



WE ARE OFF TO A GOOD START

Timo Laaksonen, CEO

Sari Somerkallio, CFO

31 October 2022

HIGHLIGHTS OF Q3 2022

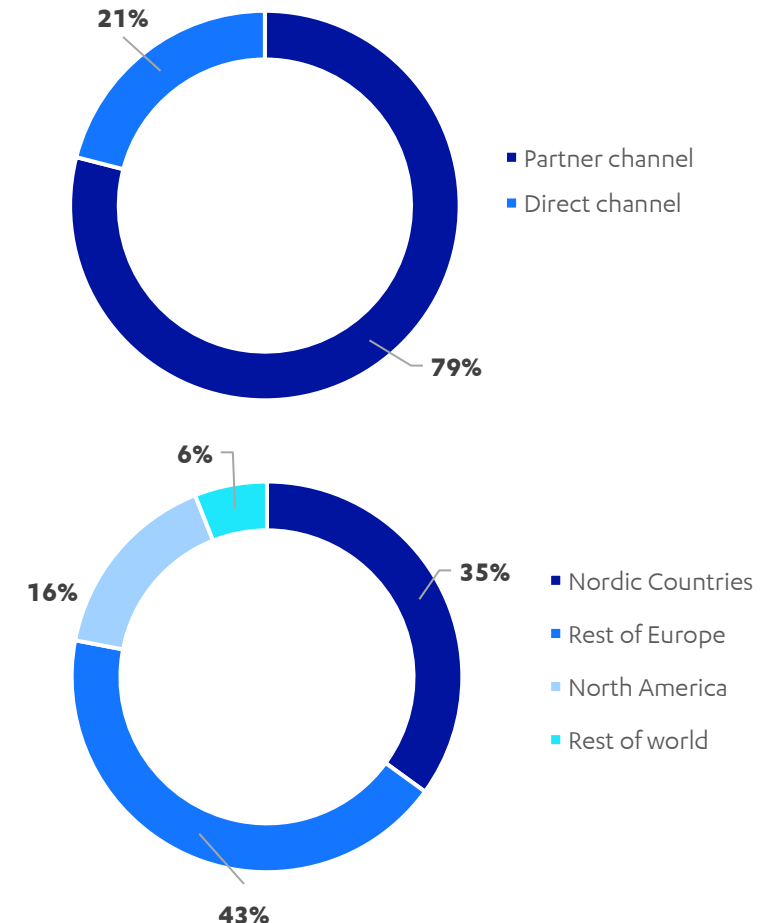
- **First quarter as an independent company commenced well in terms of both revenue and profitability development**
- **Market environment turned more challenging and consumer sentiment slightly weaker – the cyber security space has proven to be resilient in economic downturns**
- **Execution of our growth strategy; added new partners while improving ARPU and expanded into new vertical partnerships**
- **Outlook for 2022 and financial targets remain unchanged**



Q3 2022: GOOD PERFORMANCE IN A MORE CHALLENGING MARKET

- Revenue increased by 5.3% to EUR 27.9 million, driven by good demand for our strategic growth products, F-Secure TOTAL, SENSE and ID Protection
- Both Partner and Direct Channel contributed to the growth: revenue from Partner Channel increased by 5.5% and Direct Channel by 4.7%
- Gross margin increased and was 25.7 million and was 92.0% of revenue
- Adjusted EBITA was EUR 11.4 million, 40.8% of revenue. Profitability in the third quarter was burdened by increased administration costs, as we are still building up and strengthening our operations as an independent company

Revenue breakdown Q3 2022



ON THE ROAD TO INDEPENDENCE

**1 JULY
2022**

First day as an independent company

- Demerger from WithSecure Corporation completed and trading in F-Secure shares on Nasdaq Helsinki commenced

H2/2022

Ramp-up of own business operations

- Own ERP during Q4
- HR, finance (except for shared service center) and legal fully independent by the end of the year

2023

1st fiscal year as an independent company

- Building up independent R&D capabilities. Developing own security cloud platform and ramp-up own research roadmap
- R&D TSAs planned to terminate by the end of 2023
- Own CRM and IT services during H1
- TSA within cost of revenue to terminate latest by the end of 2023

OUR STRATEGY IS FOCUSED ON PROFITABLE GROWTH

	INCREASE AVERAGE REVENUE PER USER (ARPU)	DEVELOPING CURRENT OFFERING AND NEW PRODUCTS	EXPAND INTO NEW CHANNELS
STRATEGIC FOCUS:	Accelerate the roll-out of F-Secure TOTAL	Expand market coverage and the accessible market	Replicate our proven business model
PROGRESS IN Q3:	<ul style="list-style-type: none">Continued to add new partners20 existing partners have signed up for F-Secure TOTAL upgradeRenewal performance remained strong	<ul style="list-style-type: none">F-Secure SENSE and ID Protection well received by the marketCyber help following successful pilot in Nordics made available in 11 languages to whole partner base	<ul style="list-style-type: none">Mid-size European insurance company and a European bank signed up for F-Secure TOTALA utility company and an insurance company in the Nordics went live with their F-Secure TOTAL services



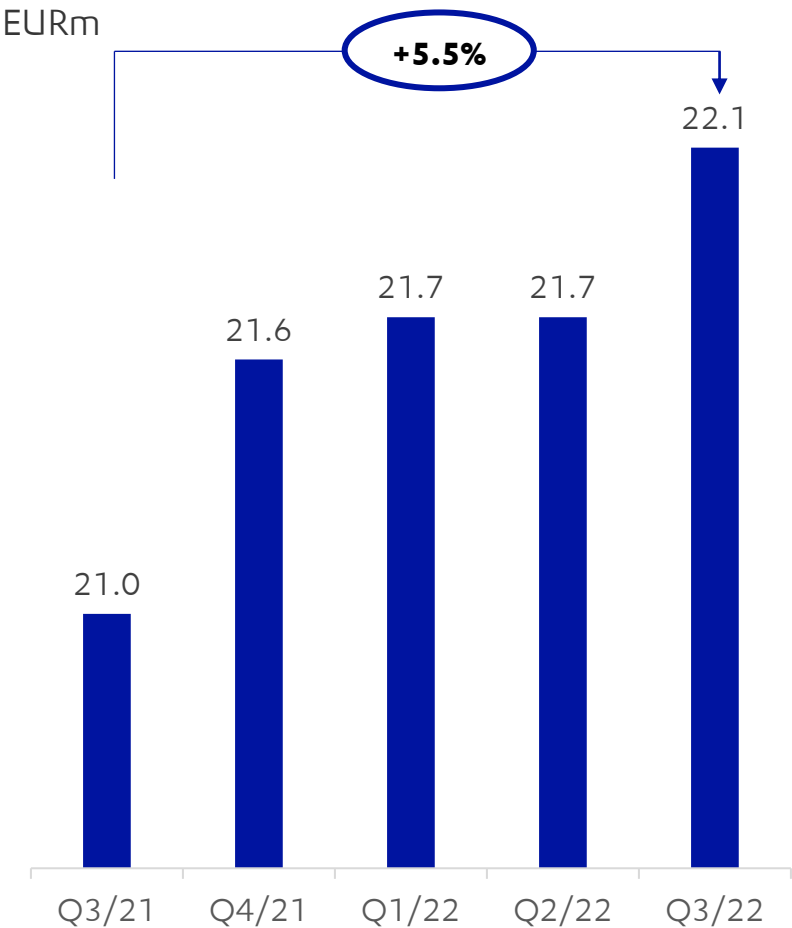
FINANCIALS

Q3/2022 Financial review

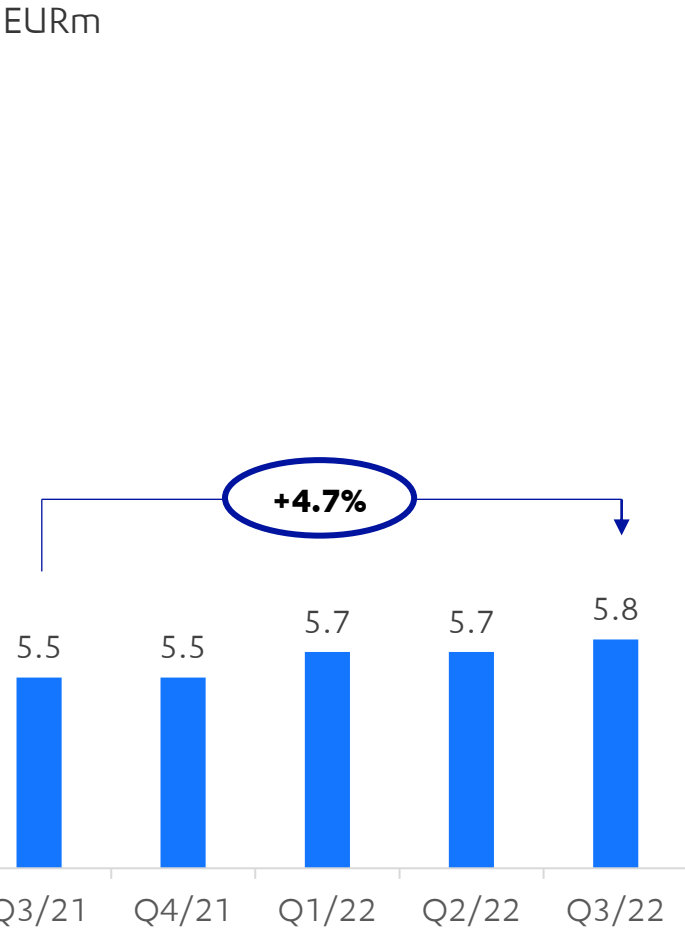
Sari Somerkallio, CFO

REVENUE UP BY 5.3% – BOTH CHANNELS CONTRIBUTED

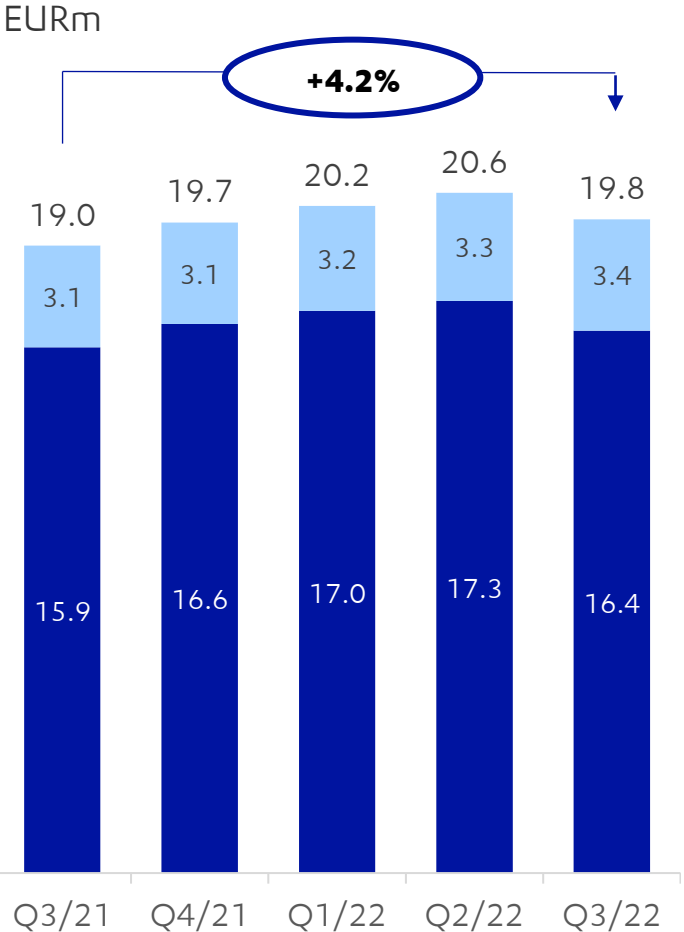
Partner channel revenue



Direct channel revenue



Deferred revenue

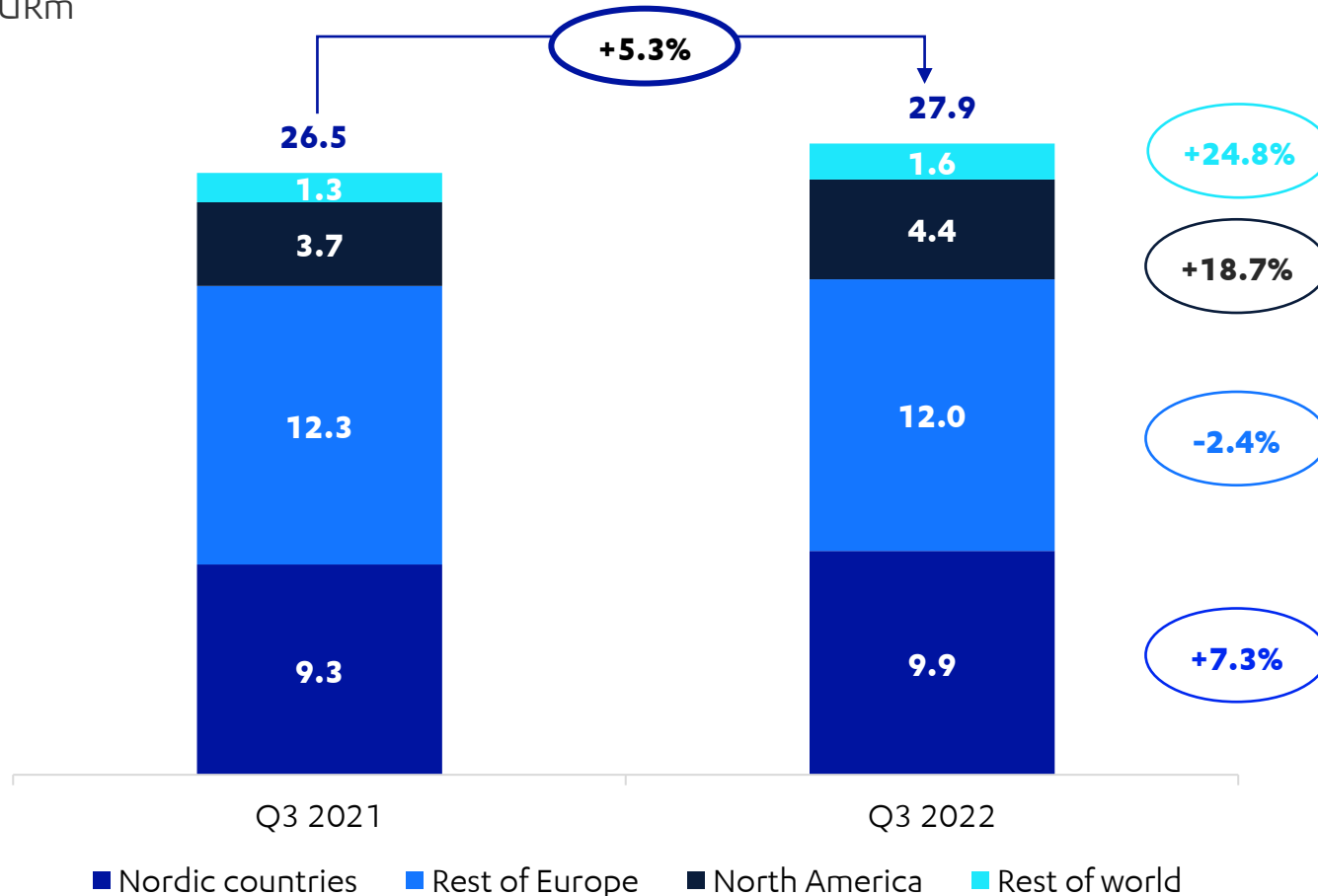


■ Current ■ Non-current

Q3: REVENUE GREW ESPECIALLY IN NORTH AMERICA AND NORDIC COUNTRIES

Revenue by geography

EURm

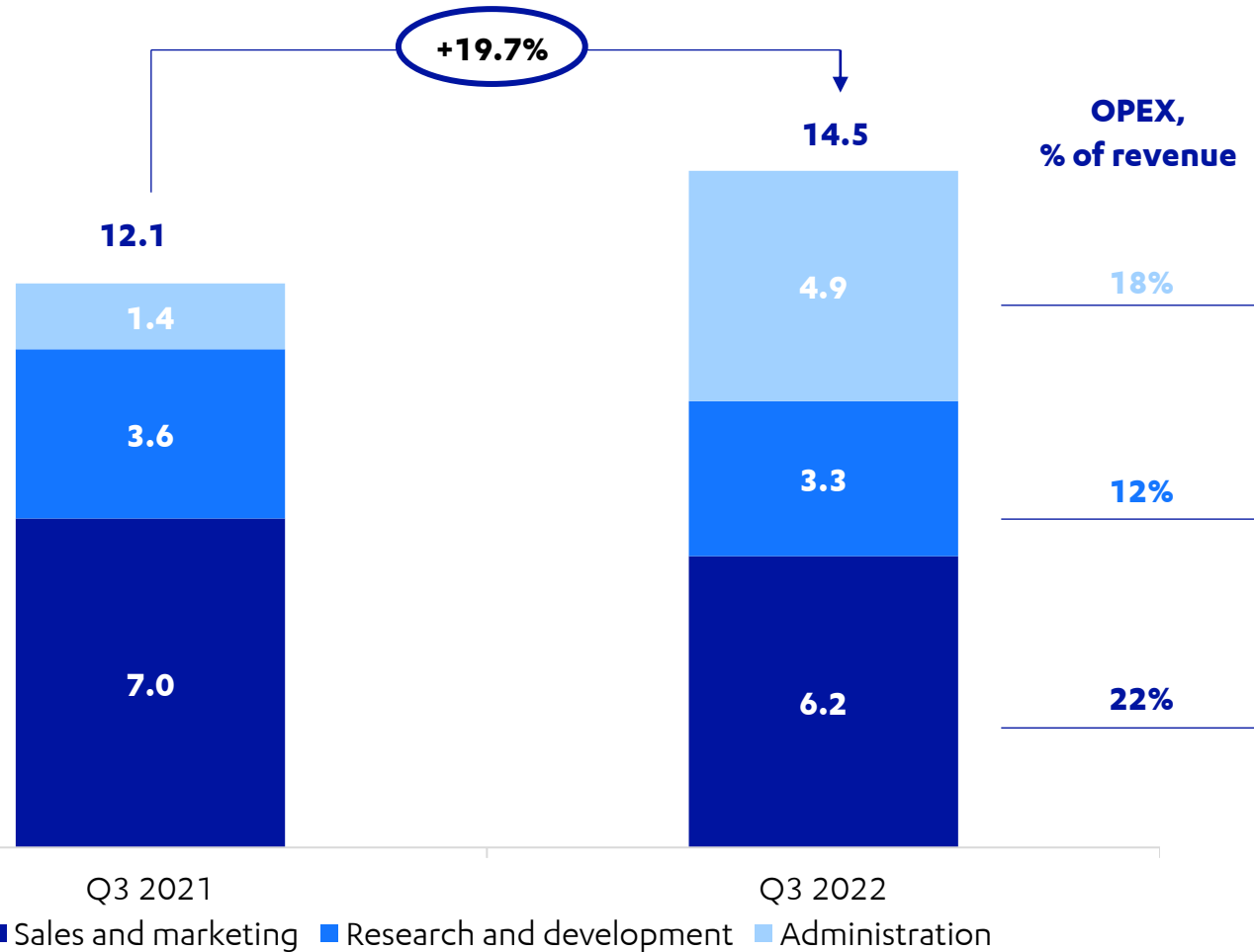


- Partner Channel: revenue increased across several regions
 - Sales increased especially in North America and Nordic countries. Growth in North America mainly attributable to a positive USD currency impact.
 - Regulatory change in Poland has a continued negative impact on adoption rates on the local market.
- Direct Channel: E-commerce developed well, especially in Germany
 - Average revenue per user (ARPU) continued to grow and renewal performance remained strong.
 - The consumer sentiment turned somewhat weaker, impacting new business sales in the direct channel.

OPERATING EXPENSES IN Q3

OPEX development Q3

EURm



- Administration costs increased due to the ongoing ramp-up process as we are strengthening and developing our internal operations after the demerger.
- Figures for previous period are not fully comparable as the classification and allocation method used in carve-out vary from actuals.

TRANSITIONAL SERVICES AGREEMENTS LEADING TO INDEPENDENT F-SECURE

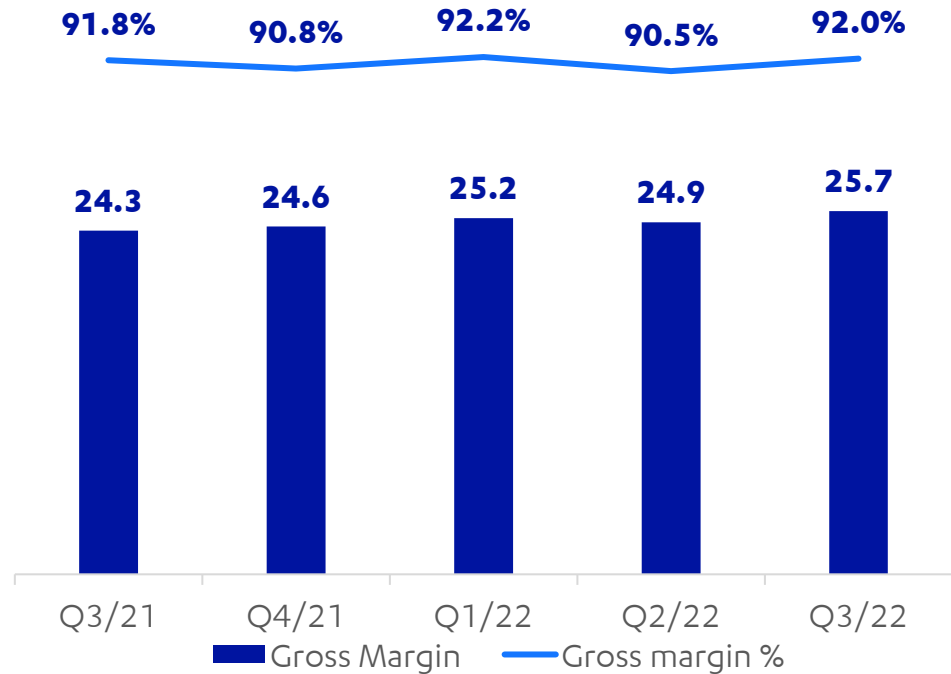
- In connection with the demerger from WithSecure, F-Secure and WithSecure entered into transitional services agreements (“TSA”) to support the continuous operations of F-Secure.
- In the third quarter, the TSA costs were EUR 1.0 million in cost of revenue. These TSAs in cost of revenue are planned to terminate latest by the end of 2023.
- In the third quarter, the TSA costs were EUR 1.0 million in R&D and EUR 2.6 million in administration. Majority of the administration TSAs are planned to terminate at the end of 2022, and the rest of administration and all of R&D by the end of 2023.

EURm	7-9/2022	7-9/2022
	Total	TSA
Cost of revenue	2.2	1.0
Operating expenses		
R&D	3.3	1.0
Administration	4.9	2.6

ADJUSTED EBITA AND GROSS MARGIN DEVELOPMENT

Gross margin

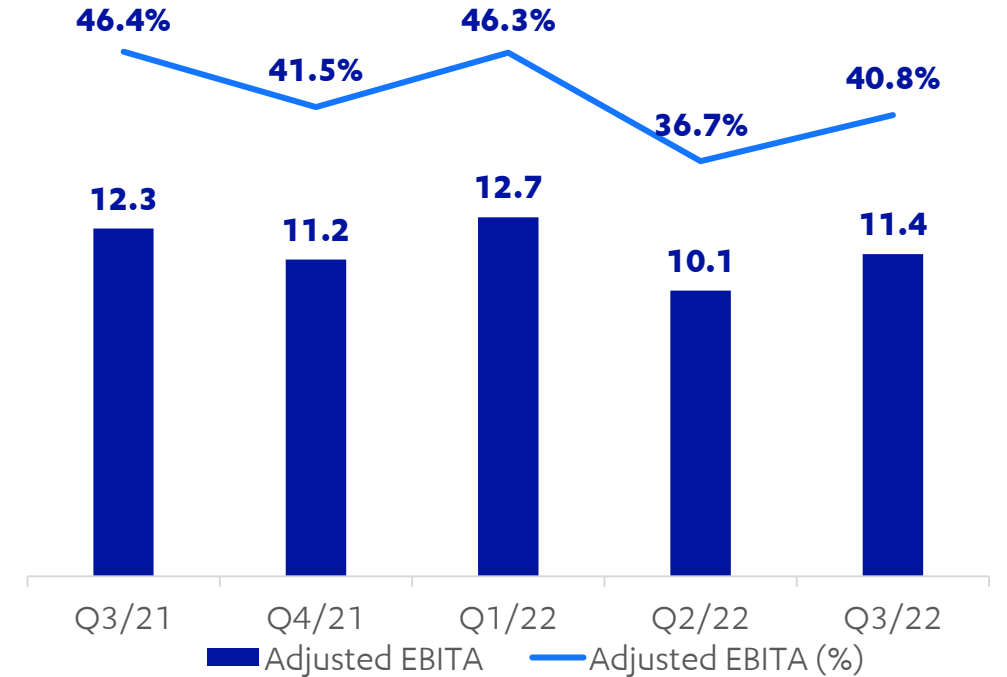
EURm



- Gross margin increased by EUR 1.4 million to 25.7 million (EUR 24.3 million) and was 92.0% of revenue (91.8%).

Adjusted EBITA and adjusted EBITA margin

EURm

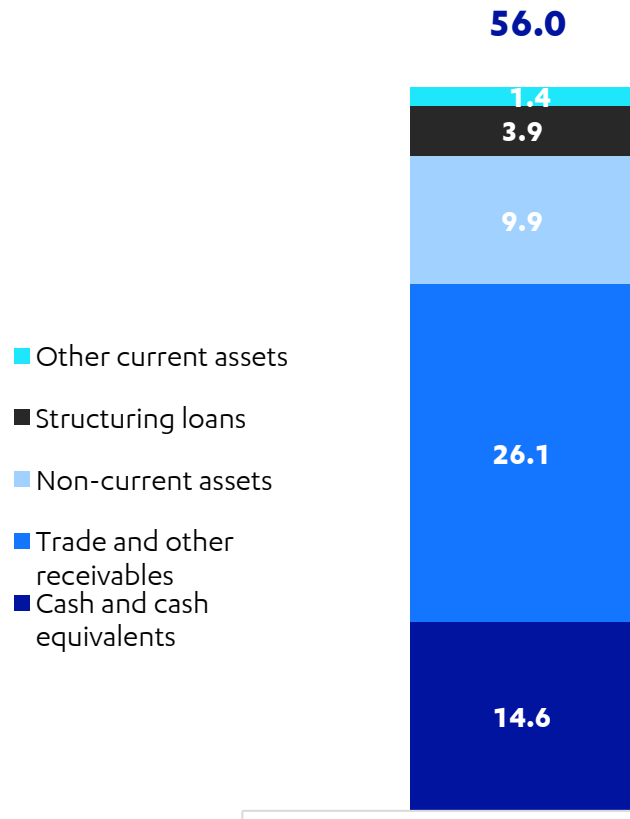


- Profitability in the third quarter was burdened by increased administration costs, as we are still building up and strengthening our operations as an independent company.

BALANCE SHEET OVERVIEW

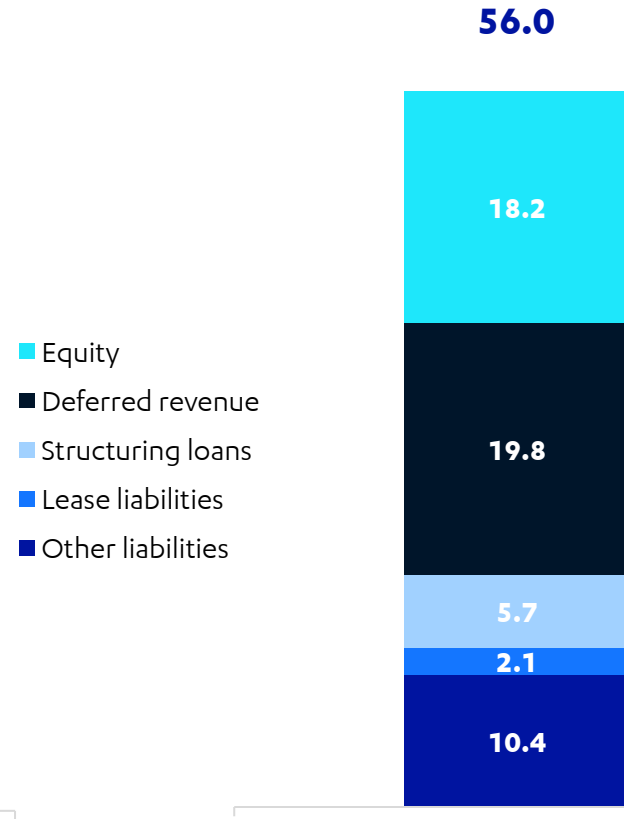
Assets at 30.9.2022

EURm



Equity and liabilities at 30.9.2022

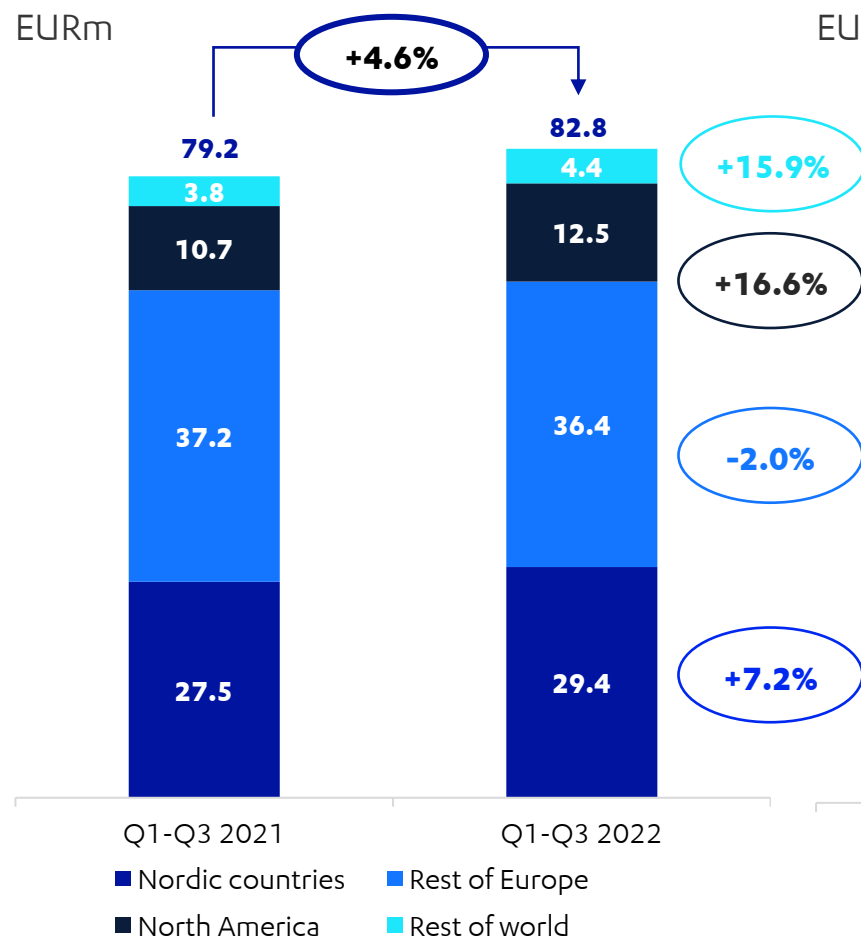
EURm



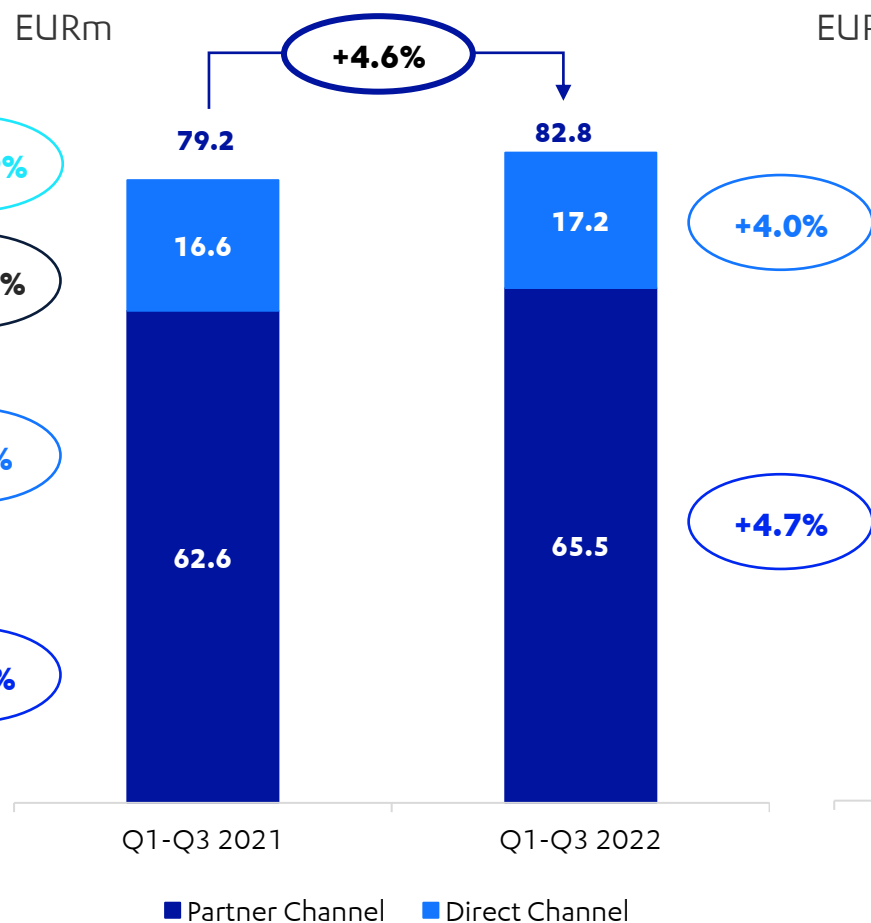
- Solid cash position
- Receivables and interest-bearing liabilities due to forming the legal standalone subsidiary structure. F-Secure payables totaled in EUR 5.7 million and the receivables totaled EUR 3.9 million.

F-SECURE Q1-Q3/2022 IN BRIEF

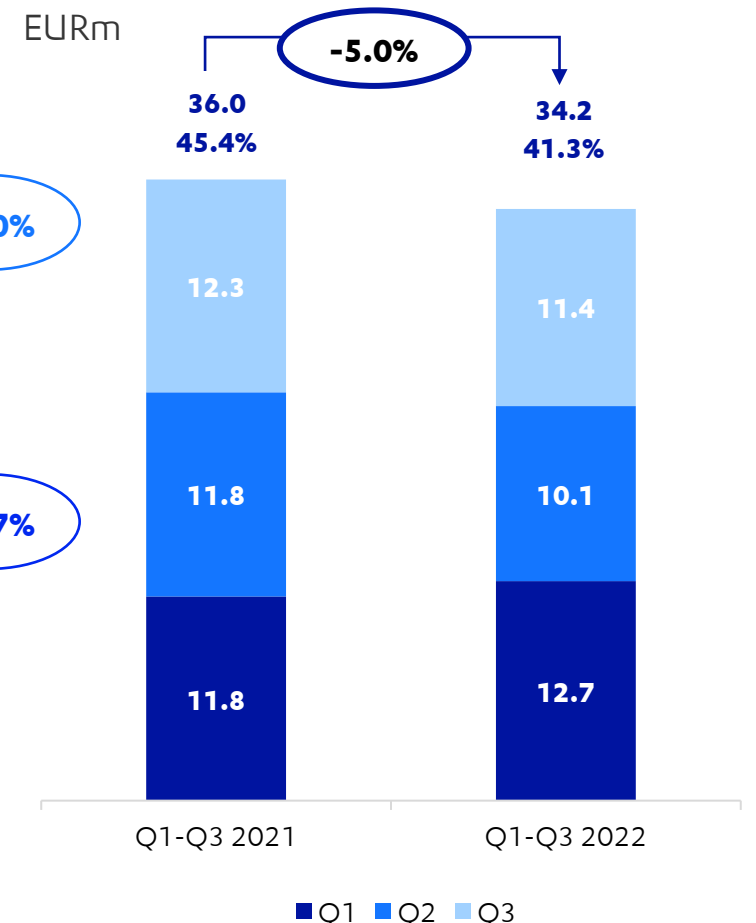
Revenue by geography



Revenue by channel



Adjusted EBITA



OUTLOOK FOR 2022

(UNCHANGED)

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)

(UNCHANGED)

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



Q&A



F-Secure®