Date, and (ii) in terms of patents, as long as the license is in force.

10.4 Valuation of Assets and Liabilities in the Demerger

Upon the registration of the completion of the Demerger on the Effective Date, the Demerging Company's assets, debts and liabilities related or attributable to the Transferring Business allocated to the Receiving Company in this Demerger Plan shall transfer to the Receiving Company. The assets and liabilities of the Demerging Company have been booked and valued in accordance with the Finnish Accounting Act. In the Demerger, the Receiving Company shall record the transferring assets and liabilities in its balance sheet at the book values used by the Demerging Company on the Effective Date in compliance with the provisions of the Finnish Accounting Act.

The equity to be formed in the Receiving Company in the Demerger, insofar as it exceeds the amount to be recorded into the share capital pursuant to Section 8, shall be recorded in its reserve for invested unrestricted equity.

The decrease of the Demerging Company's net book assets caused by the Demerger, insofar as it exceeds the decrease of share capital and dissolving the share premium fund pursuant to Section 11, shall be recorded as a decrease in its retained earnings.

An illustration of the intended effect of the allocation of the Demerging Company's assets and debts to the Receiving Company in accordance with this Demerger Plan in the Demerger is presented in Schedule 4 to this Demerger Plan. The figures presented there are based on the Demerging Company's audited financial statements included in Schedule 2. The effect of the Demerger on the balance sheets of the Demerging Company and the Receiving Company will, however, be determined based on the situation existing upon the registration of the completion of the Demerger on the Effective Date.

11 SHARE CAPITAL AND OTHER EQUITY OF THE DEMERGING COMPANY

On the date of this Demerger Plan, the share capital of the Demerging Company is EUR 1,551,311.18. The share capital of the Demerging Company is proposed to be decreased in connection with the Demerger by EUR 1,471,311.18, i.e., to EUR 80,000. The amount by which the share capital of the Demerging Company is decreased shall be used to transfer funds to the Receiving Company.

In connection with the Demerger, it is also proposed that the Demerging Company's share premium reserve (in Finnish: *ylikurssirahasto*) of EUR 164,543.23 shall be dissolved. The amount shall be used to transfer funds to the Receiving Company.

The decrease of the Demerging Company's net book assets caused by the Demerger, insofar as it exceeds the above-mentioned decrease of share capital and dissolving the share premium fund, shall be recorded as a decrease in its retained earnings, as set forth in Section 10.4.

12 MATTERS OUTSIDE THE ORDINARY COURSE OF BUSINESS

This Demerger Plan or the Demerger do not limit the Demerging Company's right to decide on matters of the Demerging Company and, until the Effective Date, of the Receiving Company, regardless of whether such matters are within the ordinary course of business or not, including, without limitation, the sale and purchase of shares and businesses, corporate reorganisations, distribution of dividend and other unrestricted equity, share issuances (such as the possible share issue referred to in Section 19.1), acquisition or disposal of treasury shares, changes in share capital, and making revaluations, internal group transactions and reorganisations.

In addition, the board of directors of the Demerging Company is entitled to decide on applying the admission to trading of the shares in the Receiving Company on the official list of Nasdaq Helsinki, and to attend to any preparations related thereto as referred to in Section 19.4 of this Demerger Plan, as well as to take any other preparatory actions in relation to the Demerger.

13 CAPITAL LOANS

The Demerging Company has not issued any capital loans, as defined in Chapter 1, Section 1 of the Finnish Companies Act.

14 CROSS-OWNERSHIP AND TREASURY SHARES

The Receiving Company shall be incorporated upon the registration of the completion of the Demerger on the Effective Date. Consequently, the Demerging Company or its subsidiaries do not hold any shares in the Receiving Company on the date of this Demerger Plan.

On the date of this Demerger Plan, the Demerging Company holds 411,358 treasury shares.

No shares in the Demerging Company shall transfer to the Receiving Company in the Demerger.

15 BUSINESS MORTGAGE

The Demerging Company's assets are not subject to any business mortgages as defined in the Finnish Act on Business Mortgages (634/1984, as amended).

16 SPECIAL BENEFITS OR RIGHTS IN CONNECTION WITH THE DEMERGER

No special benefits or rights, each within the meaning of the Finnish Companies Act, shall be granted in connection with the Demerger to any members of the board of directors, managing directors or the auditors of either the Demerging Company or the Receiving Company, or to the auditor issuing a statement on this Demerger Plan.

The remuneration of the members of the board of directors and auditor of the Demerging Company shall be decided by the shareholders' general meeting of the Demerging Company.

The remuneration of the members of the board of directors and the auditor of the Receiving Company shall be decided by the shareholders' general meeting of the Demerging Company resolving on the Demerger and the Receiving Company shall be responsible for the remuneration, in each case as explained in Sections 4.1 and 4.2 above, respectively.

The remuneration of the managing director of the Demerging Company shall be decided by the board of directors of the Demerging Company.

The remuneration of the managing director of the Receiving Company shall be decided by the board of directors of the Demerging Company and the Receiving Company shall be responsible for the remuneration, in each case as explained in Section 4.3.

The fee payable to the auditor issuing a statement on this Demerger Plan is proposed to be paid based on an invoice which is in line with the principles approved by the board of directors of the Demerging Company. The Demerging Company shall be responsible for such fee as set forth in Section 19.9 of this Demerger Plan.

17 AUTHORISATION TO THE BOARD OF DIRECTORS OF THE RECEIVING COMPANY FOLLOWING THE REGISTRATION OF THE COMPLETION OF THE DEMERGER

17.1 Authorisation to Issue Shares and Special Rights Entitling to Shares in the Receiving Company

Following the registration of the completion of the Demerger, the board of directors of the Receiving Company is authorised pursuant to this Demerger Plan to decide on the issuance of a maximum of 15,000,000 shares in the Receiving Company in total through a share issue as well as by issuing options or other special rights entitling to shares pursuant to Chapter 10, Section 1 of the Finnish Companies Act in one or several tranches. The authorisation concerns both the issuance of new shares and the transfer of treasury shares held by the Receiving Company.

The authorisation entitles the board of directors to decide on all terms related to the share issue as well as the issuance of options or other special rights entitling to shares. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive subscription right (directed issue). The authorisation may be used for carrying out potential acquisitions or other arrangements, shares-based incentive programs or otherwise for purposes decided by the board of directors. The board of directors is also entitled to decide on the sale of treasury shares on a regulated market on Nasdaq Helsinki in accordance with its rules and guidelines.

The authorisation is valid until the end of the first annual general meeting following the Effective Date, however in no case later than the last day of June on the year following the Effective Date.

17.2 Authorisation to Decide on the Repurchase of the Receiving Company's own shares

Following the registration of the completion of the Demerger, the board of directors of the Receiving Company is authorised pursuant to this Demerger Plan to decide on the repurchase of a maximum of 15,000,000 of the Receiving Company's own shares in total in one or several tranches and with the Receiving Company's unrestricted equity.

The authorisation entitles the board of directors to decide on the repurchase also in deviation from the proportional holdings of the shareholders (directed repurchase). The authorisation comprises the repurchase of shares either on trading price determined in public trading or otherwise on the market at the time of repurchase, or with a purchase offer to the shareholders in which case the repurchase price must be the same for all shareholders. The Receiving Company's own shares may be repurchased to be used for carrying out acquisitions or implementing other arrangements related to the Receiving Company's business, for optimising the Receiving Company's capital structure, as part of the implementation of the Receiving Company's incentive programs or otherwise to be transferred further or cancelled. The authorisation includes the right of the board of directors to decide on all other terms related to the repurchase of the Receiving Company's own shares.

The authorisation is valid until the end of the first annual general meeting following the Effective Date, however in no case later than the last day of June on the year following the Effective Date.

18 EXPECTED TIMING OF THE REGISTRATION OF THE COMPLETION OF THE DEMERGER

It is planned that the Effective Date, i.e., the date of registration of the completion of the Demerger, shall be on or about 30 June 2022.

The actual Effective Date may still change from said date, for example, if the circumstances relating to the Demerger require changes with respect to the abovementioned contemplated timing or if the board of directors of the Demerging Company otherwise decides to apply for the Demerger to be registered prior to, or after, the time currently planned.

19 OTHER MATTERS

19.1 Share issue

The Demerging Company is investigating a possibility to raise funds by way of a share issue to Finnish and international institutional investors and other qualified investors, and the board of directors of the Demerging Company expects to propose to a shareholders' general meeting to be convened prior to the Effective Date a share issue authorisation which would be sufficient for said purpose.

The reason for the share issue would be, and the funds to be raised would be used, to finance the implementation of the growth strategy relating to the Remaining Business. Currently, the Demerging Company expects that the number of shares to be issued will not exceed 20 percent of all the shares in the Demerging Company immediately prior to the issuance, subject to the shareholders' general meeting of the Demerging Company deciding on a sufficient authorisation for the board of directors of the Demerging Company.

As explained in Section 10.2(p) of this Demerger Plan, the funds to be raised by way of the possible share issue will remain with the Demerging Company regardless of the Demerger.

19.2 Listing of the Shares in the Receiving Company

The shares in the Receiving Company will be applied for to be admitted to trading on the official list of Nasdaq Helsinki. The trading in the Receiving Company's shares on Nasdaq Helsinki is expected to begin as soon as reasonably possible after the Effective Date.

The board of directors of the Demerging Company is entitled to decide on applying the admission to trading of the shares in the Receiving Company on the official list of Nasdaq Helsinki, and to attend to any preparations related thereto, including without limitation entering into necessary agreements.

The Demerger will not affect the listing of, or trading in, the shares of the Demerging Company.

19.3 Transfer of Employees

Part of the personnel of the Demerging Company and its direct and indirect subsidiaries shall transfer to the Receiving Company upon the registration of the completion of the Demerger on the Effective Date, as determined by the managing director of the Demerging Company prior to the Effective Date after possibly required negotiation or consultation processes and other applicable legal requirements have been complied with. The Receiving Company shall assume the obligations arising out of the employment and service relationships with the Demerging Company of the transferring personnel in force on the Effective Date as well as the obligations resulting from the related benefits. The transferring personnel shall transfer to the service of the Receiving Company as existing employees, to the extent possible under applicable legislation.

The obligations under any group level agreements binding the Demerging Company (e.g., with respect to occupational health) shall transfer, to the extent possible, to the Receiving Company insofar as they concern the personnel transferring to the Receiving Company or the personnel of the Transferring Subsidiaries.

The Receiving Company shall be responsible for all liabilities relating to the personnel transferring to it, including without limitation salaries, commissions, bonuses and fees, tax withholdings, accumulated holidays, daily allowances, pension contributions and expense compensations, also to the extent such liabilities have arisen wholly or partially prior to the Effective Date but which remain open on the Effective Date.

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

19.4 Preparatory Actions

Prior to the registration of the completion of the Demerger on the Effective Date, the board of directors and the managing director of the Demerging Company may take any decisions that fall within their respective competences under applicable legislation and concern the Demerging Company's business, including without limitation also the Transferring Business, as well as take care of all actions required for the preparation of the Demerger and the registration of the completion of the Demerger.

19.5 Right of the Board of Directors and the Managing Director of the Demerging Company to Act on Behalf of the Receiving Company

As set out in Section 19.4 of this Demerger Plan, the board of directors or the managing director of the Demerging Company may, prior to the registration of the completion of the Demerger on the Effective Date, take care of any actions in relation to the preparation of the Demerger, including without limitation, enter into agreements to facilitate the separation of the Transferring Business (such as, e.g., financing agreements, transitional services agreements, licensing agreements and lease agreements) and the ramp-up of the operations of the Receiving Company.

The board of directors or the managing director of the Demerging Company may take above-mentioned decisions, enter into agreements, and take other actions also on behalf of the Receiving Company.

The board of directors and the managing director of the Demerging Company may, prior to the Effective Date, also take all such decisions, enter into agreements, and take actions concerning the Transferring Business on behalf of the

Receiving Company that fall within their respective competences under applicable legislation.

The rights and obligations of the Demerging Company based on decisions, agreements and other actions taken on behalf of the Receiving Company shall transfer to the Receiving Company upon the registration of the completion of the Demerger on the Effective Date.

19.6 Capacity and Competence of the Receiving Company's Board of Directors and Managing Director prior to the Effective Date

Prior to the Effective Date, the board of directors and the managing director of the Receiving Company may only take such decisions as are separately assigned in this Demerger Plan to be made by each of them, or such decisions as the board of directors of the Demerging Company may separately direct.

Prior to the Effective Date, the board of directors of the Receiving Company may, however, take without separate direction from the board of directors of the Demerging Company decisions with regard to the Receiving Company that concern representation rights (authorisations to sign for the company, rights of representation per procuram and other authorisations), bank accounts and necessary agreements and documents relating to the administration of a listed company, such as the working order of the board of directors and insider guidelines. The board of directors of the Demerging Company may also take such decisions concerning the Receiving Company prior to the Effective Date. The rights and obligations under these decisions shall transfer to the Receiving Company upon the registration of the completion of the Demerger on the Effective Date.

19.7 Agreements and Undertakings and Cooperation in Transfer of Rights and Obligations; Intra-Group Arrangements

All agreements and undertakings, and the rights and obligations pertaining thereto, relating to the Transferring Business shall transfer to the Receiving Company in accordance with this Demerger Plan upon the registration of the completion of the Demerger on the Effective Date. If the transfer of an agreement or an undertaking is subject to the consent of the contracting party or a third party, the Demerging Company and the Receiving Company shall use their best efforts to obtain such consent. If such consent has not been received by the Effective Date, the Demerging Company shall remain as the party to such agreement or undertaking but the Receiving Company shall fulfil the obligations related to such agreement or undertaking on its own behalf, at its own responsibility and at its own risk in the Demerging Company's name and, correspondingly, the Receiving Company shall receive the benefits related to such agreement or undertaking in a manner separately agreed by the Demerging Company and the Receiving Company.

Both the Demerging Company and the Receiving Company shall be obligated to provide to each other all the reports and confirmations, as requested by the other company, that are required for the confirmation and recording of the transfer of rights and obligations under this Demerger Plan, such as reports on the transfer of assets, debts and liabilities potentially required by authorities or financial institutions.

The Demerging Company and the Receiving Company undertake to sign on or about the Effective Date a separate assignment letter related to the transferring intellectual property rights that have been registered as listed in Schedule 3, the purpose of which is to confirm the transfer of the relevant intellectual property rights in the Demerger.

In terms of the transferring domain names, the Demerging Company undertakes to provide the Receiving Company with all required domain name transfer keys, i.e., both the holder transfer keys and the registrar transfer keys, within thirty (30) business days from the Effective Date, in order to complete the transfer of the domain names.

Prior to the Effective Date, the Demerging Company will carry out certain intra-group arrangements related to the Transferring Business, including without limitation asset transfers and demergers. In case those arrangements cannot be fully completed prior to the Effective Date, for instance due to requirements or actions of foreign authorities or other similar reasons, the Demerging Company and the Receiving Company undertake to complete the arrangements as soon as possible after the Effective Date.

If, after the Effective Date, the Demerging Company and the Receiving Company find that any of the intellectual property rights, such as any of the domain names, should be owned by the other Company Participating in the Demerger, the Demerging Company and the Receiving Company undertake to discuss about the transfer of such intellectual property right to such other Company Participating in the Demerger in good faith and to take any necessary actions to implement the transfer within a reasonable period of time.

19.8 Brands

The Demerging Company has the right, also following the registration of the completion of the Demerger, to use the word mark “F-Secure” and the figurative mark “F” in connection with the Remaining Business for a transitional period to be determined by the board of directors of the Demerging Company prior to the Effective Date to the extent to be separately agreed by the Demerging Company and the Receiving Company.

The Receiving Company shall procure that, following the registration of the completion of the Demerger, it shall not use any trade name, trademark or other intellectual property right that includes the word “WithSecure”, or that may otherwise be confused with such word, or with other trade names, trademarks or other intellectual property rights that the Demerging Company holds.

19.9 Costs

Unless the Demerging Company and the Receiving Company separately agree otherwise or unless it is stipulated otherwise in this Demerger Plan (including, without limitation, in Section 10), the following shall be applied to the allocation of the costs related to the Demerger between the relevant companies:

(a) the Demerging Company shall bear any fees and costs relating directly to the Demerger process and its completion, including without limitation costs relating to convening a shareholders’ general meeting to decide on the Demerger, costs related to any Trade Register notifications required in connection with the Demerger, advisor fees related to the Demerger and the fee payable to the auditor issuing a statement on this Demerger Plan;

(b) each Company Participating in the Demerger shall bear any fees and costs relating directly to the brand renewal of the Demerging Company and updating the visual appearance of the Receiving Company, to the extent such fees and costs are directly attributable to the relevant company or its operations;

(c) the Demerging Company shall bear any fees and costs relating directly to the possible share issue referred to in Section 19.1;

(d) the Receiving Company shall bear any fees and costs relating directly to the listing of shares of the Receiving Company and the creation of the shares in the book-entry securities system, including without limitation costs relating to IPO due diligence, preparing a prospectus or an exemption document, and fees invoiced by the Finnish Financial Supervisory Authority, Nasdaq Helsinki and Euroclear Finland Oy, regardless of when such fees and costs have arisen. If any such fee or cost has arisen prior to the registration of the completion of the Demerger and been paid by the Demerging Company, the Demerging Company will invoice the Receiving Company for the relevant fee or cost;

(e) the Receiving Company shall bear any other fees and costs than the ones listed above in Subsections (a) to (d) above relating directly to the ramp-up of the operations of the Receiving Company (such as, for instance, fees and costs related to setting up IT systems), regardless of when such fees and costs have arisen. If any such fee or cost has arisen prior to the registration of the completion of the Demerger and been paid by the Demerging Company, the Demerging Company will invoice the Receiving Company for the relevant fee or cost; and

(f) the Demerging Company and the Receiving Company shall each be responsible for one-half of the costs related to the Demerger that cannot be allocated based on Subsections (a)–(e) above or that are not directly related to the operations of either of the Demerging Company or the Receiving Company.

19.10 Accounting Material

The accounting material of the Demerging Company shall remain in the ownership of the Demerging Company. However, insofar as such accounting material concerns the Transferring Business, the Receiving Company shall have the right to obtain access to said material free of separate charge, including the right to make notes based on the documentation, make copies thereof and save it in electronic media, in each case during ordinary office hours.

19.11 Language Versions

This Demerger Plan (including any applicable Schedules) is an unofficial English language translation of the original document, which has been prepared and executed in Finnish. The English version has been drafted solely for information purposes. Should any discrepancies exist between the Finnish and the English versions, the Finnish version shall prevail.

19.12 Dispute Resolution

Any dispute, controversy or claim between the Demerging Company and the Receiving Company arising out of or relating to this Demerger Plan, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The number of arbitrators shall be three. The seat of arbitration shall be Helsinki, Finland. The language of the arbitration shall be English, but evidence may be submitted, and witnesses heard also in Finnish to the extent the arbitral tribunal deems it appropriate.

For clarity, it is noted that this arbitration clause has also been entered into on behalf of, and is binding upon, the Receiving Company.

19.13 Other considerations

The board of directors of the Demerging Company is authorised to decide on technical amendments to this Demerger Plan or its schedules as may be required by authorities or as considered appropriate by the board of directors of the Demerging Company in its discretion.

The board of directors of the Demerging Company may also resolve not to complete the Demerger if, at any time prior to the registration of the completion of the Demerger, the board of directors of the Demerging Company, in its sole discretion, considers that there are material grounds due to which such non-completion would be in the best interest of the Demerging Company and its shareholders.

[*signature page to follow*]

20 SIGNATURES

This Demerger Plan will be executed electronically.

In Helsinki, on 17 February 2022

Authorised by the board of directors of

F-SECURE CORPORATION

Risto Siilasmaa Chairperson of the board of directors	Pertti Ervi Member of the board of directors

SCHEDULE 1: ARTICLES OF ASSOCIATION OF THE RECEIVING COMPANY

ARTICLES OF ASSOCIATION OF F-SECURE OYJ

1 Trade Name of the Company

The trade name of the company is F-Secure Oyj, in English F-Secure Corporation.

2 Registered Office of the Company

The registered office of the company is Helsinki.

3 Field of Operation of the Company

The company's line of business is to design, manufacture, publish and provide products, including without limitation hardware and software products, and services relating in each case to information technology and cyber security, and to carry out import and export of any of the above or any equipment related to any of the above. The company may also trade in securities.

4 Book-entry securities system

The shares in the company are included in the book-entry securities system.

5 Board of Directors

The company's board of directors consists of a minimum of three and a maximum of seven members.

The term of office of the members of the board of directors expires at the end of the first annual general meeting following their election.

6 Managing Director

The company has a managing director appointed by the board of directors.

7 Auditor

The company has an auditor that must be an audit firm as referred to in the Finnish Auditing Act.

The term of office of the auditor expires at the end of the first annual general meeting following the election.

8 Representation

The board of directors shall represent the company. The right to represent the company may also be exercised by any two members of the board of directors acting together, and the chairperson of the board of directors and the managing director each individually.

The board of directors may grant the right to represent the company or procuration rights to one or more designated persons.

9 Notice to Convene a General Meeting and Advance Registration for the Meeting

The notice to convene a general meeting shall be delivered to the shareholders by publishing the notice on the company's website.

In order to attend a general meeting, a shareholder must notify the company thereof by registering for the meeting no later than on a date and at a time determined by the board of directors and stated in the notice convening the meeting.

10 Place of a General Meeting

In addition to the company's domicile, a general meeting may be held in Espoo or Vantaa.

11 Annual General Meeting

The annual general meeting shall be held within a period of six months from the end of the financial period, on a date and at a time determined by the board of directors.

The annual general meeting shall

be presented with:

(a) the financial statements, which include the consolidated financial statements, and the annual report, and

(b) the auditor's report,

decide on:

(c) the adoption of the financial statements,

(d) the measures for which the profit or loss shown on the balance sheet gives reason,

(e) the discharge of the members of the board of directors and the managing director from liability,

(f) the number of members of the board of directors, and

(g) the remuneration of the members of the board of directors and the auditor,

elect

(h) the members of the board of directors and

(i) the auditor, and

attend to

(j) any other matters included in the notice convening the meeting.

SCHEDULE 2: THE DEMERGING COMPANY'S AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2021

F-SECURE CONSOLIDATED
BOARD OF DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS

Fiscal period
January 1–December 31, 2021

F-SECURE CONSOLIDATED

CONTENTS

BOARD OF DIRECTORS' REPORT 2021

The COVID-19 pandemic impacted the global economy and F-Secure's operations also in 2021. The digital leap of societies and increased remote working supported the positive development of company's corporate security products and consumer security business. The accelerating growth of F-Secure's Managed Detection and Response (MDR) solutions and continuing strong customer demand for Cloud Protection for Salesforce software and cloud-native Elements platform proved the strength of our offering. As a result, F-Secure's revenue increased by 7% to EUR 236.3 million (220.2m) and adjusted EBITDA grew to EUR 36.5 million (35.7m).

In 2021, F-Secure's corporate security business continued its strong performance. In corporate security products, the growth came especially from Managed Detection and Response (MDR) solution, Endpoint Detection and Response (EDR) and Cloud Protection products, while Endpoint Protection Platform (EPP) still accounted for a significant share of the revenue. In cyber security consulting, COVID-19 pandemic still impacted F-Secure's operations especially in the beginning of the year. At the same time, as remote working has now become a new norm, F-Secure can better utilize its global pool of experts and deliver cyber security consulting services more remotely and globally, thus mitigating the lack of highly specialized experts to meet the strong customer demand in some regions.

In F-Secure's consumer security business, both service provider channel and direct business grew. In the service provider channel, the whole portfolio contributed to the growth. In direct sales to consumers, the growth was driven by the increasing share of our bundled solution, F-Secure TOTAL.

Financial performance and key figures

The company's total revenue in January–December increased by 7% year-on-year to EUR 236.3 million (220.2m). The share of corporate security of total revenue was 55% (55%).

Corporate security
Revenue from corporate security increased by 8% year-on-year and was EUR 130.0 million (120.1m) as corporate security products grew by 11% and cyber security consulting by 3%. In the end of December 2021, the annual recurring revenue (ARR) of corporate security's cloud-based Solutions was EUR 60.9 million (45.5m), growing by 34% year-on-year.

Products
Revenue from business security software grew year-on-year. The growth was driven by the cloud-native Elements platform, its EDR (Endpoint Detection and Response) software as well as Cloud Protection for Salesforce software, while EPP (Endpoint Protection Platform) still accounts for a significant share of the revenue. The sales of EDR and Cloud Protection products grew across all the key regions.

The orders of F-Secure's business security software in 2021 were all-time high, mainly driven by the successful launch of the Elements platform in May 2021, renewed licensing models as well as the systematic and close co-operation with partners in productizing the EDR offering.

Revenue from Managed Detection and Response (MDR) solutions (F-Secure Countercept) grew year-on-year. In 2021, several important deals were signed for example with customers from key enterprise verticals i.e in manufacturing, technology, media and financial services sectors.

Cyber security consulting

Revenue from cyber security consulting increased by 3% year-on-year to EUR 47.2 million (45.8m).

Especially in the beginning of the year, the COVID-19 pandemic impacted the cyber security consulting operations. Towards the end of the year, the impact of pandemic decreased, but the attrition of consultants in some regions negatively impacted the consulting business. However, during the fourth quarter the attrition rate improved.

Due to pandemic, remote working has become a new norm. This enables F-Secure to better utilize its global pool of experts and deliver cyber security consulting services more remotely and globally, independent of customer's physical location.

In December, F-Secure divested its UK public sector consulting team through a management buy-out (MBO) to increase focus on enterprise clients. In 2021, revenue of the divested operations was EUR 3.7 million and it employed some 20 consultants.

Consumer security
Revenue from consumer security increased by 6% year-on-year and was EUR 106.3 million (100.1m) as both service provider channel and direct business grew.

Service Providers (previously Operators)

Revenue from the service provider channel grew year-on-year driven by the sale of core endpoint protection solutions in addition to partners expanding their offering to F-Secure's new consumer products. In 2021, the majority of revenue came from the F-Secure SAFE product.

Direct sales

Revenue from direct sales to consumers grew year-on-year, which was driven by the increasing share of our bundled solution, F-Secure TOTAL. The overall renewal performance continued at a good level.

Gross margin
Gross margin increased by EUR 13.5 million to EUR 185.7 million (172.2m) was 78.6% of revenue (78.2%). The increase in gross margin was due to increased revenue in scalable product businesses and improved performance in cyber security consulting.

Operating expenses
Operating expenses excluding depreciation and amortization, and items affecting comparability (IAC) increased by EUR 13.0 million to EUR 151.5 million (138.5m). During the comparative period, operative expenses were at an unusually low level due to the COVID-19 pandemic. Sales and marketing costs grew year-on-year due to an increase in marketing activities and higher sales commissions. Research and development costs grew year-on-year due to a headcount increase. In addition, the company has experienced salary inflation in several markets. Items affecting comparability (IAC) totaled EUR 4.3 million and consisted of costs related to strategic reviews.

Depreciation and amortization were EUR 15.1 million (16.0m), where PPA amortization from acquisitions was EUR 2.8 million (3.2m) and the impairment was EUR 1.0 million.

Profitability
Adjusted EBITDA was EUR 36.5 million and 15.4% of revenue (35.7m, 16.2%) and adjusted EBIT was EUR 25.3 million and 10.7% of revenue (22.9m, 10.4%).

EBITDA was EUR 32.8 million and 13.9% of revenue (35.7m, 16.2%). EBIT was EUR 17.7 million and 7.5% of revenue (19.7m, 8.9%), including EUR 2.8 million of PPA amortization (3.2m), EUR 1.0 million impairment and EUR 3.7 million of IAC items. Strategy related costs of EUR 4.3 million were partially offset by a preliminary capital gain of EUR 0.5 million from divesting UK public sector consulting team through a local management buy-out. The final capital gain is dependent on deferred consideration based on the future performance of the divested business and it will be measured at fair value quarterly.

Cash flow
Cash flow from operating activities before financial items and taxes decreased by EUR 9.6 million and was EUR 38.7 million (48.3m). Changes in net working capital due primarily to an increase in current receivables had a negative impact on operative cash flows. Cash flow from operations decreased by EUR 15.9 million and was EUR 30.7 million (46.7m). In addition to net working capital, residual taxes for 2020 and increase in advance taxes impacted the cash flow negatively.

Acquisitions and financial arrangements

F-Secure did not carry out acquisitions during 2021.

Company did not enter new financing agreements during 2021. Bank loan repayments were made according to the schedule. Total repayments for term loan during 2021 were EUR 6.0 million. Company's financing agreement includes a committed revolving credit facility (RCF) of EUR 23.0 million to decrease short-term liquidity risk. Remaining term loan at the end of the financial year was EUR 19.0 million while RCF was undrawn. During next 12 months EUR 6.0 million of remaining term loan will be paid according to the financing agreement.

The financing agreement includes conventional loan covenants related to ratio of net debt to EBITDA and equity ratio. F-Secure complied with the covenants throughout the reporting period.

Changes in the group structure

Following changes have occurred in the Group structure during the financial year:

F-Secure Pty Limited in Australia was liquidated during second quarter of 2021.

Capital structure

The financial position remained solid. The company has liquid assets of EUR 53.0 million (51.4m) and interest-bearing bank debt of EUR 19.0million (30.0m). Gearing was negative -25.8% due to strong liquidity.

The next repayment (3.0m) of the term loan is due in June 2022. To guarantee liquidity, F-Secure has EUR 23.0 million committed revolving credit facility that was undrawn at the end of the year.

Research and development

F-Secure's research and development expenditure amounted to EUR 46.6 million in 2021, representing 19.7% of revenue (EUR 41.9m, 19%). Capitalized development expenses were EUR 5.6 million (EUR 5.5 million).

F-Secure is a cyber security technology company for which the ability to innovate is crucial. The company has consistently earned top marks in third-party technology evaluations for providing the best protection, advanced detection & effective response capabilities and high customer satisfaction. This was once more demonstrated in April, when F-Secure's Detection and Response solutions continued their excellent performance in the 3rd MITRE Engenuity ATT&CK® evaluation.

During the year, both F-Secure's corporate security and consumer security products won many awards, e.g. the Best Protection Awards from AV-TEST for home and business users and a Best Performance award for home users. In autumn, an important milestone was reached when, for the first time, F-Secure SAFE product received top scores in all three categories (Protection, Performance, Usability) in all three operating systems (Windows, MacOS, Android) in the independent AV-TEST Institute's tests.

In 2021, F-Secure also received the Artificial Intelligence Excellence Award for its Project Blackfin, a multi-year research effort aimed at investigating how to apply collective intelligence in the cyber security domain. The research, which is being led by F-Secure's Artificial Intelligence Centre of Excellence, is a company-wide effort involving F-Secure's engineers, researchers data scientists, and academic partners. The goals of the project are for example to develop new, more generic methods for detecting adversarial actions, further improve and automate threat intelligence gathering capabilities and understand how to implement and improve automated response actions.

The most important product launch of the year was the launch of F-Secure ELEMENTS in the second quarter. F-Secure ELEMENTS is a modular, cloud-native platform that enables customers to choose between standalone solutions and the full suite of endpoint products. The combines endpoint protection, endpoint detection and response, vulnerability management, and collaboration protection for cloud services such as Microsoft Office 365. It also meets the need for the servitization of cyber security and is an easy way for our customers to deploy new solutions, which helps us to implement the Land and Expand strategy.

Organization and leadership

Personnel

At the end of the year, F-Secure had 1,656 employees, which shows a net decrease of 22 employees (-1%) since the beginning of the year (1,678 on 31 December 2020).

Leadership team

In February 2021, Ari Vänttinen started as Chief Marketing Officer. Consequently, Antti Hovila became Executive Vice President, Strategy & Portfolio.

In September 2021, Tom Jansson started as CFO of F-Secure Corporation and a member of company's Leadership team as the former CFO, Eriikka Söderström left the company.

In September 2021, Tiina Sarhimaa was appointed as Chief Legal Officer (CLO) and she became a member of F-Secure's Leadership team.

On 1 October 2021, F-Secure renewed the composition of its Leadership Team to reflect its updated strategy. Going forward, Chief Information Officer will report to Antti Koskela (CPO) and Strategy and Portfolio team will report to Tom Jansson (CFO). As an outcome, Jari Still (former CIO) and Antti Hovila (former EVP, Strategy & Portfolio) left the Leadership Team.

At the end of the year, the composition of the Leadership Team was the following:

Juhani Hintikka (CEO & President), Tom Jansson (CFO), Christine Bejerasco (CTO), Antti Koskela (CPO), Ari Vänttinen (CMO), Timo Laaksonen (EVP, Consumer Security), Juha Kivikoski (EVP, Business Security), Edward Parsons (EVP, Cyber Security Consulting), Tim Orchard (EVP, Managed Detection & Response), Charlotte Guillou (EVP, People Operations & Culture) and Tiina Sarhimaa (CLO).

After the reporting period, on January 1, 2022, F-Secure changed its management structure and combined its Managed Detection and Response unit and Cyber Security Consulting unit under one Solutions unit, led by Tim Orchard as Executive Vice President, Solutions.

Shares, Shareholders' Equity, Own Shares

The total number of company shares is currently 158,798,739. The company's registered shareholders' equity is EUR 1,551,311.18. The company held 411,358 of its own shares at the end of the quarter.

The company holds its own shares to be used in the incentive compensation plans, for making acquisitions or implementing other arrangements related to the company's business, to improve the company's financial structure or to be otherwise assigned or cancelled.

In January–December, 20,164,500 (22,752,704) of F-Secure's shares were traded on the Helsinki Stock Exchange. The highest trading price was EUR 5.53 (4.14) and the lowest price was EUR 3.66 (2.04). The volume weighted average price of F-Secure's shares in 2021 was EUR 4.39 (3.10).

The share's closing price on the last trading day of the year, 30 December 2021, was EUR 4.97 (3.84). Based on that closing price, the market value of the company's shares, excluding the treasury shares held by the company, was EUR 786 million (607m).

The company currently has performance- and market-based long-term share-based incentive programs for key employees.

Risks and uncertainties

The following risks and uncertainties can adversely impact F-Secure's sales, profitability, financial condition, market share, reputation, share price or the achievement of the company's short- and long-term objectives. The matters described here should not be construed as an exhaustive list. The most significant risks are:

COVID-19 pandemic
Cyber security consulting and the new sales of Managed Detection and Response (MDR) service are negatively affected by the COVID-19 pandemic. Slowdown in the new sales of software products and Managed Detection and Response (MDR) solutions may occur if the situation prolongs.

Goodwill is tested for impairment annually and whenever there is indication that it might be impaired. The annual impairment testing of Consulting and MDR goodwill was carried out at the end of 2021 and indicated no impairment although long-term forecasts continue to include a higher level of uncertainty due to the prolonged pandemic. Management continues to assess the need for updated testing regularly.

Under the pandemic an increase in credit losses and delayed customer payments may occur. To date, significant risks have not realized, but the impacts of the pandemic on customers may arise in the longer term. As part of the quarterly assessment of allowances for expected credit losses under IFRS 9, a slight increase in the calculation of expected credit losses was maintained.

Cyber security incident
Cyber security attacks threaten the confidentiality, integrity and availability of F-Secure's products, services and the enterprise. F-Secure builds cyber resilience by continually improving its capability to identify, protect, detect and respond to relevant threats.

Endpoint protection market disruption
Endpoint security market is highly competitive. Operating system manufacturers have increased their focus to built-in security features and at the same time new vendors and technologies have emerged. F-Secure has to succeed in maintaining in-depth understanding of cyber security threat landscape, hacker techniques and technologies used as well as continue to innovate in defense technologies.

Market consolidation
The cyber security market is consolidating due to economies of scale. F-Secure has to succeed in finding the right acquisition targets, as well as successfully integrating the target companies.

Risks relating to launch of new technologies
In a rapidly evolving industry, it is vital to keep products and services relevant to customers while introducing new technologies to the market on-time. F-Secure is driving technology simplification and R&D effectivization initiatives as well as investments in artificial intelligence to ensure a competitive product portfolio.

Attracting and retaining talent
Competition for capable personnel is increasing and there is structural undersupply of talent in the cyber security industry. F-Secure is continuously developing and adopting new ways of recruitment, building its own talent and knowledge pools and investing in training and development of personnel.

Geopolitical risks
F-Secure operates globally in different countries, and local regulation is exposing the company to geopolitical risks, including, for instance, unfavorable tax matters or export controls. Changes in regulations or their application, applicable to current or new technologies or services, may adversely affect F-Secure's business operations.

Currency fluctuations
Increased amount of operations and sites outside the Eurozone in different currencies exposes F-Secure to an increased risk related to currency fluctuations.

Annual General Meeting

The Annual General Meeting of F-Secure Corporation was held on 24 March 2021. The Meeting confirmed the financial statements for the financial year 2020 and reviewed the remuneration policy and remuneration report for governing bodies. The members of the Board and the President and CEO were discharged from liability.

The Annual General meeting approved the proposal of the Board of Directors that a dividend of EUR 0.04 per share shall be paid from the parent company's distributable funds to shareholders who are registered in the Company's shareholders' register maintained by Euroclear Finland Oy on the dividend record date, 26 March 2021. The dividend was paid on 8 April 2021.

The Annual General Meeting decided that the annual remuneration of the Board of Directors remain unchanged: EUR 80,000 for the Chairman of the Board of Directors, EUR 48,000 for the Committee Chairmen, EUR 38,000 for the members of the Committees, and EUR 12,667 for a member of the Board of Directors belonging to the personnel of the Company. Approximately 40% of the annual remuneration will be paid as company shares.

The Annual General Meeting decided that the number of Board members shall be seven. The following current Board members were re-elected: Risto Siilasmaa, Keith Bannister, Pertti Ervi, Päivi Rekonen and Tuomas Syrjänen. Åsa Riisberg and Robin Wikström, who belongs to the personnel of F-Secure Corporation, were elected as new members of the Board of Directors.

The Board elected Risto Siilasmaa as the Chairman of the Board. Päivi Rekonen was nominated as the Chair to the Personnel Committee and Risto Siilasmaa and Tuomas Syrjänen as members of the Personnel Committee. Pertti Ervi was nominated as the Chairman of the Audit Committee and Keith Bannister, Åsa Riisberg and Robin Wikström were nominated as members of the Audit Committee.

It was decided that the Auditor's fee will be paid against approved invoice. PricewaterhouseCoopers Oy was elected as the Group's auditor. APA, Mr. Janne Rajalahti acts as the principle auditor.

The Board of Directors was authorized to resolve to repurchase a maximum of 10,000,000 shares in the Company. Shares may be repurchased also otherwise than in proportion to the shareholders' holding in the Company. The authorization to repurchase the Company's own shares shall be valid until the conclusion of the next Annual General Meeting, in any case until no later than 30 June 2022.

The Board of Directors was authorized to decide on the issuance of a maximum of 15,879,874 shares in total through a share issue or by issuing special rights entitling to shares pursuant to chapter 10, section 1 of the Companies Act in one or several tranches. The proposed maximum number of the shares corresponds to approximately 10% of the Company's registered number of shares. The authorization entitles the Board of Directors to decide on all terms related to the share issue as well as the issuance of options and other special rights entitling to shares. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive subscription right (directed issue). The authorization is valid until the conclusion of the next Annual General Meeting, in any case until no later than 30 June 2022.

Market overview

The growing number and variety of connected devices as well as digital services continues to create security challenges for both businesses and individuals. Combined with the increasing complexity of IT systems, tightening regulation and increasing significance of geopolitics, these trends are driving demand for security products and services. While advanced cyber-attacks are becoming more common and persistent, criminals are targeting companies of all sizes along with consumers by taking advantage of vulnerabilities in popular software, both traditional and new connected devices as well as online services. Apart from pure criminal activity, governments and hacktivists use vulnerabilities and malware for things including espionage and surveillance.

Attacks against corporations often go undetected for months. As most companies lack relevant capabilities for detection and response, it is estimated that the demand for both Endpoint Detection and Response (EDR) solutions and Managed Detection and Response (MDR) will continue to increase rapidly. The new detection and response capabilities are supplementing existing endpoint protection solutions (EPP), causing the EPP market to be in transition. Overall, as organizations are increasingly adopting cloud services, they seek managed security services and cloud-based delivery to help them maintain control of their security.

The consumer security software market continues to be impacted by the changing device landscape, app stores and online sales overall. On the whole, the number of connected smart home devices is growing very rapidly, and as a result, telecommunication operators are investing heavily in upgrading connectivity and introducing new security related services into their offerings. As consumers become increasingly aware of the threats to their privacy and security, they seek to buy more comprehensive solutions to secure their digital lives.

Outlook

F-Secure will share outlook for 2022 later when the demerger process, has progressed further.

Medium term financial targets

Medium term financial targets for the consumer security business:

- Growth Target: High single digit organic revenue growth
- Profitability Target: After initial growth investments, adjusted EBITA margin of above 42%

Medium term financial targets for the corporate security business:

- Growth Target: To double revenue organically by the end of 2025
- Profitability Target: Adjusted EBITDA break-even by the end of 2023 and adjusted EBITDA margin of some 20% by 2025

Board of Directors' proposal for the distribution of profit

The company's dividend policy is to pay approximately half of its profits as dividends. On December 31, 2021, F-Secure Oyj's distributable funds totaled EUR 81.4 million of which net profit for the period was EUR 15.7 million. No material changes have taken place in the company's financial position after the balance sheet date.

F-Secure's Board of Directors proposes that no dividend will be paid for 2021 due to the planned demerger of consumer security business.

More information about the planned demerger can be found from the demerger plan, published on February 17, 2022, that is available from company's website at www.f-secure.com.

Events after period-end

After the reporting period, in February 2022, F-Secure sold its shares in its F-Secure Cyber Security (PTY) Limited in South Africa through a local management buy-out (MBO). Impacts of the divestment to financial reporting will be disclosed in the first quarter of 2022 Interim Report.

On February 17, 2022, F-Secure announced the outcome of the strategic review and evaluation of different strategic options for company's consumer security business. The Board of Directors of F-Secure Corporation has decided to pursue towards the separation of the company's consumer security business through a partial demerger. It is planned that the consumer security business will be transferred into a new independent company to be named F-Secure Corporation to be established in connection with the demerger. The current F-Secure Corporation would carry on its corporate security business and it is planned to be renamed as WithSecure Corporation. The planned completion date is June 30, 2022. The trading in the new consumer security company's shares on Nasdaq Helsinki is expected to commence on July 1, 2022 or as soon as possible thereafter.

Helsinki, 16 February 2022

F-Secure Corporation
Board of Directors

Risto Siilasmaa
Pertti Ervi
Päivi Rekonen
Tuomas Syrjänen
Keith Bannister
Åsa Riisberg
Robin Wikström

President and CEO
Juhani Hintikka

F-SECURE CONSOLIDATED
STATEMENT OF COMPREHENSIVE OF INCOME January 1–December 31, 2021

		(EUR 1000)	
INCOME STATEMENT		**Consolidated IFRS 2021**	**Consolidated IFRS 2020**
REVENUE	(2)	236 265	220 204
Cost of revenue	(6)	-50 551	-47 996
GROSS MARGIN		185 714	172 208
Other operating income	(3)	2 791	2 108
Sales and marketing	(4,5,6)	-99 215	-95 625
Research and development	(4,5,6)	-46 599	-41 891
Administration	(4,5,6)	-24 984	-17 120
EBIT		17 707	19 680
Financial income	(8)	1 473	2 443
Financial expenses	(8)	-1 751	-5 666
PROFIT (LOSS) BEFORE TAXES		17 429	16 457
Income tax	(9)	-4 726	-3 581
RESULT FOR THE FINANCIAL YEAR		12 703	12 875
Other comprehensive income			
Exchange difference on translation of foreign operations		3 992	-7 361
COMPREHENSIVE INCOME FOR THE YEAR		16 695	5 514
Result of the financial year is attributable to:			
Equity holders of the parent		12 703	12 875
Comprehensive income for the year is attributable to:			
Equity holders of the parent		16 695	5 514
Earnings per share	(10)		
- basic and diluted		0,08	0,08

F-SECURE CONSOLIDATED
STATEMENT OF FINANCIAL POSITION December 31, 2021

		(EUR 1000)	
ASSETS		**Consolidated IFRS 2021**	**Consolidated IFRS 2020**
NON-CURRENT ASSETS			
Tangible assets	(4,13)	12 712	14 064
Intangible assets	(13)	33 034	34 016
Goodwill	(11,12,13)	85 143	81 944
Deferred tax assets	(21)	4 124	3 954
Other receivables	(16)	1 860	579
Total non-current assets		136 874	134 557
CURRENT ASSETS			
Inventories	(14)	51	74
Accrued income	(16)	4 714	3 398
Trade and other receivables	(15,16)	49 856	47 462
Income tax receivables	(16)	1 740	872
Financial asset at FVTPL	(15)	61	61
Cash and bank accounts	(15, 20)	52 940	51 380
Total current assets		109 361	103 246
TOTAL ASSETS		246 235	237 803

		(1000 EUR)	
SHAREHOLDERS' EQUITY AND LIABILITIES		**Consolidated IFRS 2021**	**Consolidated IFRS 2020**
SHAREHOLDERS' EQUITY	(17)		
Share capital		1 551	1 551
Share premium		165	165
Treasury shares		-849	-1 288
Translation differences		-124	-4 116
Reserve for invested unrestricted equity		6 789	6 464
Retained earnings		87 831	79 554
Equity attributable to equity holders of the parent		95 363	82 330
NON-CURRENT LIABILITIES			
Interest bearing liabilities, non-current	(4,19, 20)	17 577	23 929
Deferred tax liabilities	(21)	1 880	1 294
Other non-current liabilities	(22)	26 335	25 338
Total non-current liabilities		45 792	50 560
CURRENT LIABILITIES			
Interest bearing liabilities, current	(4,19, 20)	10 824	15 937
Trade and other payables	(20, 22)	29 990	26 088
Income tax liabilities	(22)	4 182	5 656
Other current liabilities	(22)	60 084	57 232
Total current liabilities		105 080	104 913
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		246 235	237 803

F-SECURE CONSOLIDATED **(EUR 1000)**

STATEMENT OF CASH FLOWS January 1–December 31, 2021

	Consolidated IFRS 2021	Consolidated IFRS 2020
Cash flow from operations		
Result for the financial year	12 703	12 875
Adjustments		
Depreciation and amortization	15 066	16 020
Profit / loss on sale of fixed assets	142	58
Other adjustments	2 504	1 783
Financial income and expenses	278	3 224
Income taxes	4 726	3 581
Cash flow from operations before change in working capital	35 420	37 542
Change in net working capital		
Current receivables, increase (-), decrease (+)	-4 138	6 164
Inventories, increase (-), decrease (+)	23	33
Non-interest bearing debt, increase (+), decrease (-)	7 371	5 069
Provisions, increase (+), decrease (-)		-500
Cash flow from operations before financial items and taxes	38 675	48 307
Interest expenses paid	-451	-536
Interest income received	11	-4
Other financial income and expenses	-843	-1 017
Income taxes paid	-6 652	-70
Cash flow from operations	30 741	46 680
Cash flow from investments		
Investments in intangible and tangible assets	-6 569	-8 139
Proceeds from sale of intangible and tangible assets	433	238
Other investments	0	6
Acquisition of subsidiaries, net of cash acquired		-3 681
Cash flow from investments	-6 135	-11 575
Cash flow from financing activities		
Proceeds from interest-bearing liabilities		10 000
Repayments of interest-bearing liabilities	-11 000	-11 000
Repayments of lease liabilities	-5 963	-7 251
Dividends paid	-6 334	
Cash flow from financing activities	-23 298	-8 251
Change in cash	1 309	26 854
Cash and bank at the beginning of the period	51 380	25 427
Effects of exchange rate changes	252	-902
Cash and bank at period end	52 940	51 380

F-SECURE CONSOLIDATED **(EUR 1000)**
December 31, 2021

STATEMENT OF CHANGES IN EQUITY
Attributable to the equity holders of the parent

IFRS	Share capital	Share premium fund	Treasury shares	Translation differences	Unrestricted equity reserve	Retained earnings	Total equity
Equity December 31, 2019	1 551	165	-2 141	3 245	6 172	67 166	76 158
Result of the financial year						12 875	12 875
Translation difference				-7 361			-7 361
Total comprehensive income for the year				-7 361		12 875	5 514
Cost of share based payments			853		291	-486	659
Equity December 31, 2020	1 551	165	-1 288	-4 116	6 464	79 554	82 330
Result of the financial year						12 703	12 703
Translation difference				3 992			3 992
Total comprehensive income for the year				3 992		12 703	16 695
Dividends						-6 334	-6 334
Cost of share based payments			439		325	1 913	2 678
Equity December 31, 2021	1 551	165	-849	-124	6 789	87 831	95 363

More information in note 17. Shareholders' equity

F-SECURE - CONSOLIDATED

INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Basic information

F-Secure provides cyber security products and services globally for consumers and businesses.

The parent company of the Group is F-Secure Corporation incorporated in Finland and domiciled in Helsinki. Company's registered address is Tammasaarenkatu 7, 00180 Helsinki. A copy of consolidated financial statements can be downloaded on www.f-secure.com or can be received from the parent company's registered address.

These financial statements were authorized for issue by the Board of Directors on 16 February 2022. According to the Finnish Companies Act, the Annual General Meeting can confirm or reject the consolidated financial statements after publication. The Annual General Meeting can also decide to change the financial statements.

ACCOUNTING PRINCIPLES

The consolidated financial statements of F-Secure Corporation of 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS), applying the IAS and IFRS standards as well as SIC and IFRIC interpretations that were in force and had been approved by the EU by 31 December 2021.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of F-Secure Corporation and entities controlled by F-Secure Corporation. Consolidation is done using the acquisition method and begins when control over the subsidiary is obtained. The consolidation stops when the control ceases. The Group does not have any associated companies nor is there any non-controlling interest in the Group.

All intra-group transactions and balances, including unrealized profits arising from intra-group transactions, have been eliminated on consolidation. Where necessary, accounting policies of the subsidiaries have been adjusted to ensure consistency with the policies adopted by the Group.

Transactions in foreign currency

The consolidated financial statements are presented in euros, which is F-Secure Corporation's functional currency. At each reporting date for the purpose of presenting consolidated financial statements the income statements of foreign Group companies are translated at the average exchange rates for the reporting period and the balance sheets are translated using the European Central Bank's exchange rates prevailing on the reporting date. Translation differences are recognized in shareholders' equity and the change in other comprehensive income.

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. On the reporting date, assets and liabilities denominated in foreign currencies are translated using the European Central Bank's exchange rates prevailing at that date. Exchange rate gains and losses are recognized in financial items in the income statement.

New and amended IFRS Standards that are effective for 2021

During 2021 there were no changes in the Group's accounting principles.

COVID-19 impacts on financial reporting during 2021

During 2021 COVID-19 pandemic has continued to impact F-Secure's financial reporting by increasing the amount of management judgment related to certain items in the financial statements. Operationally, COVID-19 impacted the business less than in 2020 as the Group has managed to adopt new ways of working and delivering services.

During 2021 management has continued to regularly monitor any indications of goodwill impairment. During the financial year such indications have not been identified, and thus only annual impairment testings have been carried out at the end of the year. Testings did not result in impairment bookings.

According to management's assessment COVID-19 may have an impact on the liquidity of the Group's customers in short and longer term. In 2020, the expected credit losses according to IFRS 9 were reassessed to include the increased risk caused by the pandemic. No significant risks realized during 2020, but the prolonging of the pandemic can still impact customers' liquidity. Therefore, the potential impacts of the pandemic have been reassessed for 2021 and a slight risk element in the provision for expected credit losses has been maintained.

In 2020 COVID-19 temporarily impacted the Group's cyber security consulting business' profitability in certain locations. At year end 2020 the management assessed the Group's capability to utilize the taxable losses generated in these locations according to IAS 12 and deferred tax assets were booked accordingly. During 2021 the Group has been able to utilize these losses against the profits generated during the financial year. No new losses in consulting locations due to the pandemic have occurred.

Group's financing agreement includes a committed revolving credit facility (RCF) of EUR 23,000 thousand. At the end of previous financial year, the Group had EUR 5,000 thousand withdrawn from the RCF. The cash position has remained solid during 2021, and the RCF was fully repaid during the first quarter of 2021.

Management judgment on significant accounting principles and use of estimates

The preparation of consolidated financial statements requires the use of estimates and assumptions as well as the use of judgment when applying accounting principles. These affect the contents of the financial statements, and it is possible that actual results may differ from estimates.

Estimates made in connection with the preparation of financial statements are based on management's best knowledge at the reporting date. Estimates build upon past experience as well as assumptions of the future development of the economic environment of the Group. Revisions in estimates and assumptions are recognized in the period they occur and in future periods if the revision affects both current and future periods.

Key sources where estimation uncertainty arises at the reporting date are:

- **Impairment testing:** Recoverable amount of goodwill from acquisitions is based on estimated future cash flows which are subject to management judgment.

  In addition to goodwill the intangible assets that are not yet ready for use (EUR 2.7 million) are tested annually for impairment. The recoverable amount of these assets is based on estimated future cash flows from sales and/or use of the asset.

- **Deferred tax assets from tax losses:** The Group has recognized deferred tax assets from tax losses. Biggest losses are in the UK where the deferred tax asset is EUR 2.5 million. The amount of deferred tax assets is based on management estimation about future profits and the recoverability of these tax losses.

- **Expected credit losses:** Provision for expected credit losses in Group's balance sheet is EUR 2.1 million. Managements has used judgment in defining potential impacts of the COVID-19 pandemic on expected credit losses and provision has been adjusted accordingly.

- **Share-based payments:** The Group's share-based incentives programs are mainly tied to market-based conditions. Management uses external valuations in determining the fair value of the shares granted under these incentive programs. The method for the valuation is Monte Carlo Simulation.

- **Deferred consideration sales of UK public sector consulting team:** The sales price of the UK public sector consulting team divested in December 2021 includes a deferred consideration which is measured at discounted fair value on each reporting date. Management judgment is used to forecast the future performance of the divested business which is the basis for determining the deferred consideration.

Revenue recognition

Revenue is derived from corporate and consumer businesses. Corporate security business revenue includes cyber security products, managed services, and cyber security consulting. Cyber security products comprise endpoint protection solutions (F-Secure Elements Endpoint Protection, F-Secure Business Suite, F-Secure Cloud Protection for Salesforce, F-Secure Elements for Microsoft Office 365), as well as solutions targeted at detecting and responding to advanced attacks (F-Secure Elements Endpoint Detection and Response and F-Secure Countercept) and vulnerability management (F-Secure Elements Vulnerability Management and phishd). Consumer security business revenue comes through operator and direct consumer channels, and the main products include F-Secure SAFE, F-Secure FREEDOME, F-Secure SENSE, F-Secure KEY and F-Secure ID PROTECTION.

Endpoint protection solutions and vulnerability management products

Endpoint protection security solutions (F-Secure Elements Endpoint Protection, F-Secure Business Suite, F-Secure Elements Endpoint Detection and Response, F-Secure Cloud Protection for Salesforce and F-Secure Elements for Microsoft Office 365) are sold to corporate customers by granting the customer access to use the intellectual property during the license period or as Security-as-a-Service. F-Secure delivers the product and provides continuous automated updates against new threats. The software and the accompanied services are highly interdependent and therefore treated as one performance obligation for which revenue is recognized over time on a straight-line basis for the license period.

Consumer customer products and vulnerability management products for corporate customers (F-Secure Elements Vulnerability Management and phishd) are treated as Security-as-a-Service as they do not include a license of intellectual property. Revenue is accounted for as a single performance obligation and recognized over time on a straight-line basis for the contract period.

When there is a hardware component to the solution (F-Secure SENSE) the hardware is considered as a distinct performance obligation and revenue for hardware is recognized separately at point in time of delivery.

Cyber security consulting services and managed detection and response solutions

Cyber security consulting services are recognized as revenue based on the delivery of the work. For F-Secure managed detection and response solution (F-Secure Countercept) the software and the service are considered as single performance obligation. The customer is granted access to use the intellectual property and the service is provided by F-Secure continuously throughout the contract period. Revenue for managed services is recognized on a straight-line basis for the contract period.

Presenting of receivables and liabilities from contracts with customers

Receivables from contracts with customers are presented in the balance sheet as *Accrued income.* Liabilities from contracts with customers are presented in the balance sheet as *Deferred revenue* and included in *Total non-current liabilities* or *Total current liabilities* depending on the duration of the liability.

Pensions

All of F-Secure Group's pension arrangements are defined contribution plans in accordance with local statutory requirements. Contributions to defined contribution plans are recognized in the income statement in the period to which the contributions relate.

Leases

Leases which meet with IFRS 16 requirements are booked to balance sheet as right-of-use asset with corresponding lease liability. Right-of-use assets and lease liabilities are initially valued at the present value of the remaining lease payments. Incremental borrowing rate is applied in discounting the remaining payments. F-Secure's incremental borrowing rate varies between 2,45 % and 9,15 % depending on the geographical location of the leased asset, lease period and guarantees.

F-Secure's right-of-use assets comprise of rented office premises and leased cars. Short-term contracts (remaining contract period 12 months or less) and low value assets are excluded from leases and lease expense is recognized on a straight-line basis as permitted by IFRS 16.

Lease contracts for the Group's office premises are typically made for fixed periods of 3 to 6 years and they may contain extension options. Each office lease contract is negotiated individually, and the contracts may contain wide range of different terms and conditions. Some of Group's office premises are leased with on-going contracts where the ending date is not defined. The management assesses the probable duration for these contracts case-by-case and the lease liability is calculated accordingly. Changes to the estimates are accounted for at each reporting date. Estimated duration for on-going contracts vary between 3 to 5 years and the total liability from on-going contracts is EUR 3.0 million.

In measuring the present value of the liabilities arising from leases any service-related fees are excluded from the lease payment. The Group's lease contracts do not contain residual value guarantees or purchase options.

Income taxes

The income tax expense in income statement represents the sum of current taxes and deferred taxes. Current taxes are calculated on the taxable income for all Group companies in accordance with the local tax rules. Deferred taxes, resulting from temporary differences between the financial statement and the income tax basis of assets and liabilities, use the enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available. Deferred tax liabilities are recognized for all temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to the same taxation authority and the Group intends to settle the assets and liabilities on a net basis.

Business combinations

Acquisition method is used for accounting the acquisitions of businesses. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group and liabilities incurred by the Group to the former owners of the acquiree. Contingent considerations related to business combinations are measured at fair value at acquisition date and included as part of the consideration transferred. Costs related to the acquisition are recognized in profit and loss statement.

The identifiable assets acquired, and the liabilities assumed are recognized at fair value at the acquisition date except for deferred tax assets or liabilities which are measured in accordance with IAS 12 Income taxes. Goodwill is measured as the excess of the transferred consideration over the net amount of the acquired identifiable assets and assumed liabilities.

Changes in fair value of the contingent consideration that do not arise within one year from the acquisition from facts and circumstances that existed at the acquisition date are recognized in profit or loss.

Goodwill

Goodwill is initially recognized and measured in business combinations as set out above. Goodwill is not amortized but is instead tested for impairment at least annually and whenever there is an indication that it may be impaired. For the purpose of impairment testing goodwill has been allocated to cash generating units expected to benefit from the synergies of the combination. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit. If an impairment loss for goodwill is recognized it will not be reversed in the subsequent periods. Goodwill is recorded at historical cost less accumulated impairment losses.

Intangible assets

Research and development expenditure

Research expenditure is recognized as an expense at the time it is incurred. Development expenditure on new products or product versions with significant new features are recognized as intangible assets when they fulfill the requirements set out in IAS 38. Amortization is recorded on a straight-line basis over the estimated useful life, which is 3–8 years for these assets.

Intangible assets acquired in business combinations

Intangible assets acquired in business combinations and recognized separately from goodwill are initially recognized at fair value on the acquisition date. Subsequent to initial recognition these assets are reported at initial value less accumulated amortization and accumulated impairment losses.

Intangible assets acquired in business combinations include technology, trademarks and customer relationships, which all have a finite useful life. Initial valuation for technology and trademarks is done based on Relief from royalty method and for customer relationships based on Excess earnings method. The estimated useful lives for intangible assets acquired in business combinations are:

Technology	10 years
Trademark	2 years
Customer relationships	6–10 years

Other intangible assets

Other intangible assets include intangible rights and software licenses, all with a finite useful life. Other intangible assets are recorded at historical cost less accumulated amortization and possible impairment. Amortization is recorded on a straight-line basis over the estimated useful life of an asset. The estimated useful lives of other intangible assets are as follows:

Intangible rights	3–8 years
Other intangible assets	5–10 years

Tangible assets

Tangible assets are recorded at historical cost less accumulated depreciation and possible impairment. Depreciation is recorded on a straight-line basis over the estimated useful life of an asset. The estimated useful lives of tangible assets are as follows:

Machinery and equipment	3–8 years
Other tangible assets	5–10 years

Other tangible assets include renovation costs of rented office space.

Gains or losses on disposal of tangible assets are shown in other operating income or expense.

Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. The recoverable amount of goodwill and intangible assets that are not ready for use are estimated annually for regardless of whether any indication of impairment exists.

Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and the carrying amount is reduced to its recoverable amount. The recoverable amount is the fair value of an asset less costs of disposal or value in use, whichever is higher. An impairment loss is recorded in the income statement.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The maximum reversal of an impairment loss amounts to no more than the carrying amount of the asset if no impairment loss had been recognized, net of depreciation. Impairment losses relating to goodwill cannot be reversed in future periods.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by first-in first-out method. Net realizable value is the estimated selling price that is obtainable, less estimated costs of completion and the estimated costs necessary to make the sale.

Financial instruments

Financial assets

Financial assets are originally valued at fair value. Trade receivables are originally valued with transaction price and later with amortized cost reduced by expected credit loss for trade receivable. Trade receivables and other receivables are written off from the balance sheet as the rights to associated cash flows end or become transferred to the counterpart. An expected credit loss is recognized for trade receivables according to IFRS 9. The amount of expected credit loss is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The expected credit loss is estimated using a provision matrix where trade receivables are grouped based on historical credit loss experience and characteristics that depict the credit risk of receivables (e.g. geographical area and days past due).

Financial liabilities

F-Secure classifies loans from financial institutions, trade payables and other payables as other financial liabilities which are measured at amortized cost. Transaction costs, such as arrangement fees, are deferred over the maturity of the liability. Contingent considerations arising from acquisitions are classified as financial liabilities measured at fair value and changes in fair value are accounted through profit and loss. Contingent considerations are measured at fair value at the end of each reporting period. Financial liabilities are classified as current unless F-Secure has unconditional right to postpone their repayment by at least 12 months from the end date of the reporting period.

Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Derivatives are valued at fair value. The fair value of forward currency contracts is calculated based on current forward exchange rates at the reporting date for contracts with similar maturity profiles. The gains and losses arising from the change of fair value are booked through the income statement as the Group does apply hedge accounting.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, the outflow of resources is probable, and a reliable estimate of the amount of the obligation can be made. The amount recognized is a best estimate of the consideration required to settle the obligation at each reporting date. Risks and uncertainties are taken into account when making the estimate.

Treasury shares

Parent company has acquired treasury shares in 2008–2011. The purchase price of the shares has been deducted from equity.

Share-based payment transactions

F-Secure provides incentives to employees in the form of equity-settled share-based instruments. Currently the Company has share-based programs.

F-Secure's share-based incentive programs are targeted to the Group's key personnel. The programs are divided into equity-settled and cash-settled part. The equity-settled part is valued at fair value at grant date, and the expense is recognized evenly in the income statement over the vesting period with the counter-entry in retained earnings. In incentive programs with performance-based conditions the fair value is determined using the market value of the share of F-Secure Corporation. In programs with market-based conditions the fair value is determined by utilizing commonly used valuation techniques. The cash-settled part is initially valued at fair value at grant date. At each reporting date the cash-settled part is revalued to fair value and the expense is recognized in the income statement over the vesting period with the counter-entry in liabilities. The cumulative expense recognized at grant date is based on the Group's estimate of the number of shares that will ultimately vest at the end of the vesting period. If a person leaves the company before vesting, the reward is forfeited. The Group updates its estimate of the ultimate number of shares at each reporting date. These changes in the estimate are recorded in the income statement.

Presentation of expenses

Classification of the functionally presented expenses has been made by presenting direct expenses in their respective functions and by allocating other expenses to operations on the basis of average headcount in each function.

Operating result

IAS 1 Presentation of Financial Statements standard does not define the concept of Earnings before interest and taxes (EBIT). The Group has defined it as follows: EBIT is the net amount, which consists of revenue and other operating income less cost of revenue which is adjusted for changes in inventories, employee benefit costs, depreciation and amortization, possible impairment losses, and other operating expenses.

New standards and interpretations not yet effective

New or amended standards or interpretations are not expected to have an impact on the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Segment information

The Group has one segment, data security. Segment reporting is consistent with the internal reporting submitted to the chief operating decision-maker. The Leadership Team has been appointed the chief operating decision-maker, responsible for allocating resources and assessing performance as well as making strategic decisions. For the geographical information revenue is presented based on the location of the customer and the long-term assets based on the location of the assets.

Geographical information

Geographical information about revenue is presented in note 2.

Long-term assets	**Consolidated 2021**	**Consolidated 2020**
Nordic countries	34 506	31 907
Europe excl. Nordics	67 785	67 063
North America	1 308	902
Rest of world	33 276	34 685
Total	136 874	134 557

2. Revenue

Principles of revenue recognition are stated in accounting principles to consolidated financial statements, section *Revenue recognition.*

Disaggregation of revenue

	Consolidated 2021	**Consolidated 2020**
Sales channels		
Revenue from external customers		
Consumer security	106 250	100 106
Corporate security	130 015	120 098
Products	82 773	74 279
Services	47 242	45 819
Total	236 265	220 204
Geographical information		
Revenue from external customers		
Nordic countries	77 144	70 948
Europe excl. Nordics	104 794	98 893
North America	24 576	23 242
Rest of world	29 751	27 121
Total	236 265	220 204

Assets and liabilities from contracts with customers

Satisfied performance obligations from contracts with customers that have not yet been invoiced on the reporting date are presented in the balance sheet as *Accrued income* included in trade and other receivables. The balances relate to products and services which has been delivered to customers and recognized as revenue but not invoiced. Liabilities from contracts with customers are presented in the balance sheet as *Deferred revenue* and included in *Total non-current liabilities* or *Total current liabilities* depending on the duration of the liability. Prior year current deferred revenue is recognized as revenue in the current period. Remaining performance obligations from contracts with customers represent contracted revenue that has not yet been recognized. These balances are presented as *Deferred revenue* and relate to obligations to provide software subscription services or managed services in contracts with a duration of multiple years.

Accrued income	4 714	3 398
Deferred revenue, non-current	25 988	23 788
Deferred revenue, current	60 084	57 232

Increases in deferred revenue resulting from billing were EUR 62,285 thousand. Decreases in deferred revenue resulting from satisfying performance obligations were EUR 57,232 thousand.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
3. Other operating income		
Capital gains from sales of operations	540	
Government grants	1 760	1 896
Rental revenue		18
Other	491	194
Total	2 791	2 108

Capital gains from sales of operations include gain from divestment of UK public sector consulting team.
Government grants are recognized as income over those periods in which the corresponding expenses arise.
During 2020 and 2021 government grants have been slightly higher in certain locations where goverments have taken measures to support the local businesses under pandemic.
Other operating income includes e.g. gain on sale of fixed assets and rent income.

4. Leases

	2021	2020
Decrease in Cost of Revenue	41	197
Decrease in operating expenses (lease expenses)	6 207	6 628
Increase in right-of-use asset depreciation	-6 022	-6 536
Increase in EBIT	227	288
Increase in financial expenses	-279	-324
Profit / Loss for the period	52	-36
Short-term leases booked as rent expense	180	205
Right of use assets and liabilities		
Right of use assets		
Buildings	8 130	8 554
Cars	1 111	1 207
Total	9 241	9 761
Lease liabilities		
Buildings	8 279	8 663
Cars	1 122	1 202
Total	9 401	9 865
Repayments of lease liabilities	6 185	7 278

Right of use assets related changes are stated in disclosure 13. Non-current assets.
Right of use assets related interest payments are stated in disclosure 8. Financial income and expenses.
Maturity of lease liabilities is stated in disclosure 19. Financial liabilities.

5. Depreciation, amortization, and impairment

	2021	2020
Depreciation and amortization of non-current assets		
Other intangible assets	-1 368	-1 945
Capitalized development	-4 723	-4 992
Intangible assets	-6 091	-6 937
Machinery and equipment	-1 398	-1 627
Right of use assets	-6 022	-6 536
Other tangible assets	-538	-659
Tangible assets	-7 958	-8 823
Impairment		
Capitalized development	-1 016	-260
Total impairment	-1 016	-260
Total depreciation and amortization	-15 066	-16 020
Depreciation and amortization by function		
Sales and marketing	-5 352	-6 138
Research and development	-5 176	-5 957
Administration	-4 537	-3 925
Total depreciation and amortization	-15 066	-16 020

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	**Consolidated 2020**

6. Personnel expenses

	Consolidated 2021	Consolidated 2020
Personnel expenses		
Wages and salaries	-109 550	-103 747
Pension expenses - defined contribution plan	-12 907	-10 710
Share-based payments	-2 672	-801
Other social expenses	-8 993	-8 280
Total	-134 122	-123 538

Employee benefits of the management are stated in disclosure 24. Related party transactions.
Share-based payments are stated in disclosure 18. Share-based payment transactions.

	Consolidated 2021	Consolidated 2020
Average number of personnel	1 678	1 691

	Consolidated 2021	Consolidated 2020
Personnel by function December 31		
Consulting and delivery	439	476
Sales and marketing	476	480
Research and development	555	535
Administration	186	187
Total	1 656	1 678

7. Audit fees

	Consolidated 2021	Consolidated 2020
Group auditor		
Audit fees, PricewaterhouseCoopers	-319	-308
Other consulting, PricewaterhouseCoopers	-347	-38
Total	-666	-346

PricewaterhouseCoopers Oy has provided non-audit services to entities of F-Secure Group in total 347 thousand euros, which are related to other services.

	Consolidated 2021	Consolidated 2020
Other auditors		
Audit fees	-58	-58
Total	-58	-58

The Finnish Patent and Registration Office Auditor Oversight has granted to PricewaterhouseCoopers Oy upon its request an exemption from the maximum amount of fees for non-audit services referred to in Chapter 5, section 4 of the Finnish Auditing Act (1141/2015).

8. Financial income and expenses

	Consolidated 2021	Consolidated 2020
Financial income		
Interest income from loans and receivables	11	-4
Exchange gains	1 452	2 413
Other financial income	10	34
Total	1 473	2 443

	Consolidated 2021	Consolidated 2020
Financial expenses		
Interest expense from loans and liabilities	-451	-536
Interest expense from lease liabilities	-279	-324
Exchange losses	-668	-4 458
Other financial expenses	-353	-349
Total	-1 751	-5 666

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020

9. Income tax

	2021	2020
Current income tax for the year	-4 357	-5 911
Adjustments for current tax of prior periods	108	267
Change in deferred tax	-477	2 063
Total	-4 726	-3 581

A reconciliation of income tax expense in the income statement and income tax calculated at the parent company's country of residence income tax rate (20%):

	2021	2020
Result before taxes	17 429	16 457
Income tax at Finnish tax rate of 20%	-3 486	-3 291
Effect of overseas tax rates	-312	-349
Non-deductible expenses/tax-exempt revenue	-202	19
Unrecognised tax losses	-716	-199
Adjustments for prior period tax	108	267
Other	-118	-27
Total	-4 726	-3 581

10. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted for the effects of dilutive options.

	2021	2020
Net profit attributable to equity holders from continuing operations	12 703	12 875
Weighted average number of ordinary shares (1 000)	158 354	158 082
Adjusted weighted average number of ordinary shares for diluted earning per share	158 354	158 082
Basic and diluted earnings per share (EUR/share), continuing operations	0,08	0,08

The weighted average number of shares take into account the effect of change in treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

11. Acquisitions

Group hasn't made acquisitions during 2020 or 2021.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020

12. Goodwill

For impairment testing goodwill is allocated to cash-generating units (CGUs). The carrying amount of goodwill EUR 85 144 thousand is allocated to two CGUs:

	2021	2020
Consulting	55 963	54 625
MDR	29 181	27 319
	85 144	81 944

Goodwill is tested for impairment annually, or more frequently if there are indications that goodwill might be impaired. The recoverable amount for each CGU is determined based on a value in use calculation which uses cash flows for the period determined for the CGU. Cash flows are based on financial budgets and forecasts approved by the Board of Directors. For Consulting forecast period of five years is used and for MDR the forecast period covers following six years during which the business is expected to achieve steady state. Discount rate for Consulting is 9.8 % before taxes and for MDR 13.6 % before taxes.

Cash flows beyond forecast period have been extrapolated using steady 2 % per annum growth rate for both CGUs. Markets where CGUs operate are expected to grow significantly faster than the terminal growth rate used in impairment testing. Managed detection and response (MDR) market is expected to grow at 16.4 % annually and Consulting at 12.6 % annually by 2024.

Sensitivity analysis

The Group has prepared a sensitivity analysis of the impairment tests to changes in the key assumptions which are revenue, profitability, and discount rate. Any reasonably possible changes in the key assumptions in impairment tests would not cause the aggregate carrying amounts exceeding the recoverable amounts.

COVID-19 impacts on goodwill

Due to the COVID-19 pandemic, potential impairment of goodwill is continuously being monitored by the management. During 2021 management did not identify indications of impairment which would have resulted in additional testing for either of the CGUs. The risk of impairment in goodwill due to pandemic has decreased as new ways of working and delivering services to customers have been adopted succesfully. Sensitivity to key assumptions in the impairment testings have increased slightly compared to 2020. Management continues to monitor indications of impairment through frequent forecasting processes.

NOTES TO THE FINANCIAL STATEMENTS

13. Non-current assets

	Intangible assets					Tangible assets			
	Other Intangible	Capitalized development	Goodwill	Advance payments & incomplete development	Total	Machinery & equip.	Right of use assets	Other Tangible	Total
Acquisition cost Jan 1, 2020	20 481	44 289	88 399	5 579	158 747	14 780	16 727	3 708	35 215
Translation difference	-445	-1 215	-6 455	0	-8 115	-310	-482	-190	-982
Additions	58			5 887	5 945	1 383	6 787	155	8 325
Transfers		3 967		-3 967		172			172
Disposals	4	-520			-517	-266	-981	-75	-1 322
Acquisition cost Dec 31, 2020	20 098	46 520	81 944	7 499	156 061	15 759	22 051	3 597	41 407
Translation difference	399	1 214	3 199		4 813	206	320	111	637
Additions	50			5 866	5 916	658	6 111	33	6 802
Transfers		9 941		-9 941					
Disposals	-1 021	-1 585			-2 606	-6 103	-1 977	-465	-8 545
Acquisition cost Dec 31, 2021	19 526	56 090	85 143	3 425	164 184	10 520	26 505	3 276	40 301
Acc. depreciation Jan 1, 2020	-13 254	-20 574			-33 828	-11 540	-6 464	-1 617	-19 620
Translation difference	189	182			371	196	158	85	439
Transfers						-171			-171
Depreciation for the period	-1 932	-4 973			-6 905	-1 616	-6 418	-647	-8 681
Depreciation of disposals	1	260			261	208	433	50	692
Acc. depreciation Dec 31, 2020	-14 996	-25 104			-40 101	-12 924	-12 290	-2 129	-27 343
Translation difference	-228	-303			-531	-140	-202	-66	-407
Transfers						10			10
Depreciation for the period	-1 384	-4 761			-6 146	-1 402	-6 062	-548	-8 013
Depreciation of disposals	898	555			1 453	6 030	1 285	163	7 478
Acc. depreciation Dec 31, 2021	-15 710	-29 614			-45 324	-8 425	-17 269	-2 580	-28 275
Book value as at Dec 31, 2020	5 102	21 416	81 944	7 499	115 960	2 835	9 761	1 468	14 064
Book value as at Dec 31, 2021	3 817	26 476	85 143	3 425	118 858	2 095	9 236	697	12 026

At the end of 2021 book value of right of use assets consists of buildings EUR 8.1 million (8.6m) and cars EUR 1.1 million (1.2m).

	Consolidated 2021	Consolidated 2020
14. Inventories		
Inventories	51	74
15. Financial assets		
Cash at bank and in hand	52 940	51 380
Trade receivables	38 310	38 088
Loan receivables	-1	2
Financial assets at FVTPL	61	61
Total	91 310	89 531

Trade receivables

Ageing of trade receivables		
Not fallen due	32 847	31 877
1–90 days past due	5 887	7 343
Over 90 days past due	1 603	1 378
Less provision for expected credit losses	-2 063	-2 510
Total	38 274	38 088

Movements in the provision for expected credit losses		
Book value as at Jan 1	2 510	2 375
Change for the year	153	806
Receivables written off during the year	-601	-670
Book value as at Dec 31	2 063	2 510

COVID-19 can have an impact on F-Secure's customer's liquidity in short and long term. Although significant risks have not realized during the financial year, management has estimated that impacts may become visible only during longer period as the pandemic prolongs. Thus, expected credit losses under IFRS 9 have been reassessed during the financial year and a slight increase addressing the increased risk has been maintained.

Financial assets at FVTPL

	2021	2020
Fair value as at Jan 1	61	66
Change in fair value	0	-5
Fair value as at Dec 31	61	61
Shares - unlisted	26	26
Funds	34	35
Fair value as at Dec 31	61	61

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020

16. Other receivables

	Consolidated 2021	Consolidated 2020
Non-current receivables		
Other receivables	1860	579
Current receivables		
Other receivables	531	1 250
Prepaid expenses	10 197	7 511
Accrued income	4 714	3 398
Accrued income tax	2 558	1 477
Total	18 001	13 636
Material items included in prepaid expenses		
Prepaid royalty	2 991	2 765
Grant receivables	860	-395
Other prepaid expenses	6 346	5 141
Total	10 197	7 511

NOTES TO THE FINANCIAL STATEMENTS

17. Shareholders' Equity

Issued and fully paid

	Number of shares	Share capital	Share premium fund	Unrestricted equity reserve	Treasury shares
Dec 31, 2019	157 786 995	1 551	165	6 172	-2 141
Share based payments	404 636			291	853
Dec 31, 2020	158 191 631	1 551	165	6 464	-1 288
Share based payments	195 750			325	439
Dec 31, 2021	158 387 381	1 551	165	6 789	-848

The share capital amounted to 1,551,311 euro and the number of shares was 158,798,739 (including own shares 411,358) at the end of 2021. A share has no nominal value. Accountable par value is EUR 0.01.

Share premium fund
Proceeds from exercised warrants were recognized under the share capital and share premium fund until March 26, 2008.

Unrestricted equity reserve
On March 20, 2007, the shareholders' meeting decided to decrease the share premium fund. The decreased amount of 33,582 thousand euro was transferred to unrestricted equity reserve. On March 26, 2008, the shareholders' meeting decided that the total amount of the subscription prices paid for new shares issued after the date of the meeting, based on stock options under the F-Secure Stock Option Plan 2005, be recorded in Companys' unrestricted equity reserve.

Translation differences
The translation difference is used to record exchange difference arising from the translation of the financial statements of foreign subsidiaries.

Dividends proposed and paid
Proposed for approval at AGM for financial year 2021 is that no dividend will be paid.
Final dividend for financial year 2020 was 0.04 euro per share, paid during 2021 (6,334,277,96 euro in total).
For financial year 2019 company decided to not to pay any dividend.

Treasury shares
Treasury shares contains the purchase value of own shares owned by the Group. The cost of acquisition is reported as a deduction in shareholders' equity. The shares have been acquired through public trading on NASDAQ OMX Helsinki. The parent company has not acquired treasury shares during the period.
During the financial year parent company's treasury shares have been used for board remuneration according to Annual General Meeting's decision, for incentive programs and for deferred payment of the 2017 acquisition.

The total number of acquired treasury shares was 411,358 at the end of 2021. This represents 0.3% of the Company's voting power on December 31, 2021.

18. Share-based payment transactions

During the period Group has had two incentive plans covering the key personnel of the Group and a restricted share plan as a complementary scheme targeted to individually selected key employees.

Share-based incentive programs

During the period the Group had two share-based incentive programs. The share-based incentive programs have been established as part of the key employee incentive and retention system within F-Secure Group. The programs offer the participants a possibility to receive shares of F-Secure Corporation as an incentive reward if the Company's financial targets set for the earning period have been achieved. No reward can be given to any participating employee, whose employment has terminated before the end of the lock-up period.

The share-based incentive program 2017–2019 has been established in October 2017. The program's duration is five years and it comprises three earning periods. Each earning period lasts for three years. The program ended on December 31, 2021. The rewards will be settled in two phases so that one part is settled as equity-settled payment and one part as cash-settled payment. On the basis of the program maximum total of 10,000,000 shares and a cash payment corresponding to the registration date value of the shares shall be given as reward. The Board has approved the metrics, targets and participants on annual basis for each earning period.

The share-based incentive program 2020-2022 was established in February 2020. The program's duration is five years and it comprises three earning periods. Each earning period lasts for three years. The program ends on December 31, 2024. The rewards will be settled as equity-settled payments. The Board approves the metrics, targets and participants on annual basis for each earning period.

A restricted share plan complementing the incentive programs comprises of three earning periods: 2020-2021, 2021-2022 and 2021-2023. On the basis of earning period for 2020-2021 maximum total of shares to be given is 300,000. Maximum total shares to be given is 500,000 on the basis of earning period for 2021-2022 and 500,000 on the basis of earning period for 2021-2023.

The participating employee of a share-based incentive program shall be entitled to the shareholder rights of the reward shares (e.g. dividend) from the moment the shares have been entered into the participating employee's book-entry account.

Expense arising from the share-based payment transactions during the period was EUR 2,672 thousand (EUR 801 thousand euros in 2020). The costs of equity-settled transactions are measured by reference to the fair value of the F-Secure Corporation share at the date on which they are granted. Fair value for performance based programs is based on the F-Secure Corporation share price on the grant date. Fair value for market based programs is based on externally accepted valuation methods. The costs of cash-settled transactions are measured by reference to the market price of the F-Secure Corporation share on date of balance sheet. The Group updates the estimate of the number of equity instruments that will ultimately vest at each reporting date.

Impacts of share-based payment transactions on financial statements

	2021	**2020**
Booked as expense during the period	2 672	801
Booked in retained earnings during the period	2 558	638
Balance sheet liability at the end of the period	1 148	1 412

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
19. Financial liabilities		
Interest-bearing liabilities		
Unsecured liabilities at amortized cost		
Bank loans	19 000	30 000
Lease liabilities	9 401	9 865
Total	28 401	39 865
Total interest-bearing liabilities	**28 401**	**39 865**
Amount due for settlement within 12 months	10 824	15 937
Amount due for settlement after 12 months	17 577	23 929
Borrowings by currency	**EUR**	**EUR**
Bank loans	19 000	30 000
	19 000	30 000

Bank loan of EUR 37,000 thousand was withdrawn on July 2, 2018. Annual repayments according to the financing agreement are EUR 6,000 thousand. Financing agreement includes a Revolving Credit Facility (RCF) for EUR 23,000 thousand. At previous reporting date Group had EUR 5,000 thousand withdrawn from the RCF. During 2021 the RCF was fully repaid and was undrawn at the end of the financial year.

The bank loans carry variable interest rates. The weighted average interest rates paid during the year were as follows:

Bank loans	1,5 %	1,4 %

The financing agreement is subject to conventional loan covenants related to ratio of net debt to EBITDA and equity ratio. Group complied with the covenants throughout the reporting period.

Other financial liabilities

Contractual maturities of financial liabilities	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Bank loans	6 000	13 000					19 000	19 000
Lease liabilities	4 824	2 982	1 173	205	123	94	9 401	9 401
Total financial liabilities	10 824	15 982	1 173	205	123	94	28 401	28 401

Lease liabilities consists mainly of buildings (EUR 8.3 million). Cars are totalling to EUR 1.1 million and the maturity for them is mainly less than 2 years.

NOTES TO THE FINANCIAL STATEMENTS

20. Financial assets and liabilities

Classes and categories of financial assets and liabilities and their fair values

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:
Level 1: Fair values of financial instruments are based on quoted prices in active markets for identical assets and liabilities
Level 2: Financial instruments are not subject to trading in active and liquid markets. The fair values of financial instruments can be determined based on quoted market prices and deduced valuation.
Level 3: Measurement of financial instruments is not based on verifiable market information, and information on other circumstances affecting the value of the instruments is not available or verifiable.

		Carrying value				**Fair value**			
		Financial assets		**Financial liabilities**		**Hierarchy level**			
(EUR 1000)	**Note**	**FVTPL**	**Amortized cost**	**Amortized cost**	**TOTAL**	**1**	**2**	**3**	**TOTAL**
Cash and bank	**15**		52 940		52 940				
Financial assets at FVTPL	**15**	61			61		61		61
Trade receivables	**15**		38 310		38 310				
Bank loans	**19**			19 000	19 000			19 000	19 000
Trade and other payables	**22**			5 975	5 975				

General

The goal of risk management is to identify risks that may hinder the Group from achieving its business objectives. The responsibility for the Group's risk management lies with the CEO, the management and ultimately with the Board of Directors. The risks related to the Group's financial instruments are mainly related to credit risks, currency risk and interest rate risk.

Credit risk

The Group trades only with recognized, creditworthy third parties. Receivable balances are monitored and collected on an ongoing basis. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables. There are no significant concentrations of credit risk within the Group. See note 15. Financial

Liquidity risk

Liquidity risk arises if the Group's existing liquidity reserves, net cash flows and available additional financing are not sufficient to cover commitments falling due within next 12 months. Group manages it's liquidity risk by centralizing the management of cash and liquid assets and thereby optimizing the use of liquid funds for operational and refinancing needs. Group Treasury is responsible for monitoring cash balances and cash forecasts to keep liquidity risk at manageable level. The Group has not identified any significant concentrations of liquidity risks in sources of available financing.

Cash and bank balance was at solid level throughout 2021, and at the end of the reporting period the Group held EUR 52.9 million in it's bank accounts (EUR 51.4 million euro in 2020). Repayments of the term loan according to the original financing agreement were EUR 6.0 million during 2021. The management continues to assess potential impacts of the COVID-19 pandemic but it is no longer considered to be a significant risk for Group's liquidity. In case of unforeseeable short term liquidity requirements, the Group has a Revolving Credit Facility (RCF) of EUR 23 million which was undrawn at the end of the financial year.

Foreign currency risk

The Group operates globally and is exposed to a currency risk arising from exchange rate fluctuations against its reporting currency euro. Transaction risk is related to foreign currency transactions in sales and expenses. Translation risk arises from the Group's net investments outside euro zone.

Transaction risk

Majority of sales is invoiced in Euros. Other main currencies for invoicing are GBP, USD and JPY. Currency risk arising from sales invoicing is notably diminished by operational expenses arising in same currencies as the sales invoicing. In order to minimize the impact of the fluctuation of the exchange rates, the Group uses forward currency contracts to eliminate the currency exposure of the estimated cash flow of these currencies. At the end of the reporting period the Group did not have any open currency forward contracts.

Sales in different currencies	%	%
EUR	60	61
GBP	13	12
USD	11	12
JPY	8	7
SEK	4	3
Other currencies	5	4
	100	100

NOTES TO THE FINANCIAL STATEMENTS

The carrying Euro amounts of the Group's financial assets and liabilities at the reporting date are as follows:

Financial assets		%		%
EUR	53 993	58	49 737	53
USD	10 068	11	9 709	10
GBP	8 381	9	10 429	11
JPY	8 208	9	12 331	13
Other currencies	13 048	13	11 601	13
	93 698	100	93 808	100

Financial liabilities		%		%
EUR	29 975	87	38 531	87
USD	2 516	7	1 259	3
GBP	1 102	3	1 962	4
Other currencies	970	3	2 483	6
	34 563	100	44 235	100

The table below demonstrates how sensitive the Group's profit before taxes is to foreign exchange rate fluctuations when all other variables are held constant. The open exposure against USD, GBP and JPY arising from Group treasury, trade receivables and trade payables have an impact on Group's profit before taxes. The sensitivity calculation is based on a change of 10 % in the Euro exchange rate against the functional currencies the Group operates in.

EUR million		
USD	+/- 0.3	+0.5/-0.4
GBP	+/- 0.2	+/- 0.1
JPY	+/- 0.3	+/- 0.1

Translation risk

Translation risk arises from the Group's net investments in foreign currencies. Most significant translation risks arise from goodwill generated in MWR InfoSecurity acquisition. Main currencies in goodwill are GBP and ZAR. Translation differences also arise from translating Group companies' balance sheets into euros using exchange rates prevailing on the reporting date. Internal loans are granted mainly in subsidiaries' home currencies. According to current policy F-Secure Corporation does not hedge investments made in its subsidiaries.

The table below demonstrates how sensitive the Group's equity is to foreign exchange rate fluctuations when all other variables are held constant. The sensitivity calculation is based on a change of 10 % in the Euro exchange rate against the main functional currencies exposing the Group to translation risk.

EUR million		
GBP	+7.2/-5.9	+7.2/-5.9
ZAR	+3.2/-2.6	+3.2/-2.6
DKK	+0.9/-0.7	+1.0/-0.8

Interest rate risk

The Group is exposed to interest rate risk due to the term loan withdrawn in July 2018 to finance the acquisition of MWR InfoSecurity. The loan carries a variable interest rate. To manage the risk of interest rate changes the Group is regularly evaluating the need for hedging. The table below demonstrates the sensitivity of Group's profit before taxes to 1 % change in interest rate when all other variables are held constant.

EUR million		
Interest bearing liabilities, bank loans	+/- 0.2	+/- 0.3

Capital management

The Group's shareholders' equity is managed as capital. Group's financing agreement has a covenant term related to equity ratio of the Group. The objective of the Group's capital management is to maintain an efficient capital structure that ensures the functioning of business operations, promotes shareholder value and meets with the requirements set in financing agreement. The Group's capital structure is reviewed regularly as a part of financial performance monitoring.

The capital structure can be adjusted among other things by distribution of dividends, share repurchase or capital repayment. The dividend policy of F-secure Corporation is to pay approximately half of its annual profit as dividend. Subject to circumstances, the Company may deviate from its policy.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
21. Deferred tax		
Deferred tax assets relate to following:		
Fixed assets	278	410
Accruals and provisions	4 808	4 493
Tax losses carried forward	3 282	3 961
Total	8 368	8 864
Offset against deferred tax liabilities	-4 243	-4 910
Net deferred tax assets	4 124	3 954
Change in deferred tax assets:		
Recognized in profit or loss	496	-2 214
Deferred tax liabilities relate to the following:		
Fixed assets	2 639	3 404
Accruals and provisions	2 799	2 799
Total	6 123	6 203
Offset against deferred tax assets	-4 243	-4 910
Net deferred tax liabilities	1 880	1 294
Change in deferred tax liabilities:		
Recognized in profit or loss	80	-162

At December 31, 2021 the Group had EUR 16.6 million losses carried forward that are available to be offset against future taxable profits in the companies in which the losses have been generated.

During 2020 COVID-19 pandemic impacted the Group's consulting business in multiple countries, and in some of the subsidiaries taxable income was temporarily negative. During 2021 the Group has been able to utilize the losses in all of the subsidiaries where negative income was due to the pandemic.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
22. Other liabilities		
Non-current liabilities		
Deferred tax liability	1 880	1 294
Deferred revenue	25 988	23 788
Other non-current liability	347	1 550
Provisions		
Total	28 215	26 631
Current liabilities		
Deferred revenue	60 084	57 232
Trade payables	5 975	4 182
Other liabilities	6 766	9 080
Accrued expenses	17 249	12 826
Income tax liabilities	4 182	5 656
Total	94 256	88 976
Material amounts shown under accrued expenses		
Accrued personnel expenses	10 411	9 120
Deferred royalty	114	239
Other accrued expenses	6 724	3 467
Total	17 249	12 826
Provisions		
Book value as at 1.1.		3 041
Arising during the year		
Used during the year		-3 041
Book value as at 31.12.		

Provision used during 2020 relates to company restructuring in 2019.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021	Consolidated 2020
23. Contingent liabilities		
Guarantees for other group companies		
Other liabilities		
Others	110	173

	Consolidated 2021	Consolidated 2020

24. Related party disclosures

The Group's related parties include Parent Company and subsidiaries, as well as members of the Board, CEO and members of the Leadership Team.

Compensation of key management personnel of the Group

	2021	2020
Wages and other short-term employee benefits	2 609	2 473
Share-based payments	136	239
Total	2 745	2 713

	2021	2020
Wages and other short-term employee benefits incl. share-based payments		
CEO	375	541
Leadership Team	2 369	2 172
Members of the Boards of Directors	316	293
	3 060	3 006

Board of Directors 2021 and Managing Director	Wages	Fees	Share-based payment
Juhani Hintikka, Managing Director	375		
Risto Siilasmaa, Chairman of the Board		81	
Pertti Ervi		50	
Päivi Rekonen		54	
Tuomas Syrjänen		38	
Keith Bannister		40	
Åsa Riisberg		39	
Robin Wikström		13	
Total	375	316	0

Share-based payments granted to the CEO are presented at the IFRS 2 expense of the share plans. The equity-settled part is measured at the fair value of the F-Secure Corporation share on the date it was granted and cash-settled part at the fair value of the share on the reporting date. The cost is recognized over the period in which the performance conditions are fullfilled (earning period).

The CEO's retirement age and the determination of his pension conform to the standard rules specified by Finland's Employee Pension Act (TYEL). The pension cost of the CEO during the period was 60 thousand euro (66 thousand euro in year 2020). The period of notice for the CEO is six (6) months both ways and CEO is entitled to severance payment equivalent of six (6) months' salary.

NOTES TO THE FINANCIAL STATEMENTS

25. Subsidiaries

Name	Country of incorporation	Group (%)
Parent F-Secure Corporation, Helsinki	Finland	
DF-Data Oy, Helsinki	Finland	100
F-Secure Inc., Palo Alto	United States	100
F-Secure (UK) Ltd, Basingstoke	United Kingdom	100
F-Secure KK, Tokyo	Japan	100
F-Secure GmbH, Munich	Germany	100
F-Secure eStore GmbH, Munich	Germany	100
F-Secure SARL, Maisons-Laffitte	France	100
F-Secure BV, Heverlee-Leuven	Belgium	100
F-Secure AB, Stockholm	Sweden	100
F-Secure Srl, Milano	Italy	100
F-Secure SP z.o.o., Poznan	Poland	100
F-Secure Corporation (M) Sdn Bhd, Kuala Lumpur	Malaysia	100
F-Secure Pvt Ltd, Mumbai	India	100
F-Secure B.V., Utrecht	The Netherlands	100
F-Secure Limited, Hong Kong	Hong Kong	100
F-Secure Iberia SL, Barcelona	Spain	100
F-Secure do Brasil Tecnol. da Informãcao Ltda, Saõ Paulo	Brazil	100
F-Secure Informatica S de RL de CV, Mexico City	Mexico	100
F-Secure Software (Shanghai) Co Ltd, Shanghai	China	100
F-Secure Danmark A/S, Copenhagen	Denmark	100
F-Secure Cyber Security Services Oy, Helsinki	Finland	100
nSense Estonia OÛ, Tartu	Estonia	100
F-Secure Norge AS, Oslo	Norway	100
F-Secure Argentina S.R.L., Buenos Aires	Argentina	100
F-Secure Digital Assurance Ltd, Basingstoke	United Kingdom	100
F-Secure Cyber Security Limited, Basingstoke	United Kingdom	100
F-Secure Consulting Pte. Ltd., Singapore	Singapore	100
F-Secure Cyber Security (Pty) Ltd, Johannesburg	South Africa	100
F-Secure Cyber Security Inc, Camden	United States	100
Bytegeist GmbH, Oldenburg	Germany	100

F-SECURE CORPORATION
INCOME STATEMENT January 1–December 31, 2021

INCOME STATEMENT		(EUR) FAS 2021	FAS 2020
REVENUE	(1)	164 897 224,65	152 028 309,41
Cost of revenue	(4)	-23 374 379,73	-18 744 714,58
GROSS MARGIN		141 522 844,92	133 283 594,83
Other operating income	(2)	6 603 406,83	9 517 100,83
Sales and marketing	(3,4)	-73 529 325,59	-72 321 336,86
Research and development	(3,4)	-43 566 748,03	-39 678 093,20
Administration	(3,4)	-17 533 526,24	-11 181 184,61
EBIT		13 496 651,89	19 620 080,99
Financial income and expenses	(6)	2 775 137,35	-2 156 250,09
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		16 271 789,24	17 463 830,90
Appropriations	(7)	2 953 475,95	1 931,83
Income taxes	(8)	-3 510 977,31	-2 655 496,26
RESULT FOR THE FINANCIAL YEAR		15 714 287,88	14 810 266,47

F-SECURE CORPORATION
BALANCE SHEET December 31, 2021

ASSETS		(EUR) FAS 2021	FAS 2020
NON-CURRENT ASSETS			
Intangible assets	(9)	19 507 822,36	17 563 812,01
Tangible assets	(9)	810 961,74	1 067 803,84
Investments in group companies	(10)	122 951 349,68	122 962 964,04
Long-term receivables	(13)	5 756 901,99	5 329 967,97
Total non-current assets		149 027 035,77	146 924 547,86
CURRENT ASSETS			
Inventories	(12)	50 609,00	73 957,00
Trade and other receivables	(13)	54 461 495,45	46 901 342,91
Deferred tax assets	(11)		3 021,80
Short-term investments	(14)	26 156,08	26 156,08
Cash and bank accounts	(15)	39 022 997,26	35 085 481,26
Total current assets		93 561 257,79	82 089 959,05
TOTAL ASSETS		242 588 293,56	229 014 506,91

SHAREHOLDERS' EQUITY AND LIABILITIES		(EUR) FAS 2021	FAS 2020
SHAREHOLDERS' EQUITY	(16,17)		
Share capital		1 551 311,18	1 551 311,18
Share premium		164 543,23	164 543,23
Treasury shares		-848 824,36	-1 288 068,16
Reserve for invested unrestricted equity		6 789 026,35	6 463 844,23
Retained earnings		76 870 857,81	68 810 741,30
Profit for the financial year		15 714 287,88	14 810 266,47
Total shareholders' equity		100 241 202,09	90 512 638,25
APPROPRIATIONS			
Depreciation reserve		90 614,56	44 090,51
LIABILITIES			
Long-term liabilities	(19)	42 422 844,86	50 911 456,39
Short-term liabilities	(19)	99 833 632,05	87 546 321,76
Total liabilities		142 256 476,91	138 457 778,15
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		242 588 293,56	229 014 506,91

F-SECURE CORPORATION **(EUR 1000)**

CASH FLOW STATEMENT January 1–December 31, 2021

	FAS 2021	**FAS 2020**
Cash flow from operations		
Result for the financial year	15 714	14 810
Adjustments		
Depreciation and amortization	4 228	5 044
Profit / loss on sale of fixed assets	106	-3
Other adjustments	-2 504	-1 597
Financial income and expenses	-2 775	2 156
Income taxes	3 511	2 655
Adjustments	2 565	8 256
Cash flow from operations before change in working capital	18 280	23 066
Change in net working capital		
Current receivables, increase (-), decrease (+)	-5 059	4 757
Inventories, increase (-), decrease (+)	23	33
Non-interest bearing debt, increase (+), decrease (-)	15 422	4 086
Provisions, increase (+), decrease (-)		-500
Cash flow from operations before financial items and taxes	28 666	31 442
Interest expenses paid	-450	-522
Interest income received	358	362
Other financial income and expenses	-337	-289
Income taxes paid	-2 432	933
Cash flow from operations	25 805	31 926
Cash flow from investments		
Investments in intangible and tangible assets	-6 030	-6 421
Investments in subsidiary shares		-3 681
Proceeds from sale of intangible and tangible assets	10	3
Intercompany loans granted	-440	-4 329
Intercompany loans repaid	1 271	1 446
Dividends received	2 199	2 938
Proceeds from subsidiary liquidations		740
Cash flow from investments	-2 990	-9 305
Cash flow from financing activities		
Increase in interest-bearing liabilities		5 000
Decrease in interest-bearing liabilities	-11 000	-6 000
Intercompany loans repaid	-1 651	
Dividends paid	-6 334	
Cash flow from financing activities	-18 985	-1 000
Change in cash	3 830	21 621
Effect of exchange rate changes on cash	108	-88
Cash and bank at the beginning of the period	35 086	13 553
Cash and bank at period end	39 023	35 086

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Basic information

F-Secure provides cyber security products and services globally for consumers and businesses.

F-Secure Corporation is the parent company of F-Secure Group, incorporated in Finland and domiciled in Helsinki. Company's registered address is Tammasaarenkatu 7, 00180 Helsinki. Copy of consolidated financial statements can be downloaded from www.f-secure.com or can be received from the Company's registered address.

ACCOUNTING PRINCIPLES

The financial statement of F-Secure Corporation has been prepared in accordance with Finnish Accounting Standards (FAS).

Foreign currency translation

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. On the reporting date, assets and liabilities denominated in foreign currencies are translated using the European Central Bank's exchange rates prevailing at that date. Exchange rate gains and losses are recognized in financial items in the income statement.

Revenue recognition

Revenue is derived from corporate and consumer businesses. Corporate security business revenue includes cyber security products, managed services, and cyber security consulting. Cyber security products comprise endpoint protection solutions (F-Secure Elements Endpoint Protection, F-Secure Business Suite, F-Secure Cloud Protection for Salesforce, F-Secure Elements for Microsoft Office 365), as well as solutions targeted at detecting and responding to advanced attacks (F-Secure Elements Endpoint Detection and Response and F-Secure Countercept) and vulnerability management (F-Secure Elements Vulnerability Management and phishd). Consumer security business revenue comes through operator and direct consumer channels, and the main products include F-Secure SAFE, F-Secure FREEDOME, F-Secure SENSE, F-Secure KEY and F-Secure ID PROTECTION.

Endpoint protection solutions and vulnerability management products

Endpoint protection security solutions (F-Secure Elements Endpoint Protection, F-Secure Business Suite, F-Secure Elements Endpoint Detection and Response, F-Secure Cloud Protection for Salesforce and F-Secure Elements for Microsoft Office 365) are sold to corporate customers by granting the customer access to use the intellectual property during the license period or as Security-as-a-Service. F-Secure delivers the product and provides continuous automated updates against new threats. The software and the accompanied services are highly interdependent and therefore treated as one performance obligation for which revenue is recognized over time on a straight-line basis for the license period.

Consumer customer products and vulnerability management products for corporate customers (F-Secure Elements Vulnerability Management and phishd) are treated as Security-as-a-Service as they do not include a license of intellectual property. Revenue is accounted for as a single performance obligation and recognized over time on a straight-line basis for the contract period.

When there is a hardware component to the solution (F-Secure SENSE) the hardware is considered as a distinct performance obligation and revenue for hardware is recognized separately at point in time of delivery.

Cyber security consulting services and managed detection and response solutions

Cyber security consulting services are recognized as revenue based on the delivery of the work. For F-Secure managed detection and response solution (F-Secure Countercept) the software and the service are considered as single performance obligation. The customer is granted access to use the intellectual property and the service is provided by F-Secure continuously throughout the contract period. Revenue for managed services is recognized on a straight-line basis for the contract period.

Presenting of receivables and liabilities from contracts with customers

Receivables from contracts with customers are presented in the balance sheet as *Accrued income.* Liabilities from contracts with customers are presented in the balance sheet as *Deferred revenue* and included in *Total non-current liabilities* or *Total current liabilities* depending on the duration of the liability.

Pensions

F-Secure's pension arrangements are defined contribution plans in accordance with local statutory requirements. Contributions to defined contribution plans are recognized in income statement in the period to which the contributions relate. The Company recognizes the disability commitment of TyEL pension plan when disability appears.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term. The Company has only operating leases.

Income taxes

Current income taxes are calculated in accordance with the local tax and accounting rules.

Tangible and intangible assets

Intangible assets include intangible rights and software licenses. Tangible and intangible assets are recorded at historical cost less accumulated depreciation, amortization, and possible impairment. Depreciation and amortization is recorded on a straight-line basis over the estimated useful life of an asset. The estimated useful lives of tangible and intangible assets are as follows:

Machinery and equipment	3–8 years
Capitalized development costs	3–8 years
Intangible rights	3–8 years
Intangible assets	5–10 years

Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the assets' carrying amount when it is probable that the Company will derive future economic benefits in excess of the originally assessed standard or performance of the existing asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

Research and development expenditure

Research expenditure is recognized as an expense at the time it is incurred. Development expenditures are capitalized as intangible assets.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by first-in first-out method. Net realizable value is the estimated selling price that is obtainable, less estimated costs of completion and the estimated costs necessary to make the sale.

Financial assets and liabilities

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and other highly liquid short-term investments.

F-Secure classifies loans from financial institutions, trade payables and other payables as other financial liabilities which are measured at amortized cost. Financial liabilities are classified as current unless F-Secure has unconditional right to postpone their repayment by at least 12 months from the end date of the reporting period.

Treasury shares

The company has acquired treasury shares in 2008–2011. The purchase price of the shares has been deducted from equity.

Share-based payment transactions

F-Secure provides incentives to employees in the form of equity-settled share-based instruments. Currently the Company has share-based programs.

F-Secure's share-based incentive programs are targeted to the Group's key personnel. The programs are divided into equity-settled and cash-settled part. The cash-settled part is recognized in the income statement over the vesting period with the counter-entry in liabilities. Valuation is initially based on fair value at grant date. On each reporting date the cash-settled part is revalued to fair value and the expense is recognized in the income statement over the vesting period with the counter-entry in liabilities. Fair value is determined using the market value of the share of F-Secure Corporation. The cumulative expense recognized at grant date is based on the company's estimate of the number of shares that will ultimately vest at the end of the vesting period. F-Secure updates estimated number of shares to be vested at each reporting date. If a person leaves the company before vesting, the reward is forfeited. Equity-settled part is recognized in the equity on vesting date.

Presentation of expenses

Classification of the functionally presented expenses has been made by presenting direct expenses in their respective functions and by allocating other expenses to operations on the basis of average headcount in each function.

NOTES TO THE FINANCIAL STATEMENTS

	FAS 2021	FAS 2020
1. Revenue		
Geographical information		
Nordic countries	57 011	52 494
Europe excl. Nordics	79 269	75 256
North America	13 943	13 005
Rest of the world	14 675	11 273
Total	164 897	152 028

2. Other operating income

	FAS 2021	FAS 2020
Rental revenue	170	189
Government grants	1 705	1 574
Other	4 728	7 755
Total	6 603	9 517

Government grants are recognized as income over those periods in which the corresponding expenses arise.
Other operating income includes e.g. gain on sale of fixed assets and rental revenue.
Other operating income in 2020 includes 1,804 thousand euro profit from liquidation of French subsidiary F-Secure SDC SAS.

3. Depreciation, amortization and impairment

	FAS 2021	FAS 2020
Depreciation and amortization of non-current assets		
Other intangible assets	-1 087	-1 245
Capitalized development	-2 739	-3 009
Intangible assets	-3 826	-4 253
Machinery and equipment	-402	-531
Tangible assets	-402	-531
Total depreciation	-4 228	-4 784
Reduction in value from non-current assets		
Capitalized development		-260
Total reduction in value		-260
Total depreciation and amortization	-4 228	-5 044
Depreciation and amortization by function		
Sales and marketing	-472	-696
Research and development	-3 356	-3 954
Administration	-400	-394
Total depreciation and amortization	-4 228	-5 044

NOTES TO THE FINANCIAL STATEMENTS

	FAS 2021	FAS 2020

4. Personnel expenses

Personnel expenses		
Wages and salaries	-44 905	-40 206
Pension expenses	-7 914	-6 369
Other social expenses	-1 753	-1 421
Total	-54 572	-47 995
Compensation of key management personnel		
Wages and other short-term employee benefits	-2 274	-2 450
Wages and other short-term employee benefits		
Managing Directors	-375	-541
Members of the Board of Directors	-316	-293

Wages and other short-term employee benefits of the Board of Directors and Managing Director: see group disclosure 24. Related party disclosures.

The Managing Director's retirement age and the determination of his pension conform to the standard rules specified by Finland's Employee Pension Act (TYEL). The pension cost of the Managing Director over the period was 60 thousand euro (66 thousand euro in year 2020). The period of notice for the Managing Director is six (6) months both ways and Managing Director is entitled to severance payment equivalent of six (6) months' salary.

Average number of personnel	674	627
Personnel by function Dec 31		
Consulting and delivery	75	68
Sales and marketing	161	156
Research and development	371	338
Administration	82	86
Total	689	648

5. Audit fees

Audit fees, PricewaterhouseCoopers	-150	-147
Other consulting, PricewaterhouseCoopers	-347	-30
Total	-497	-177

6. Financial income and expenses

Interest income	358	362
Interest expense	-450	-522
Other financial income		18
Dividends	2 199	55
Exchange gains and losses	853	-1 898
Other financial expenses	-185	-173
Total	2 775	-2 156

NOTES TO THE FINANCIAL STATEMENTS

	FAS 2021	FAS 2020
7. Appropriations		
Change in depreciation reserve	-47	2
Group contribution	3 000	
Total	2 953	2
8. Income tax		
Income tax for the year	-3 506	-2 995
Adjustments for income tax of prior periods	-5	339
Total	-3 511	-2 655
Result before appropriations and tax	16 272	17 464

NOTES TO THE FINANCIAL STATEMENTS

9. Non-current assets

	Intangible assets					Tangible assets		
	Other intangible	Capitalized development	Incomplete development	Advance payments	Total	Machinery & equip.	Other tangible	Total
Acquisition cost Jan 1, 2020	14 179	22 638	5 579		42 396	9 795	5	9 801
Additions	149		5 465	422	6 036	385		385
Transfers		3 967	-3 967					
Disposals		-520			-520			
Acquisition cost Dec 31, 2020	14 328	26 084	7 077	422	47 911	10 180	5	10 186
Additions	18		5 607	260	5 884	146		146
Transfers		9 941	-9 941					
Disposals	-1 011				-1 011	-5 736		-5 736
Acquisition cost Dec 31, 2021	13 335	36 025	2 743	681	52 785	4 591	5	4 597
Acc. depreciation Jan 1, 2020	-10 177	-16 179			-26 354	-8 587		-8 587
Depreciation for the period	-1 245	-3 009			-4 253	-531		-531
Acc. depreciation of disposals		260			260			
Acc. depreciation Dec 31, 2020	-11 421	-18 927			-30 348	-9 118		-9 118
Depreciation for the period	-1 087	-2 739			-3 826	-402		-402
Acc. depreciation of disposals	897				897	5 735		5 735
Acc. depreciation Dec 31, 2021	-11 611	-21 666			-33 277	-3 785		-3 785
Book value as at Dec 31, 2020	2 907	7 158	7 077	422	17 564	1 063	5	1 068
Book value as at Dec 31, 2021	1 723	14 360	2 743	681	19 508	806	5	811

NOTES TO THE FINANCIAL STATEMENTS

10. Investments in group companies

	Shares in group companies	Total
Book value as at Jan 1	122 963	122 963
Additions		
Decreases	-12	-12
Book value as at Dec 31	122 951	122 951

Name	**Country of**	**Share of**
Parent F-Secure Corporation, Helsinki	Finland	
DF-Data Oy, Helsinki	Finland	100
F-Secure Inc., Palo Alto	United States	100
F-Secure (UK) Ltd, Basingstoke	United Kingdom	100
F-Secure KK, Tokyo	Japan	100
F-Secure GmbH, Munich	Germany	100
F-Secure eStore GmbH, Munich	Germany	100
F-Secure SARL, Maisons-Laffitte	France	98
F-Secure BV, Heverlee-Leuven	Belgium	100
F-Secure AB, Stockholm	Sweden	100
F-Secure Srl, Milano	Italy	100
F-Secure SP z.o.o., Poznan	Poland	100
F-Secure Corporation (M) Sdn Bhd, Kuala Lumpur	Malaysia	100
F-Secure Pvt Ltd, Mumbai	India	100
F-Secure B.V., Utrecht	The Netherlands	100
F-Secure Limited, Hong Kong	Hong Kong	100
F-Secure Iberia SL, Barcelona	Spain	100
F-Secure Informática S. de R.L. de C.V, Mexico City	Mexico	99
F-Secure Danmark A/S, Copenhagen	Denmark	100
F-Secure Argentina SRL, Buenos Aires	Argentina	95
F-Secure Digital Assurance Ltd, Basingstoke	United Kingdom	100
F-Secure Cyber Security Limited, Basingstoke	United Kingdom	100

NOTES TO THE FINANCIAL STATEMENTS

	FAS 2021	FAS 2020
11. Deferred tax		
Deferred tax assets		
Accruals and provisions		3
Total		3
12. Inventories		
Other inventories	51	74
13. Receivables		
Non-current		
Loan receivables	5 757	5 330
Total	5 757	5 330
Non-current receivables total	5 757	5 330
Current receivables		
Trade receivables	22 299	21 477
Other receivables	292	72
Prepaid expenses and accrued income	9 255	6 398
Total	31 846	27 947
Receivables from group companies		
Trade receivables	7 115	7 940
Loan receivables	9 164	9 507
Other receivables	6 336	1 507
Total	22 615	18 954
Current receivables total	54 461	46 901
Material items included in prepaid expenses and accrued income		
Prepaid royalty	2 991	2 765
Grant receivables	860	-395
Other prepaid expenses	4 252	3 486
Accrued income	1 153	542
Total	9 255	6 398

	FAS 2021	FAS 2020

14. Short-term investments

Fair value as at Jan 1	26	26
Fair value as at Dec 31	26	26
Shares - unlisted	26	26
Fair value as at Dec 31	26	26
Original purchase price as at Dec 31	26	26

15. Cash and short-term deposits

Cash at bank and in hand	39 023	35 085

NOTES TO THE FINANCIAL STATEMENTS

16. Statement of changes in shareholders' equity

Parent Company **FAS**	Share capital	Share premium fund	Treasury shares	Unrestricted equity reserve	Retained earnings	Total equity
Equity Dec 31, 2019	1 551	165	-2 141	6 173	69 613	75 359
Result of the financial year					14 810	14 810
Cost of share based payments					-801	-801
Other change			853	291		1 144
Equity Dec 31, 2020	1 551	165	-1 288	6 464	83 622	90 513
Result of the financial year					15 714	15 714
Dividend					-6 334	-6 334
Cost of share based payments					-416	-416
Other change			439	325		764
Equity Dec 31, 2021	1 551	165	-849	6 789	92 586	100 241

17. Shareholders' Equity

The Company's share capital amounted to 1,551,311 euro and the number of shares was 158,798,739 at the end of the year 2021. See group disclosure 17. Shareholders' Equity.

Treasury shares
See group disclosure 17. Shareholders' Equity.

Distributable shareholders' equity on December 31, 2021

Unrestricted equity reserve	6 789
Retained earnings	76 023
Result of the financial year	15 714
Less capitalized development expense	-17 103
Distributable shareholders' equity on December 31, 2021	81 424

18. Share-based payment transactions

See group disclosure 18. Share-based payment transactions.

NOTES TO THE FINANCIAL STATEMENTS

	FAS 2021	FAS 2020
19. Liabilities		
Non-current liabilities		
Deferred revenues	17 712	16 026
Interest bearing liabilities	13 000	19 000
Other liabilities		1 490
Total	30 713	36 516
Liabilities to the group companies		
Cashpool	11 711	12 744
Other liabilities		1 651
Total	11 711	14 395
Total non-current liabilities	42 424	50 911
Current liabilities		
Deferred revenues	42 385	39 082
Trade payables	5 865	3 751
Interest bearing liabilities	6 000	11 000
Other liabilities	1 790	2 355
Accrued expenses	22 978	16 770
Total	79 018	72 958
Liabilities to the group companies		
Advance payments	4 654	3 747
Trade payables	14 159	8 918
Other liabilities	2 003	1 924
Total	20 816	14 589
Total current liabilities	99 834	87 546
Material amounts shown under accruals and deferred income		
Accrued personnel expenses	13 586	11 048
Deferred royalty	114	239
Accrued expenses	5 863	3 143
Accrued tax	3 415	2 339
Restructuring		
Total	22 978	16 770

20. Financial risk management objectives and policies

See Group disclosure 20. Financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

	FAS 2021	FAS 2020

21. Operating lease commitments

The Group has entered into commercial leases on office space and on motor vehicles. Motor vehicle leases have an average life of three years and office space between two and five years with renewal terms included in the contracts.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	FAS 2021	FAS 2020
As lessee		
Within one year	2 929	2 843
After one year but not more than five years	977	1 310
Total	3 906	4 153

22. Contingent liabilities

	FAS 2021	FAS 2020
Guarantees for other group companies	110	112
Other liabilities		
Others		61

Derivatives see Group disclosure 20. Financial assets and liabilities

SIGNATURES OF THE BOARD OF DIRECTORS

Helsinki, February 16, 2022

Risto Siilasmaa Chairman	Pertti Ervi	Päivi Rekonen
Åsa Riisberg	Tuomas Syrjänen	Keith Bannister
Robin Wikström		

Juhani Hintikka
Managing director

AUDITORS' NOTE

Our auditors' report has been issued today.

Helsinki, February 16, 2022

PricewaterhouseCoopers Oy
Authorized Public Accountants

Janne Rajalahti
Authorized Public Accountant

F-SECURE CONSOLIDATED
December 31, 2021

KEY FIGURES

F-Secure has applied new IFRS16 standard from January 1, 2019 onwards with modified approach and comparatives are not restated. IFRS 15 and IFRS 9 standards have been applied from January 1, 2018 onwards and 2017 financials are restated retrospectively.

	IFRS 2021	IFRS 2020	IFRS 2019	IFRS 2018	IFRS 2017
Economic indicators					
Revenue (MEUR)	236,3	220,2	217,3	190,7	169,8
Revenue growth %	7,0 %	1,3 %	14,0 %	12,0 %	7,0 %
EBIT (MEUR)	17,7	19,7	7,2	4,5	11,5
% of revenue	7,5 %	8,9 %	3,3 %	2,4 %	6,8 %
Result before taxes	17,4	16,5	4,2	1,7	12,4
% of revenue	7,4 %	7,5 %	2,0 %	0,9 %	7,3 %
ROE (%)	14,3 %	16,2 %	4,7 %	1,2 %	15,0 %
ROI (%)	15,6 %	18,5 %	4,5 %	7,9 %	20,0 %
Equity ratio (%)	59,5 %	52,5 %	49,0 %	42,7 %	61,9 %
Investments (MEUR)	12,7	14,3	12,8	99,8	9,3
% of revenue	5,4 %	6,5 %	5,9 %	52,3 %	5,5 %
R&D costs (MEUR)	46,6	41,9	39,6	35,7	34,1
% of revenue	19,7 %	19,0 %	18,2 %	18,7 %	20,1 %
Capitalized development (MEUR)	5,6	5,5	6,2	4,7	3,9
Gearing %	-25,8 %	-14,1 %	20,8 %	13,9 %	-127,8 %
Wages and salaries (MEUR)	109,5	103,7	104,4	84,9	70,1
Personnel on average	1678	1 691	1 701	1 364	1067
Personnel on Dec 31	1656	1 678	1 696	1 666	1104

F-SECURE CONSOLIDATED
December 31, 2021

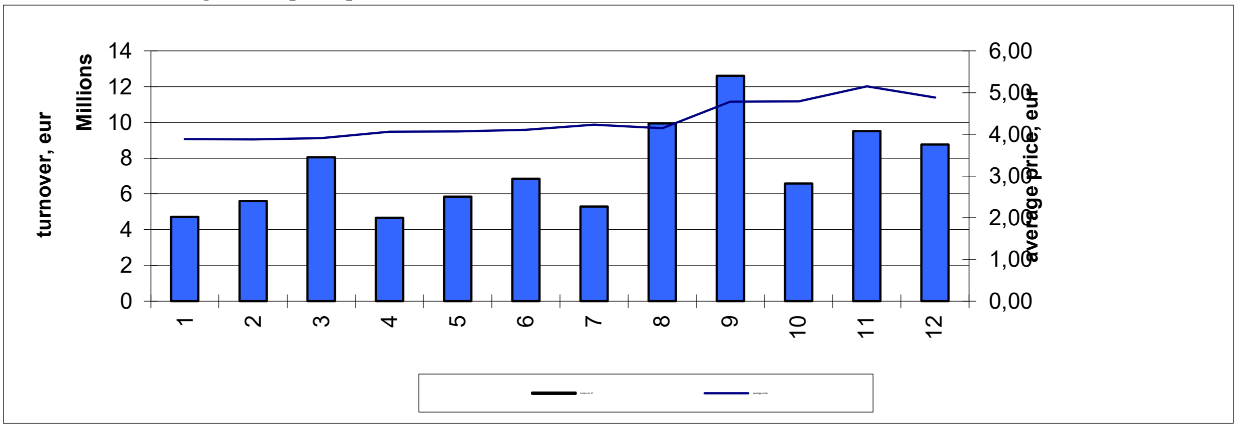
KEY FIGURES

F-Secure has applied new IFRS16 standard from January 1, 2019 onwards with modified approach and comparatives are not restated. IFRS 15 and IFRS 9 standards have been applied from January 1, 2018 onwards and 2017 financials are restated retrospectively.

	IFRS 2021	IFRS 2020	IFRS 2019	IFRS 2018	IFRS 2017
Key ratios					
Earnings / share (EUR)	0,08	0,08	0,02	0,01	0,07
Earnings / share (EUR) continuing operations	0,08	0,08	0,02	0,01	0,07
Earnings / share diluted	0,08	0,08	0,02	0,01	0,07
Earnings / share diluted continuing operations	0,08	0,08	0,02	0,01	0,07
Shareholders' equity per share	0,60	0,52	0,48	0,42	0,45
Dividend per share *)	0,00	0,04	0,00	0,00	0,04
Dividend per earnings (%)	0,0 %	50,0 %	0,0 %	0,0 %	57,1 %
Effective dividends (%)	0,0 %	1,0 %	0,0 %	0,0 %	1,0 %
P/E ratio	62,0	47,1	142,7	431,4	55,2
Share price, lowest (EUR)	3,66	2,04	2,19	2,18	3,17
Share price, highest (EUR)	5,53	4,14	3,40	4,24	4,84
Share price, average (EUR)	4,39	3,10	2,68	3,03	3,94
Share price Dec 31	4,97	3,84	3,05	2,32	3,89
Market capitalization (MEUR)	786,4	606,7	483,5	367,6	617,7
Trading volume (millions)	20,2	22,8	26,5	33,7	27,8
Trading volume (%)	12,7 %	14,3 %	16,7 %	21,2 %	17,5 %
Adjusted number of shares					
average during the period	158 354 073	158 082 324	157 719 368	157 224 137	156 502 983
average during the period, diluted	158 354 073	158 082 324	157 719 368	157 224 137	156 502 983
Dec 31	158 798 739	158 798 739	158 798 739	158 798 739	158 798 739
Dec 31, diluted	158 798 739	158 798 739	158 798 739	158 798 739	158 798 739

*) Board proposal

Turnover and average share price per month



Calculation of key ratios

Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - advance payments received}}$
ROI, %	$\frac{\text{Result before taxes + financial expenses}}{\text{Total assets - non-interest bearing liabilities (average)}}$
ROE, %	$\frac{\text{Result for the period}}{\text{Total equity (average)}}$
Gearing, %	$\frac{\text{Interest bearing liabilities - cash and bank and financial asset through profit and loss}}{\text{Total equity}}$
Earnings per share, euro	$\frac{\text{Profit attributable to equity holders of the company}}{\text{Weighted average number of outstanding shares}}$
Shareholders' equity per share, euro	$\frac{\text{Equity attributable to equity holders of the company}}{\text{Number of outstanding shares at the end of period}}$
P/E ratio	$\frac{\text{Closing price of the share, end of period}}{\text{Earnings per share}}$
Dividend per earnings (%)	$\frac{\text{Dividend per share}}{\text{Earnings per share}}$
Effective dividends (%)	$\frac{\text{Dividend per share}}{\text{Closing price of the share, end of period}}$
Operating expenses	Sales and marketing, research and development and administration costs
EBITDA	EBIT + depreciation, amortization and impairment
EBITA	EBIT + amortization and impairment

	Consolidated 2021	Consolidated 2020
RECONCILIATION BETWEEN ADJUSTED EBITDA, EBITDA, ADJUSTED EBIT AND EBIT		
Adjusted EBITDA	36,5	35,7
Adjustments to EBITDA		
Gains and losses from sales of businesses	0,5	
Costs related to strategic review	-4,3	
Costs related to restructuring		0,0
EBITDA	32,8	35,7
Depreciation, amortization and impairment losses	-15,1	-16,0
EBIT	17,7	19,7
Adjusted EBIT	25,3	22,9
Adjustments to EBIT		
Gains and losses from sales of businesses	0,5	
Costs related to strategic review	-4,3	
PPA amortization	-2,8	-3,2
Impairment	-1,0	
Costs related to restructuring		0,0
EBIT	17,7	19,7

CLASSIFICATION OF ADJUSTED COSTS IN OPERATING EXPENSES

	Operating Expenses 2021	**Costs related to strategic review**	**Expenses for adjusted EBIT**	**Depreciation**	**Impairment**	**PPA amortization**	**Operating Expenses for Adjusted EBITDA 2021**
Sales and marketing	-99,2		-99,2	5,3			-93,9
Research and development	-46,6		-46,6	5,2			-41,4
Administration	-25,0	4,3	-20,7	0,7	1,0	2,8	-16,2
Operating expenses	**-170,8**	**4,3**	**-166,5**	**11,2**	**1,0**	**2,8**	**-151,5**

	Operating Expenses 2020	**Costs related to restructuring**	**Expenses for adjusted EBIT**	**Depreciation**	**Impairment**	**PPA amortization**	**Operating Expenses for Adjusted EBITDA 2020**
Sales and marketing	-95,6		-95,6	6,2			-89,4
Research and development	-41,8		-41,8	5,9			-35,9
Administration	-17,1	0,0	-17,1	0,8		3,2	-13,2
Operating expenses	**-154,5**	**0,0**	**-154,5**	**12,9**		**3,2**	**-138,5**

Shares and share ownership distribution, 31 Dec 2021

Shares	Number of shareholders	% of shareholders	Total shares	% of shares
1-100	8 579	30,50 %	392 390	0,25 %
101-1 000	15 458	54,95 %	5 657 028	3,56 %
1001-50 000	4 019	14,29 %	15 417 243	9,71 %
50 001-100 000	28	0,10 %	2 013 090	1,27 %
100 001-	48	0,17 %	135 318 988	85,21 %
Total	28 132	100,00 %	158 798 739	100,00 %

Shareholders by category, 31 Dec 2021	Total shares	% of shares
Corporations	4 242 598	2,67 %
Financial and insurance institutions	48 786 237	30,72 %
General government	16 624 370	10,47 %
Non-profit organizations	1 021 796	0,64 %
Households	82 701 968	52,08 %
Other countries and international organizations	5 421 770	3,41 %
Total	158 798 739	100,00 %

Largest shareholders and administrative register

Owner	Shares	% of shares	% of votes
Risto Siilasmaa	60 011 037	37,79 %	37,89 %
Skandinaviska Enskilda Banken AB	19 967 015	12,57 %	12,61 %
Nordea Nordic Small Cap Fund	10 557 976	6,65 %	6,67 %
Mandatum Life Insurance Company	6 932 171	4,37 %	4,38 %
Citibank Europe Plc	4 277 379	2,69 %	2,70 %
Ilmarinen Mutual Pension Insurance Company	4 167 860	2,62 %	2,63 %
Elo Mutual Pension Insurance Company	3 998 047	2,52 %	2,52 %
The State Pension Fund	3 500 000	2,20 %	2,21 %
Varma Mutual Pension Insurance Company	3 470 660	2,19 %	2,19 %
Nordea Finnish Stars Fund	2 747 964	1,73 %	1,73 %
Kaleva Mutual Insurance Company	1 836 073	1,16 %	1,16 %
Administrative register			
Skandinaviska Enskilda Banken AB	19 967 015	12,57 %	12,61 %
Citibank Europe Plc	4 277 379	2,69 %	2,70 %
Other registers	1 238 997	0,78 %	0,78 %
Other shareholders	35 682 202	22,47 %	22,53 %
Total	158 387 381	99,74 %	100,00 %
Own shares F-Secure Corporation	411 358	0,26 %	
Total	158 798 739	100,00 %	

Ownership of management

Board of Directors	**Shares**	**% of shares**
Risto Siilasmaa	60 011 037	37,79 %
Pertti Ervi	67 721	0,04 %
Tuomas Syrjänen	25 422	0,02 %
Päivi Rekonen	23 538	0,01 %
Keith Bannister	9 267	0,01 %
Åsa Riisberg	3 800	0,00 %
Robin Wikström	1 926	0,00 %
Total	60 142 711	37,87 %

Executive team	**Shares**	**% of shares**
Juha Kivikoski	15 854	0,01 %
Timo Laaksonen	7 250	0,00 %
Edward Parsons	6 998	0,00 %
Christine Bejerasco	2 930	0,00 %
Antti Koskela	2 500	0,00 %
Tiina Sarhimaa	2 250	0,00 %
Juhani Hintikka		
Tom Jansson		
Ari Vänttinen		
Tim Orchard		
Charlotte Guillou		
Total	37 782	0,02 %

Ownership of management

The Board of Directors owned a total of 60,142,711 shares on December 31, 2021. This represents 37.9 percent of the Company's shares and 38.0 percent of votes.

Auditor’s Report (Translation of the Finnish Original)

To the Annual General Meeting of F-Secure Oyj

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group’s financial position and financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU

- the financial statements give a true and fair view of the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of F-Secure Oyj (business identity code 0705579-2) for the year ended 31 December 2021. The financial statements comprise:

- the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies

- the parent company’s income statement, balance sheet, cash flow statement and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 7 to the Financial Statements.

Our Audit Approach

Overview

- Overall group materiality: €1 100 000, which represents 0.5% of consolidated revenue

- Audit scope: We have audited parent company and we have performed audit procedures related to three most significant subsidiaries. In addition, we have performed group level procedures over specific consolidated accounts and analytical procedures to assess unusual movements across all entities.

- Valuation of goodwill
- Capitalization of R&D costs

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	€1 100 000 (previous year €1 100 000)
How we determined it	0.5% of consolidated revenue
Rationale for the materiality benchmark applied	The groups profitability has been volatile during the last years due to business combinations related integration costs and amortization, significant investments in product development and go-to-market strategy. Therefore, we chose revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is commonly measured by users and is a generally accepted benchmark. We chose 0.5% which is within the range of acceptable quantitative materiality thresholds in auditing standards.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Group operates globally through several legal entities. Group's sales are mainly generated by the parent company and we have audited the parent company as part of our audit of the consolidated financial statements. In addition, we have performed audit procedures related to the three most significant subsidiaries. We have considered that the remaining subsidiaries don't present a reasonable risk of material misstatement for consolidated financial statements and thus our procedures have been limited to targeted audit procedures over significant balances and to analytical procedures performed at Group level.

By performing the procedures above at legal entities, combined with additional procedures at the Group level, we have obtained sufficient and appropriate evidence regarding the financial information of the Group as a whole to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Valuation of goodwill *Refer to accounting principles and note 12 for the consolidated financial statements.* Goodwill is one of the most significant balance sheet items and amounted € 85,1 million at the balance sheet date. The determination and whether an impairment charge is required involves significant	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the goodwill impairment analysis through the following procedures: We tested the methodology applied in the value in use calculation by comparing it to the requirements of IAS 36, Impairment of Assets, and we tested the

management judgement, including identifying on which cash generating unit level the goodwill is tested and estimating the future performance of the business and the discount rate applied to these future cash flows. Due to materiality and judgment associated we have considered valuation of goodwill as key audit matter in the audit of the Group.	mathematical accuracy of calculation; We evaluated the process by which the future cash flow forecasts are drawn up, including comparing them to the latest Board approved targets and long-term plans We tested the key underlying assumptions for the cash flow forecasts, including sales and profitability forecasts, discount rate used and the implied growth rates beyond the forecasted period We compared the current year actual results included in the prior year impairment model to consider whether forecasts included assumptions that, with hindsight, had been optimistic We tested whether the sensitivity analysis performed by the management around key assumptions of the cash flow forecast are appropriate by considering the likelihood of the movements of these key assumptions.
Capitalization of R&D costs *Refer to accounting principles and note 13 for the consolidated financial statements.* Company's research and development activities have increased due to focus on the development of new products and product amendments both for corporate and consumer customers. Capitalization of R&D costs requires use of judgment as capitalization requires estimating technical and economical feasibility of the product developed. In addition, there is judgement involved in assessing recoverability of capitalized R&D costs as future cash flows generated by these intangible assets needs to be estimated. Due to materiality and judgment associated with capitalization of R&D costs, we have considered capitalization of R&D as key audit matter in the audit of the Group.	We assessed appropriateness of the company's R&D capitalization policy. We evaluated the design and operating effectiveness of controls over R&D capitalization. We assessed whether capitalization criteria for R&D projects are met. We tested a sample of costs capitalized during the year. We evaluated the relevant assumptions used in the impairment testing of intangible assets, focusing on the reasonableness of the forecasted economic information.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Appointment

We were first appointed as auditors by the annual general meeting on 7 April 2016. Our appointment represents a total period of uninterrupted engagement of six years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements

- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 16 February 2022

PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT)

SCHEDULE 3: LIST OF REGISTERED TRANSFERRING INTELLECTUAL PROPERTY RIGHTS

LIITE 3: LUETTELO SIIRTYVISTÄ REKISTERÖIDYISTÄ IMMATERIAALIOIKEUKSISTA
(SCHEDULE 3: LIST OF REGISTERED TRANSFERRING INTELLECTUAL PROPERTY RIGHTS)

TAVARAMERKIT (TRADEMARKS)

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Clas-ses)	Asianumero (Case No.)
Euroopan unioni (European Union)	F (flat logo)	Figura-tive mark		12696381	14.3.2014	12696381	12.8.2014	9, 38, 42	BV301276
Etelä-Afrikka (South Africa)	F (flat logo)	Figura-tive mark		2017/35340	4.12.2017			38	BV301277
Etelä-Afrikka (South Africa)	F (flat logo)	Figura-tive mark		2017/35341	4.12.2017			42	BV301278
Etelä-Afrikka (South Africa)	F (flat logo)	Figura-tive mark		2017/35339	4.12.2017			9	BV301279
Argentiina (Argentina)	F (flat logo)	Figura-tive mark		3351654	5.9.2014	2743607	24.7.2015	42	BV301299
Brasilia (Brazil)	F (flat logo)	Figura-tive mark		908260628	10.9.2014	908260628	7.3.2017	9	BV301301
Chile (Chile)	F (flat logo)	Figura-tive mark		1122568	9.9.2014	1183437	21.10.2015	9, 38, 42	BV301303
Kanada (Canada)	F (flat logo)	Figura-tive mark		1692594	5.9.2014	976510	24.7.2017	9, 38, 42, 45	BV301306

Maa (Country)	**Merkki (Mark)**	**Merkin tyyppi (Mark type)**	**Kuvio (Picture)**	**Hakemusnro (Application no.)**	**Kansallinen hakemispäivä (National filing date)**	**Rekisteröintinro (Registration no.)**	**Rekisteröity (Registered)**	**Luokat (Clas-ses)**	**Asianumero (Case No.)**
Hong Kong (Hong Kong)	F (flat logo)	Figura-tive mark		303123288	3.9.2014	303123288	3.9.2014	9, 38, 42	BV301308
Malesia (Malaysia)	F (flat logo)	Figura-tive mark		2014009877	3.9.2014	2014009877	6.4.2016	38	BV301311
Malesia (Malaysia)	F (flat logo)	Figura-tive mark		2014009878	3.9.2014	2014009878	6.4.2016	42	BV301314
Malesia (Malaysia)	F (flat logo)	Figura-tive mark		2014009876	3.9.2014	2014009876	19.4.2016	9	BV301315
Peru (Peru)	F (flat logo)	Figura-tive mark		707490-2017	5.6.2017	17802	11.9.2017	9, 38, 42	BV301316
Iso-Britannia (United Kingdom)	F (flat logo)	Figura-tive mark		3378882	27.2.2019	3378882	17.5.2019	9, 38, 42	BV301324
Yhdysvallat (USA)	F (flat logo)	Figura-tive mark		86222387	15.3.2014	4837548	20.10.2015	9, 38, 42	BV301325
Brasilia (Brazil)	F (flat logo)	Figura-tive mark		908260890	10.9.2014	908260890	7.3.2017	42	BV301468
Brasilia (Brazil)	F (flat logo)	Figura-tive mark		908260776	10.9.2014	908260776	7.3.2017	38	BV301469

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Clas-ses)	Asianumero (Case No.)
Argentiina (Argentina)	F (flat logo)	Figura-tive mark		3351653	5.9.2014	2743606	24.7.2015	9	BV301748
Iso-Britannia (United Kingdom)	F (flat logo)	Figura-tive mark		12696381	14.3.2014	UK00912696381	12.8.2014	9, 38, 42	BV303850
Kansainvä-linen TM (Internati-onal TM (M2))	F (flat logo)	Figura-tive mark			29.8.2014	1240626	29.8.2014	9, 38, 42	BV301348
Australia (Australia)	F (flat logo)	Figura-tive mark			29.8.2014	1240626	24.6.2015	9, 38, 42	BV301348AU
Sveitsi (Switzerland)	F (flat logo)	Figura-tive mark			29.8.2014	1240626	18.2.2016	9, 38, 42	BV301348CH
Kiina (China)	F (flat logo)	Figura-tive mark			29.8.2014	1240626	18.12.2015	9, 38, 42	BV301348CN
Kolumbia (Colombia)	F (flat logo)	Figura-tive mark			29.8.2014	1240626	1.2.2016	9, 38, 42	BV301348CO
Intia (India)	F (flat logo)	Figura-tive mark			29.8.2014	1240626	3.10.2017	9, 38, 42	BV301348IN
Japani (Japan)	F (flat logo)	Figura-tive mark			29.8.2014	1240626	16.9.2016	9, 38, 42	BV301348JP

Maa (Country)	**Merkki (Mark)**	**Merkin tyyppi (Mark type)**	**Kuvio (Picture)**	**Hakemusnro (Application no.)**	**Kansallinen hakemispäivä (National filing date)**	**Rekisteröintinro (Registration no.)**	**Rekisteröity (Registered)**	**Luokat (Clas-ses)**	**Asianumero (Case No.)**
Meksiko (Mexico)	F (flat logo)	Figura-tive mark			29.8.2014	1240626	30.11.2016	9, 38, 42	BV301348MX
Venäjä (Russian Federation)	F (flat logo)	Figura-tive mark			29.8.2014	1240626	29.2.2016	9, 38, 42	BV301348RU
Singapore (Singapore)	F (flat logo)	Figura-tive mark			29.8.2014	1240626	12.11.2015	9, 38, 42	BV301348SG
Euroopan unioni (European Union)	F (flat logo) blue	Figura-tive mark		18217490	30.3.2020	18217490	29.9.2020	9, 38, 41, 42, 45	BV301974
Iso-Britannia (United Kingdom)	F (flat logo) blue	Figura-tive mark		18217490	30.3.2020	UK00918217490	29.9.2020	9, 38, 41, 42, 45	BV304858
Kansainvä-linen TM (Internati-onal TM (M2))	F (logo new shield shape)*	Figura-tive mark			15.10.2009	1024711	15.10.2009	9, 42	BV301313
Australia (Australia)	F (logo new shield shape)*	Figura-tive mark			15.10.2009	1024711	17.6.2010	9, 42	BV301313AU
Sveitsi (Switzerland)	F (logo new shield shape)*	Figura-tive mark			15.10.2009	1024711	15.10.2009	9, 42	BV301313CH
Kiina (China)	F (logo new shield shape)*	Figura-tive mark			15.10.2009	1024711	15.10.2009	9, 42	BV301313CN

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Kroatia (Croatia)	F (logo new shield shape)*	Figurative mark			15.10.2009	1024711	23.2.2012	9, 42	BV301313HR
Islanti (Iceland)	F (logo new shield shape)*	Figurative mark			15.10.2009	1024711	31.5.2010	9, 42	BV301313IS
Japani (Japan)	F (logo new shield shape)*	Figurative mark			15.10.2009	1024711	8.6.2012	9, 42	BV301313JP
Etelä-Korea (South Korea)	F (logo new shield shape)*	Figurative mark			15.10.2009	1024711	22.12.2010	9, 42	BV301313KR
Norja (Norway)	F (logo new shield shape)*	Figurative mark			15.10.2009	1024711	30.7.2010	9, 42	BV301313NO
Venäjä (Russian Federation)	F (logo new shield shape)*	Figurative mark			15.10.2009	1024711	22.12.2010	9, 42	BV301313RU
Singapore (Singapore)	F (logo new shield shape)*	Figurative mark			15.10.2009	1024711	12.5.2010	9, 42	BV301313SG
Turkki (Turkey)	F (logo new shield shape)*	Figurative mark			15.10.2009	1024711	10.12.2010	9, 42	BV301313TR
Vietnam (Vietnam)	F (logo new shield shape)*	Figurative mark			15.10.2009	1024711	14.4.2011	9, 42	BV301313VN
Kanada (Canada)	F (logo new shield shape)*	Figurative mark		1457497	30.10.2009	801988	12.7.2011	9, 42, 45	BV301318

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Clas-ses)	Asianumero (Case No.)
Euroopan unioni (European Union)	F (logo new shield shape)*	Figura-tive mark		8514572	27.8.2009	8514572	22.2.2010	9, 42	BV301351
Iso-Britannia (United Kingdom)	F (logo new shield shape)*	Figura-tive mark		UK00908514572	27.8.2009	UK00908514572	22.2.2010	9, 42	
Etelä-Afrikka (South Africa)	F (logo new shield shape)*	Figura-tive mark		2009/19518	5.10.2009	2009/19518	3.8.2011	9	BV301369
Etelä-Afrikka (South Africa)	F (logo new shield shape)*	Figura-tive mark		2009/19519	5.10.2009	2009/19519	3.8.2011	42	BV301370
Intia (India)	F (logo new shield shape)*	Figura-tive mark		1880194	4.11.2009	1880194	29.3.2011	9, 42	BV301374
Malesia (Malaysia)	F (logo new shield shape)*	Figura-tive mark		9016855	29.9.2009	9016855	4.3.2011	9	BV301375
Malesia (Malaysia)	F (logo new shield shape)*	Figura-tive mark		9016854	29.9.2009	9016854	7.7.2011	42	BV301376
Suomi (Finland)	F (logo new shield shape)*	Figura-tive mark		T200902248	28.8.2009	248064	29.1.2010	9, 42	BV301421
Argentiina (Argentina)	F-logo (new shield shape)*	Figura-tive mark		3125578	31.10.2011	2550794	28.12.2012	42	
Argentiina (Argentina)	F-logo (new shield shape)*	Figura-tive mark		3125577	31.10.2011	2550795	28.12.2012	9	

Maa (Country)	**Merkki (Mark)**	**Merkin tyyppi (Mark type)**	**Kuvio (Picture)**	**Hakemusnro (Application no.)**	**Kansallinen hakemispäivä (National filing date)**	**Rekisteröintinro (Registration no.)**	**Rekisteröity (Registered)**	**Luokat (Classes)**	**Asianumero (Case No.)**
Brasilia (Brazil)	F-logo (new shield shape)*	Figurative mark		830412174	1.10.2009	83042174	31.7.2012	9	
Brasilia (Brazil)	F-logo (new shield shape)*	Figurative mark		830412166	1.10.2009	830412166	31.7.2012	42	
Kolumbia (Colombia)	F-logo (new shield shape)*	Figurative mark		12045320	15.3.2012	456922	27.7.2012	42	
Kolumbia (Colombia)	F-logo (new shield shape)*	Figurative mark		12045325	15.3.2012	456923	27.7.2012	9	
Suomi (Finland)	FREEDOME	Word mark		T201450069	15.1.2014	266064	24.2.2016	9, 38, 42	BV301326
Euroopan unioni (European Union)	FREEDOME	Word mark		12235958	18.10.2013	12235958	4.9.2014	9, 42	BV301328
Yhdysvallat (USA)	FREEDOME	Word mark		86095736	18.10.2013	4690713	24.2.2015	9, 38, 42	BV301329
Iso-Britannia (United Kingdom)	FREEDOME	Word mark		12235958	18.10.2013	UK00912235958	4.9.2014	9, 42	BV303801
Euroopan unioni (European Union)	F-SECURE	Word mark		731950	16.1.1998	731950	9.9.1999	9, 42	BV301280

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Clas-ses)	Asianumero (Case No.)
Brasilia (Brazil)	F-Secure	Word mark		911954872	24.11.2016	911954872	2.6.2020	38	BV301283
Brasilia (Brazil)	F-Secure	Word mark		911954902	24.11.2016	911954902	2.6.2020	42	BV301284
Brasilia (Brazil)	F-Secure	Word mark		911954821	24.11.2016	911954821	2.6.2020	9	BV301285
Argentiina (Argentina)	F-SECURE	Word mark		3567969	21.12.2016	3050532	27.12.2019	38	BV301286
Argentiina (Argentina)	F-SECURE	Word mark		3567970	21.12.2016	3151887	19.3.2021	42	BV301287
Argentiina (Argentina)	F-SECURE	Word mark		3567968	21.12.2016	3050531	27.12.2019	9	BV301288
Etelä-Afrikka (South Africa)	F-Secure	Word mark		2017/34359	24.11.2017	2017/34359	29.6.2021	38	BV301289
Etelä-Afrikka (South Africa)	F-Secure	Word mark		2017/34360	24.11.2017	2017/34360	26.4.2021	42	BV301290
Etelä-Afrikka (South Africa)	F-Secure	Word mark		2017/34358	24.11.2017	2017/34358	26.4.2021	9	BV301291
Kanada (Canada)	F-SECURE	Word mark		1239983	8.12.2004	676834	14.11.2006	9, 42	BV301317

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Classes)	Asianumero (Case No.)
Kansainvälinen TM (International TM (M2))	F-Secure	Word mark			10.11.2016	1350927	10.11.2016	9, 38, 42	BV301321
Australia (Australia)	F-Secure	Word mark			10.11.2016	1350927	11.1.2018	9, 38, 42	BV301321AU
Sveitsi (Switzerland)	F-Secure	Word mark			10.11.2016	1350927	18.5.2018	9, 38, 42	BV301321CH
Kolumbia (Colombia)	F-Secure	Word mark			10.11.2016	1350927	18.10.2018	9, 38, 42	BV301321CO
Intia (India)	F-Secure	Word mark			10.11.2016	1350927	20.11.2017	9, 38, 42	BV301321IN
Iran (Iran)	F-Secure	Word mark			10.11.2016	1350927	10.11.2016	9, 38, 42	BV301321IR
Japani (Japan)	F-Secure	Word mark			27.3.2020	1350927		9, 38, 42	BV301321JP
Meksiko (Mexico)	F-Secure	Word mark			10.11.2016	1350927	13.4.2018	9, 38, 42	BV301321MX
Norja (Norway)	F-Secure	Word mark			10.11.2016	1350927	23.2.2018	9, 38, 42	BV301321NO
Uusi-Seelanti (New Zealand)	F-Secure	Word mark			10.11.2016	1350927	31.10.2017	9, 38, 42	BV301321NZ
Venäjä (Russian Federation)	F-Secure	Word mark			10.11.2016	1350927	29.1.2018	9, 38, 42	BV301321RU

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Clas-ses)	Asianumero (Case No.)
Singapore (Singapore)	F-Secure	Word mark			10.11.2016	1350927	15.11.2018	9, 38, 42	BV301321SG
Turkki (Turkey)	F-Secure	Word mark			10.11.2016	1350927	19.11.2018	9, 38, 42	BV301321TR
Yhdysvallat (USA)	F-Secure	Word mark		79210343	10.11.2016	1350927 (5547774)	28.8.2018	9, 38, 42	BV301321US
Yhdysvallat (USA)	F-SECURE	Word mark		86203072	25.2.2014	4710681	31.3.2015	9, 38, 42	BV301343
Euroopan unioni (European Union)	F-SECURE	Word mark		3764041	26.4.2004	3764041	6.9.2005	9, 42	BV301345
Euroopan unioni (European Union)	F-Secure	Word mark		15348295	19.4.2016	15348295	5.8.2016	9, 38, 42	BV301347
Suomi (Finland)	F-Secure	Word mark		T201651625	28.6.2016	267856	1.11.2016	9, 38, 42	BV301350
Yhdysvallat (USA)	F-SECURE	Word mark		75723972	8.6.1999	2486674	11.9.2001	9	BV301353
Kanada (Canada)	F-Secure	Word mark		1811610	29.11.2016	995019	23.4.2018	9, 38, 42	BV301391
Chile (Chile)	F-Secure	Word mark		1234811	21.12.2016	1263545	16.11.2017	9, 38, 42	BV301393

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Clas-ses)	Asianumero (Case No.)
Malesia (Malaysia)	F-Secure	Word mark		2016013983	23.12.2016	2016013983	23.8.2018	38	BV301395
Malesia (Malaysia)	F-Secure	Word mark		2016013982	23.12.2016	2016013982	23.8.2018	42	BV301398
Malesia (Malaysia)	F-Secure	Word mark		2016013984	23.12.2016	2016013984	9.8.2018	9	BV301399
Hong Kong (Hong Kong)	F-Secure	Word mark		303978541	30.11.2016	303978541	30.11.2016	9, 38, 42	BV301400
Taiwan (Taiwan)	F-Secure	Word mark		105076686	21.12.2016	1878296	1.11.2017	42	BV301401
Indonesia (Indonesia)	F-Secure	Word mark		2016058710	28.11.2016	601510	27.2.2018	9, 38, 42	BV301402
Etelä-Korea (South Korea)	F-Secure	Word mark		40-2017-0011879	26.1.2017	40-1327096	1.2.2018	9, 38, 42	BV301404
Peru (Peru)	F-Secure	Word mark		707489-2017	5.6.2017	17669	28.8.2017	9, 38, 42	BV301405
Iso-Britannia (United Kingdom)	F-Secure	Word mark		3379227	28.2.2019	3379227	19.7.2019	9, 38, 42	BV301437
Tsekki (Czechia)	F-SECURE	Word mark		129362	20.1.1998	217328	23.4.1999	9, 42	BV301438
Kroatia (Croatia)	F-SECURE	Word mark		381-04/98	2.2.1998	980127	9.10.1998	9, 42	BV301439

Maa (Country)	**Merkki (Mark)**	**Merkin tyyppi (Mark type)**	**Kuvio (Picture)**	**Hakemusnro (Application no.)**	**Kansallinen hakemispäivä (National filing date)**	**Rekisteröintinro (Registration no.)**	**Rekisteröity (Registered)**	**Luokat (Clas-ses)**	**Asianumero (Case No.)**
Malesia (Malaysia)	F-SECURE	Word mark		5015354	14.9.2005	5015354	14.9.2005	42	BV301443
Brasilia (Brazil)	F-SECURE	Word mark		827128215	21.1.2005	827128215	30.10.2007	42	BV301444
Brasilia (Brazil)	F-SECURE	Word mark		827128207	21.1.2005	827128207	17.9.2019	9	BV301446
Intia (India)	F-SECURE	Word mark		1383346	9.9.2005	1383346	5.6.2013	9, 42	BV301447
Malesia (Malaysia)	F-SECURE	Word mark		5015355	14.9.2005	5015355	14.9.2005	9	BV301449
Taiwan (Taiwan)	F-SECURE	Word mark		94043781	13.9.2005	1210741	16.5.2006	9, 42	BV301450
Kolumbia (Colombia)	F-SECURE	Word mark		12-045316	15.3.2012	456921	27.7.2012	9	BV301451
Kolumbia (Colombia)	F-SECURE	Word mark		12-045311	15.3.2012	456920	27.7.2012	42	BV301452
Meksiko (Mexico)	F-SECURE	Word mark		1224794	3.11.2011	1280770	20.4.2012	9	BV301453
Meksiko (Mexico)	F-SECURE	Word mark		1224795	3.11.2011	1278368	10.4.2012	42	BV301454
Taiwan (Taiwan)	F-Secure	Word mark		105076685	21.12.2016	1867277	16.9.2017	9	BV301464

Maa (Country)	**Merkki (Mark)**	**Merkin tyyppi (Mark type)**	**Kuvio (Picture)**	**Hakemusnro (Application no.)**	**Kansallinen hakemispäivä (National filing date)**	**Rekisteröintinro (Registration no.)**	**Rekisteröity (Registered)**	**Luokat (Clas-ses)**	**Asianumero (Case No.)**
Iso-Britannia (United Kingdom)	F-SECURE	Word mark		731950	16.1.1998	UK00900731950	9.9.1999	9, 42	BV303056
Iso-Britannia (United Kingdom)	F-SECURE	Word mark		3764041	26.4.2004	UK00903764041	6.9.2005	9, 42	BV303255
Iso-Britannia (United Kingdom)	F-Secure	Word mark		15348295	19.4.2016	UK00915348295	5.8.2016	9, 38, 42	BV304125
Kansainvä-linen TM (Internati-onal TM (M2))	F-Secure (2006)	Word mark			7.3.2006	896516	7.3.2006	9, 42	BV301327
Australia (Australia)	F-Secure (2006)	Word mark			7.3.2006	896516	8.3.2007	9, 42	BV301327AU
Sveitsi (Switzerland)	F-Secure (2006)	Word mark			7.3.2006	896516	3.9.2008	9, 42	BV301327CH
Etelä-Korea (South Korea)	F-Secure (2006)	Word mark			7.3.2006	896516	14.3.2008	9, 42	BV301327KR
Singapore (Singapore)	F-Secure (2006)	Word mark			7.3.2006	896516	18.1.2007	9, 42	BV301327SG
Turkki (Turkey)	F-Secure (2006)	Word mark			7.3.2006	896516	10.1.2008	9, 42	BV301327TR
Suomi (Finland)	F-Secure (2006)	Word mark		T200600577	23.2.2006	237503	15.11.2006	9, 42	BV301342

Maa (Country)	**Merkki (Mark)**	**Merkin tyyppi (Mark type)**	**Kuvio (Picture)**	**Hakemusnro (Application no.)**	**Kansallinen hakemispäivä (National filing date)**	**Rekisteröintinro (Registration no.)**	**Rekisteröity (Registered)**	**Luokat (Clas-ses)**	**Asianumero (Case No.)**
Japani (Japan)	F-SECURE (in Japan)	Word mark	F-SECURE エフセキュア	10-19088	10.3.1998	4524593	22.11.2001	9	BV301440
Kiina (China)	F-Secure F	Figura-tive mark	F-Secure	10149255	4.11.2011	10149255	28.5.2014	9	BV301422
Japani (Japan)	F-SECURE F (logo old triangle)	Figura-tive mark	F-SECURE	93351/1994	16.9.1994	3287992	25.4.1997	9	BV301320
Kiina (China)	F-SECURE F (logo old triangle)	Figura-tive mark		1000160	27.9.1995	1000160	7.5.1997	9	BV301322
Euroopan unioni (European Union)	F-Secure Sense	Word mark		14770895	6.11.2015	14770895	19.2.2016	9, 38, 42	BV301310
Hong Kong (Hong Kong)	F-Secure Sense	Word mark		303725208	28.3.2016	303725208	28.3.2016	9, 38, 42	BV301361
Kiina (China)	F-Secure Sense	Word mark		19744497	25.4.2016	19744497	14.6.2017	9	BV301364
Iso-Britannia (United Kingdom)	F-Secure Sense	Word mark		14770895	6.11.2015	UK00914770895	19.2.2016	9, 38, 42	BV304059
Suomi (Finland)	LOKKI	Word mark		T201450778	8.4.2014	261942	15.9.2014	9	BV301430

Maa (Country)	Merkki (Mark)	Merkin tyyppi (Mark type)	Kuvio (Picture)	Hakemusnro (Application no.)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinro (Registration no.)	Rekisteröity (Registered)	Luokat (Clas-ses)	Asianumero (Case No.)
Euroopan unioni (European Union)	SAFE HOME	Word mark		10733921	16.3.2012	10733921	19.9.2012	9, 42	BV301360
Iso-Britannia (United Kingdom)	SAFE HOME	Word mark		10733921	16.3.2012	UK00910733921	19.9.2012	9, 42	BV303686
Euroopan unioni (European Union)	Sense	Word mark		14769996	5.11.2015	14769996	18.5.2017	9	BV301363
Yhdysvallat (USA)	Sense	Word mark		86928890	4.3.2016	5330462	7.11.2017	9	BV301381
Iso-Britannia (United Kingdom)	Sense	Word mark		14769996	5.11.2015	UK00914769996	18.5.2017	9	BV304058
Euroopan unioni (European Union)	SWITCH ON FREE-DOM	Word mark		12651105	28.2.2014	12651105	21.7.2014	9, 38, 42	BV301365
Iso-Britannia (United Kingdom)	SWITCH ON FREE-DOM	Word mark		UK00912651105	28.2.2014	UK00912651105	21.7.2014	9, 38, 42	
Japani (Japan)	エフセキュア	Word mark		2016-070361	29.6.2016	5924635	17.2.2017	42	BV306217

*Berggreniä on ohjeistettu olemaan uudistamatta tavaramerkkejä, jotka koskevat F-kuviomerkkiä (F (logo new shield shape).
(Please note that Berggren has been advised that the trademarks concerning F (logo new shield shape) will not be renewed at their next expiry dates.)

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Maa (Country)	Tekijänoikeus (Copyright)	Kuvio (Picture)	Kansallinen hakemispäivä (National filing date)	Rekisteröintinumero (Registration number)	Rekisteröity (Registered)	Asianumero (Case No.)
Kiina (China)	Shield F-Logo (blue) Chinese		14.5.2014	2014-F-00124232	12.5.2014	BV301388

PATENTIT JA HYÖDYLLISYYSMALLIT (PATENTS AND UTILITY MODELS)

Asianumero (Case no.)	Maa (Country)	Hakemusnumero (Application number)	Rekisteröintinumero (Registration number)
FSC19DIVEPDE	Saksa (Germany)	09163950.0	2101242
FSC19DIVEPGB	Iso-Britannia (United Kingdom)	09163950.0	2101242
FSC19EPGB	Iso-Britannia (United Kingdom)	02783060.3	1440362
FSC19US	Yhdysvallat (USA)	10/493596	8127141
FSC29US	Yhdysvallat (USA)	09/975302	6986050
FSC47US	Yhdysvallat (USA)	11/806568	9092823
FSC172US	Yhdysvallat (USA)	12/587716	8981902
FSC178CONUS	Yhdysvallat (USA)	13/853,623	9009274
FSC178US	Yhdysvallat (USA)	12/587592	8443059
FSC338GB	Iso-Britannia (United Kingdom)	1220146.3	2505529
FSC338US	Yhdysvallat (USA)	14/070903	9231971
FSC344US	Yhdysvallat (USA)	14/070754	9984215
FSC405GB	Iso-Britannia (United Kingdom)	1321755.9	2518460
FSC405US	Yhdysvallat (USA)	14/557,552	9407650
FSC448GB	Iso-Britannia (United Kingdom)	1420542.1	2532452
FSC448US	Yhdysvallat (USA)	14/940388	9712556
FSC480US	Yhdysvallat (USA)	15/284771	10652344
FSC548GB	Iso-Britannia (United Kingdom)	1617801.4	2555384
FSC574US	Yhdysvallat (USA)	15/978300	11019036
FSC606DE	Saksa (Germany)	202018101647.4	202018101647
FSC606FI	Suomi (Finland)	U20184053	12267
FSC619US	Yhdysvallat (USA)	16/787903	

Asianumero (Case no.)	**Maa (Country)**	**Hakemusnumero (Application number)**	**Rekisteröintinumero (Registration number)**
FSC621GB FSC621US	Iso-Britannia (United Kingdom) Yhdysvallat (USA)	1902145.0 16/789813	2581389
FSC624GB FSC624US	Iso-Britannia (United Kingdom) Yhdysvallat (USA)	1906412.0 16/868233	2583736
FSC626GB FSC626US	Iso-Britannia (United Kingdom) Yhdysvallat (USA)	1907200.8 16/881634	
FSC643GB	Iso-Britannia (United Kingdom)	2108754.9	
FSC645GB	Iso-Britannia (United Kingdom)	2114578.4	

MALLIT (DESIGNS)

Asianumero (Case No.)	Maa (Country)	Hakemusnumero (Application Number)	Rekisteröintinumero (Registration number)	Otsikko (Title)
FSC606EU	Euroopan unioni (European Union)	005018504-0001	005018504-0001	Communication devices (part of -), Graphical user interfaces
FSC606EU	Iso-Britannia (United Kingdom)		9005018504-0001	Communication devices (part of -), Graphical user interfaces
FSC606EU	Euroopan unioni (European Union)	005018504-0002	005018504-0002	Graphical user interfaces, Communication devices
FSC606EU	Iso-Britannia (United Kingdom)		9005018504-0002	Graphical user interfaces, Communication devices
FSC606US	Yhdysvallat (USA)	29/663,992	D911,380	Display Screen or Portion thereof with Transitional Virtual Camera Shutter Graphical User Interface

VERKKOTUNNUKSET (DOMAIN NAMES)

Verkkotunnus (Domain name)
antiphishing.eu
antispam.eu
antispyware.eu
antivirus.fi
anti-virus.mobi
bankingprotection.com
banking-protection.com
bestprivacyapp.com
df-data.com
foneav.com
freedome-vpn.com
freedome-vpn.net
friendscreen.info
friendscreen.net
friendscreen.org
f-s.ec
fsapi.net
fscdc.net
fsec.it
fsec.me
f-secu.re
fsecure.ae
f-secure.ae
f-secure.aero
fsecure.am
f-secure.am
fsecure.asia
f-secure.asia

f-secure.at
fsecure.ba
f-secure.ba
fsecure.be
f-secure.be
fsecure.biz
f-secure.biz
fsecure.bo
f-secure.bo
fsecure.bs
f-secure.bs
fsecure.by
f-secure.by
fsecure.bz
f-secure.bz
f-secure.ca
fsecure.cc
f-secure.cc
fsecure.cd
f-secure.cd
f-secure.cg
fsecure.ch
f-secure.ch
f-secure.cl
fsecure.cn
f-secure.cn
fsecure.co
f-secure.co
fsecure.co.at
f-secure.co.at
fsecure.co.cr

f-secure.co.cr
fsecure.co.hu
f-secure.co.hu
fsecure.co.il
f-secure.co.il
fsecure.co.in
f-secure.co.in
f-secure.co.jp
f-secure.co.kr
fsecure.co.ma
f-secure.co.ma
fsecure.co.nz
f-secure.co.nz
fsecure.co.ug
f-secure.co.ug
fsecure.co.uk
f-secure.co.uk
fsecure.co.vi
f-secure.co.vi
fsecure.com
f-secure.com
f--secure.com
fsecure.com.ar
fsecure.com.au
f-secure.com.au
fsecure.com.az
f-secure.com.az
fsecure.com.ba
f-secure.com.ba
fsecure.com.bo
f-secure.com.bo

fsecure.com.br
f-secure.com.br
f-secure.com.cn
fsecure.com.do
f-secure.com.do
fsecure.com.ec
f-secure.com.ec
fsecure.com.gr
f-secure.com.gr
fsecure.com.hk
f-secure.com.hk
fsecure.com.lk
f-secure.com.lk
fsecure.com.ly
f-secure.com.ly
fsecure.com.mt
f-secure.com.mt
fsecure.com.mx
f-secure.com.mx
fsecure.com.my
f-secure.com.my
fsecure.com.pa
f-secure.com.pa
fsecure.com.pe
f-secure.com.pe
fsecure.com.ph
f-secure.com.ph
fsecure.com.pk
f-secure.com.pk
fsecure.com.pl
fsecure.com.pr

f-secure.com.pr
fsecure.com.ru
fsecure.com.sg
f-secure.com.sg
fsecure.com.tj
f-secure.com.tj
fsecure.com.tr
f-secure.com.tr
fsecure.com.tw
f-secure.com.tw
fsecure.com.uy
f-secure.com.uy
fsecure.com.ve
f-secure.com.ve
fsecure.com.vn
f-secure.com.vn
f-secure.consulting
fsecure.cz
f-secure.cz
f-secure.de
fsecure.dk
f-secure.dk
f-secure.download
fsecure.ee
f-secure.ee
fsecure.es
f-secure.es
fsecure.eu
f-secure.eu
fsecure.eu.com
f-secure.eu.com

fsecure.fi
f-secure.fi
f-secure.fr
fsecure.gen.in
f-secure.gen.in
fsecure.gl
f-secure.gl
fsecure.gr
f-secure.gr
fsecure.hk
f-secure.hk
fsecure.hn
f-secure.hn
fsecure.hu
fsecure.ie
f-secure.ie
fsecure.in
f-secure.in
fsecure.info
f-secure.info
fsecure.it
f-secure.it
fsecure.jobs
f-secure.jobs
fsecure.jp
f-secure.jp
fsecure.kz
f-secure.kz
fsecure.li
f-secure.li
fsecure.lk

f-secure.lk
fsecure.lt
f-secure.lt
fsecure.lu
f-secure.lu
fsecure.lv
f-secure.lv
fsecure.md
f-secure.md
fsecure.me
f-secure.me
fsecure.mn
f-secure.mn
fsecure.mobi
f-secure.mobi
fsecure.mt
f-secure.mt
fsecure.mw
f-secure.mw
fsecure.my
f-secure.my
fsecure.name
f-secure.name
fsecure.net
f-secure.net
f-secure.ninja
fsecure.nl
f-secure.nl
fsecure.no
f-secure.no
f-secure.nu

f-secure.nz
f-secure.org
fsecure.org.cn
f-secure.org.cn
fsecure.org.uk
f-secure.org.uk
fsecure.ph
f-secure.ph
fsecure.pk
f-secure.pk
fsecure.pl
f-secure.pl
fsecure.pt
f-secure.pt
fsecure.ro
fsecure.ru
f-secure.ru
fsecure.se
f-secure.se
fsecure.se.net
f-secure.se.net
fsecure.sg
f-secure.sg
fsecure.si
f-secure.sk
fsecure.sm
f-secure.sm
fsecure.tel
f-secure.tel
fsecure.tw
f-secure.tw

fsecure.uk
f-secure.uk
fsecure.uk.net
f-secure.uk.net
fsecure.us
f-secure.us
fsecure.us.com
f-secure.us.com
fsecure.uy
f-secure.uy
fsecure.uz
f-secure.uz
fsecure.vn
f-secure.vn
f-secure.website
f-secure.xxx
f-secure-antispam.co.uk
f-secure-antispyware.co.uk
f-secure-antivirus.co.uk
f-securebusiness.com
f-secure-campaigns.com
f-securecloud.com
f-secureconsulting.com
fsecurecorporation.com
f-securecorporation.com
f-securedownload.com
f-secure-firewall.co.uk
fsecuregroup.com
f-securegroup.com
f-secure-internetsecurity.co.uk
fsecurekampanja.fi

f-securemarketingcenter.com
f-secure-onlinebackup.co.uk
f-secure-online-solutions.com
f-secure-parentalcontrol.co.uk
f-securerewards.com
f-secureteam.com
f-secure-totalsecurity.co.uk
fsecureusa.com
f-secureusa.com
fsecurevas.com.br
fsecurevip.com
fsecurevip.fi
f-security.com
f-sos.com
f-sos.net
fs-test.com
fsupdate.com
fsupdate.fi
fsupdate.net
fsvpn.net
f-tune.com
ftune.vc
f-tune.vc
fuckingsecure.com
fucking-secure.com
fucksecure.com
fuck-secure.com
getfs.com
getyounited.com
internetsecurity.eu
internetsecurity.fi

ismydnshijacked.com
ismydnslegit.com
kid-secure.com
kid-secure.net
littleflocker.com
lok.ki
macrocontrol.com
mobilesecurity.mobi
mobvirus.com
no-virus.com
online-wellbeing.com
onlinewellbeing.net
online-wellbeing.net
phoneav.com
phoneav.mobi
play-it-safe.com
protectingtheirreplaceable.co.uk
protecting-the-irreplaceable.co.uk
protectingtheirreplaceable.com
protecting-the-irreplaceable.com
protectingtheirreplaceable.us
protecting-the-irreplaceable.us
protection.mobi
roskaposti.fi
safeandsavvy.co.uk
safeandsavvy.com
safe-playground.net
security-online-services.com
sp-secure.com
steekr.com
supersafeboost.co.uk

virusencyclopedia.com
virus-free.com
virus-help.com
virusinfo.com
virusinfo.fi
virusprotection.com
virusreference.com
virusshield.com
younited.events
younited.fi
younited.hu
younitedapi.com
younited-app.com
younitedcontent.com
younitedevents.com
younitedhosted.com
younitredcontent.com

SCHEDULE 4: PRELIMINARY ILLUSTRATION OF THE BALANCE SHEETS OF THE DEMERGING COMPANY AND THE RECEIVING COMPANY

Schedule 4: Preliminary illustration of the balance sheets of the Demerging Company and the Receiving Company

Balance sheet as at 31 December 2021

EUR 1000	Demerging Company balance sheet	Planned loan repayment	Demerging Company balance sheet prior Demerger	Receiving Company balance sheet after Demerger	Demerging Company balance sheet after Demerger
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	19 508	-	19 508	5 920	13 588
Tangible assets	811	-	811	-	811
Investments in group companies	122 951	-	122 951	68	122 883
Long term receivables	5 757	-	5 757	-	5 757
Total non-current assets	**149 027**	**-**	**149 027**	**5 988**	**143 039**
CURRENT ASSETS					
Inventories	51	-	51	51	-
Trade and other receivables	54 461	-	54 461	19 556	34 906
Short-term investments	26	-	26	-	26
Cash and bank accounts	39 023	-3 000	36 023	12 440	23 583
Total current assets	**93 561**	**-3 000**	**90 561**	**32 046**	**58 515**
TOTAL ASSETS	**242 588**	**-3 000**	**239 588**	**38 034**	**201 554**
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					
Share capital	1 551	-	1 551	80	80
Share premium	165	-	165	-	-
Treasury shares	-849	-	-849	-	-849
Reserve for invested unrestricted equity	6 789	-	6 789	7 946	6 789
Retained earnings	76 871	-	76 871	-	72 680
Profit for the financial year	15 714	-	15 714	-	13 515
Total shareholders' equity	**100 241**	**-**	**100 241**	**8 026**	**92 215**
APPROPRIATIONS					
Depreciation reserve	91	-	91	-	91
LIABILITIES					
Long-term liabilities[1,3]	42 423	-	42 423	3 751	38 672
Short-term liabilities[2,4]	99 834	-3 000	96 834	26 257	70 577
Total liabilities	**142 256**	**-3 000**	**139 256**	**30 008**	**109 248**
TOTAL SHAREHOLDER EQUITY AND LIABILITIES	**242 588**	**-3 000**	**239 588**	**38 034**	**201 554**

[1] Demerging company balance includes bank loan of EUR 13 million which will remain with Demerging Company after the Demerger.
[2] Demerging company balance includes bank loan of EUR 6 million which will remain with Demerging Company after the Demerger.
[3] Demerging company balance includes deferred revenue in total of EUR 18 million of which EUR 15 million will remain with Demerging Company and EUR 3 million will transfer to Receiving Company.
[4] Demerging company balance includes deferred revenue in total of EUR 42 million of which 26 million will remain with Demerging Company and EUR 16 million will transfer to Receiving Company.

Financial information presented in the unaudited preliminary illustration of the Balance Sheets of the Demerging Company and the Receiving Company (“the illustrative demerger balance sheet”) is derived from the audited financial statements of Demerging Company for the financial year ended 31 December 2021 prepared in accordance with the Finnish Accounting Act.

The illustrative demerger balance sheet presented above has been adjusted with the planned repayment of the current bank loan of EUR 3.0 million prior to the Demerger. The impact to the illustrative demerger balance sheet is presented in the column Planned loan repayment.

The shareholder's equities of the Demerging company and Receiving company after the Demerger have been illustrated as described in sections 8, 10.4 and 11 of this Demerger plan.

The illustrative demerger balance sheet presented above does not take into account, among other things, the following potential events which may have a significant impact on the final amount of the assets and liabilities of Demerging Company prior to the execution of the Demerger: The impact of potential changes in the group structure due to the Demerger and their financing are not included in the illustrative demerger balance sheet. The impacts of transaction costs arising from the Demerger and listing after 31 December 2021, or any potential prepayments of the bank loan are not included in the illustrative demerger balance sheet.

In addition, as described in Section 19.1 of the Demerger plan, Demerging Company is investigating a possibility to raise funds by way of a share issue to selected Finnish and international institutional investors and other qualified investors prior to the Effective Date of Demerger. As explained in Section 10.2(p) and 19.9 (c) of the Demerger Plan, any net proceeds raised by way of a potential share issue will remain with Demerging Company after the Demerger. The impact of potential net proceeds to be raised in the share issue is not included in the illustrative demerger balance sheet.

Demerging Company is also considering a new revolving credit facility that would be available for working capital needs for Receiving Company. The impact of the potential revolving credit facility is not included in the illustrative demerger balance sheet. The current undrawn revolving credit facility of Demerging Company at the date of this Demerger plan will remain with Demerging Company.

The final Demerger will take place based on the balance sheet values as at the registration date of the completion of the Demerger. The unaudited illustrative demerger balance sheet information presented above is therefore only indicative and subject to change.