CREATING A STRONG FOUNDATION FOR GROWTH

HALF YEAR FINANCIAL REPORT
1 JANUARY–30 JUNE 2022

Timo Laaksonen, CEO
Sari Somerkallio, CFO
20 July 2022
AGENDA

1. HIGHLIGHTS OF Q2 2022
2. GROUP DEVELOPMENT
3. FINANCIALS
4. OUTLOOK AND FINANCIAL TARGETS
5. CONCLUDING REMARKS
HIGHLIGHTS OF Q2 2022

• Continued growth and several strategic advances; revenue up by 4.3% in Q2, reflecting solid demand for our products and partially supported by the strong dollar

• Continued execution of our growth strategy as well as focus on operational excellence

• Partial demerger from WithSecure Corporation completed – utilize our full potential as an independent company

• Outlook for 2022 and financial targets unchanged
Q2 2022: CREATING STRONG FOUNDATION FOR GROWTH

- Revenue increased by 4.3% to EUR 27.5 million, supported by solid demand and good market activity.
- Both Partner and Direct Channel contributed to the growth: revenue from Partner Channel increased by 4.3% and Direct Channel by 4.1%
- Adjusted EBITA decreased by 14.6% to EUR 10.1 million, 36.7% of revenue.
- Profitability in the second quarter was burdened by increased sales and marketing costs and R&D costs, as we are building up and strengthening our competences as an independent company.
DEMERGER FROM WITHSECURE CORPORATION COMPLETED

12 April 2022: WithSecure Corporation’s Board of Directors appointed the President & CEO and Management Team members for F-Secure.

31 May 2022: The Extraordinary General Meeting of WithSecure decided that F-Secure will demerge through a partial demerger.

30 June 2022: Completion of the demerger and a new, independent F-Secure was created, enabling us to better meet and serve the needs of our customers and partners.

1 July 2022: Trading in F-Secure’s shares on Nasdaq Helsinki commenced.
**STRAIGHTFOR CONTINUED PROFITABLE GROWTH**

We are striving for continued profitable growth based on three strategic pillars:

1. **Increase Average Revenue Per User (ARPU)**
   - Roll out of a new generation of TOTAL through the partner channel.
   - The renewal performance continued on a good level.

2. **Developing current offering and new products**
   - We develop new product categories like connected home security with F-Secure SENSE to provide a complete security experience to consumers.
   - We signed up with several new partners in the quarter.

3. **Expand into new channels**
   - Openings within new sectors, such as banks, insurance companies and retailers.
   - Nordic energy company to complement their offering with F-Secure TOTAL.
Financials

Q2/2022 Financial review
Sari Somerkallio, CFO
REVENUE GROWTH OF 4% IN BOTH SALES CHANNELS

Partner channel revenue

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (EURm)</th>
<th>Q1/21</th>
<th>Q2/21</th>
<th>Q3/21</th>
<th>Q4/21</th>
<th>Q1/22</th>
<th>Q2/22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>20.8</td>
<td>20.8</td>
<td>21.0</td>
<td>21.6</td>
<td>21.7</td>
<td>21.7</td>
</tr>
</tbody>
</table>

Direct channel revenue

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (EURm)</th>
<th>Q1/21</th>
<th>Q2/21</th>
<th>Q3/21</th>
<th>Q4/21</th>
<th>Q1/22</th>
<th>Q2/22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>5.5</td>
<td>5.5</td>
<td>5.5</td>
<td>5.5</td>
<td>5.7</td>
<td>5.7</td>
</tr>
</tbody>
</table>

+4.3% growth in Partner channel revenue

+4.1% growth in Direct channel revenue
DEFERRED REVENUE* UP BY 5% DRIVEN BY E-COMMERCE

- Majority of deferred revenue from e-commerce deals that are paid upfront
- E-commerce sales performance in Q2 drives the growth deferred revenue
- In partner channel large one-off projects such as setup fees are recorded in deferred revenue

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Current</th>
<th>Non-current</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4/20</td>
<td>19.2</td>
<td>3.2</td>
<td>22.4</td>
</tr>
<tr>
<td>Q1/21</td>
<td>20.5</td>
<td>3.4</td>
<td>23.9</td>
</tr>
<tr>
<td>Q2/21</td>
<td>19.7</td>
<td>3.2</td>
<td>22.9</td>
</tr>
<tr>
<td>Q3/21</td>
<td>19.0</td>
<td>3.1</td>
<td>22.1</td>
</tr>
<tr>
<td>Q4/21</td>
<td>19.7</td>
<td>3.1</td>
<td>22.8</td>
</tr>
<tr>
<td>Q1/22</td>
<td>20.2</td>
<td>3.2</td>
<td>23.4</td>
</tr>
<tr>
<td>Q2/22</td>
<td>20.6</td>
<td>3.3</td>
<td>23.9</td>
</tr>
</tbody>
</table>

*Non-current deferred revenue = recognized as revenue after the next 12 months onwards
Current deferred revenue = recognized as revenue within the next 12 months

+4.7% YoY
REVENUE GROWTH DRIVEN BY SALES IN ASIA AND NORTH AMERICA

Revenue by geography

EURm

Q2 2021 | Q2 2022
---|---
Nordic countries | 1.2 | 1.4
Rest of Europe | 3.6 | 4.1
North America | 12.4 | 12.1
Rest of the world | 9.1 | 9.9

Partner Channel: revenue increased across several regions
- Sales increased in Nordic countries and Asia.
- Sales increased in North America, driven by continued good demand and partially supported by the strong dollar.

Direct Channel: E-commerce developed well, especially in Germany
- Renewal performance remained steady.
- Average revenue per user continued to grow.
INCREASE IN OPERATING EXPENSES ¹) IN Q2

OPEX development Q2 ¹)

<table>
<thead>
<tr>
<th>EURm</th>
<th>Q2 2021</th>
<th>Q2 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and marketing</td>
<td>7.2</td>
<td>8.8</td>
</tr>
<tr>
<td>Research and development</td>
<td>3.7</td>
<td>4.3</td>
</tr>
<tr>
<td>Administration</td>
<td>1.6</td>
<td>1.8</td>
</tr>
</tbody>
</table>

+18.3%

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

- The costs incurred due to the listing totaled EUR 3.0 million in the second quarter and are included as an item affecting comparability.
- F-Secure and WithSecure has entered into transitional services agreements (TSAs), and many of the support function TSAs are planned to terminate at the end of 2022, and the rest during 2023.
• Gross margin increased by EUR 0.6 million to 24.9 million and was 90.5% of revenue
• Royalties and hosting costs increased during the quarter

• Profitability in the second quarter was burdened by increased sales and marketing costs and R&D costs
• Build-up and strengthening of our competences as an independent company
**OPENING BALANCE SHEET**

### Assets at 30.6.2022

<table>
<thead>
<tr>
<th>EURm</th>
<th>Non-Current Assets</th>
<th>Trade and other receivables</th>
<th>Receivable from WithSecure</th>
<th>Cash and cash equivalents</th>
<th>Other current assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>47.3</td>
<td>12.6</td>
<td>19.0</td>
<td>6.8</td>
<td>5.9</td>
<td>3.0</td>
</tr>
</tbody>
</table>

### Equity and liabilities at 30.6.2022

<table>
<thead>
<tr>
<th>EURm</th>
<th>Equity</th>
<th>Deferred revenue</th>
<th>Interest-bearing liabilities</th>
<th>Other liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>47.3</td>
<td>20.6</td>
<td>7.9</td>
<td>9.9</td>
<td></td>
</tr>
</tbody>
</table>

- Prior to the Demerger on 30 June 2022, no cash or cash equivalents were allocated to F-Secure in the carve-out financial information.
- The receivable from WithSecure will be transferred as cash to F-Secure in July 2022.
- As at 30 June 2022, F-Secure’s current lease liabilities were EUR 0.9 million and non-current lease liabilities were EUR 1.3 million.
- Receivables and interest-bearing liabilities due to forming the legal standalone subsidiary structure. F-Secure’s payables totaled in EUR 5.7 million and the receivables totaled EUR 3.8 million.
F-SECURE’S H1/2022 IN BRIEF

Revenue by geography

<table>
<thead>
<tr>
<th>EURm</th>
<th>H1 2021</th>
<th>H1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic countries</td>
<td>2.5</td>
<td>2.7</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>7.0</td>
<td>8.1</td>
</tr>
<tr>
<td>North America</td>
<td>24.9</td>
<td>24.5</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>18.2</td>
<td>19.5</td>
</tr>
</tbody>
</table>

Revenue by channel

<table>
<thead>
<tr>
<th>EURm</th>
<th>H1 2021</th>
<th>H1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner Channel</td>
<td>41.6</td>
<td>43.4</td>
</tr>
<tr>
<td>Direct Channel</td>
<td>11.0</td>
<td>11.4</td>
</tr>
</tbody>
</table>

Adjusted EBITA

<table>
<thead>
<tr>
<th>EURm</th>
<th>H1 2021</th>
<th>H1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>23.6</td>
<td>11.8</td>
</tr>
<tr>
<td>Q2</td>
<td>44.9%</td>
<td>12.7%</td>
</tr>
</tbody>
</table>

+4.2% revenue growth in Europe
-3.8% adjusted EBITA margin change
OUTLOOK FOR 2022

REVENUE GROWTH

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

PROFITABILITY

“Due to necessary investments into establishing our independence and ensuring future growth, we will see lower profitability during the rest of the year compared to Q1/2022. Thus, we expect the adjusted EBITA to be approximately 40% for the full year 2022.”
MEDIUM-TERM FINANCIAL TARGETS (BY 2025)

Growth

High single-digit organic revenue growth.

Profitability

After initial growth investments, adjusted EBITA margin of above 42%.

Dividend yield

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

TARGET TO CONSISTENTLY OUTPERFORM MARKET GROWTH & RULE OF 40
Concluding remarks

Timo Laaksonen, CEO
A NEW ERA FOR F-SECURE:
CREATING A STRONG CONSUMER FOCUSED COMPANY AFTER DEMERGER

1. MARKET-ORIENTED, FAST MOVING COMPANY WITH CAPABILITY TO INVEST INTO GROWTH

2. STRATEGIC VISION TO BECOME THE NO. 1 SECURITY EXPERIENCE COMPANY

3. ~370 PEOPLE FOCUSED ON CONSUMER CYBER SECURITY AND OFFERING DEVELOPMENT

4. ACCELERATING STRATEGY EXECUTION AND SHAREHOLDER VALUE CREATION
Q&A