IMPROVED PROFITABILITY WITH EBITDA MARGIN OF 13%
KEY TAKEAWAYS FROM Q1-2020

Improved profitability with EBITDA margin of 13%
• F-Secure has ensured full business continuity to the customers despite COVID-19
• Corporate security products revenue grew 4%
  • Managed Detection and Response (MDR) revenue grew strongly
  • Endpoint security continued slight and steady growth
• Cyber security consulting grew by 3%
  • Strong growth excluding a particularly large project in the Nordics that is coming to finalization phase
• Consumer security revenue at the previous year’s level
• Adjusted EBITDA at the high end of our expectations – margin 13%
# COVID-19 PANDEMIC CONSIDERATIONS

<table>
<thead>
<tr>
<th>Employees</th>
<th>▪ Health and safety of our employees is a key priority</th>
</tr>
</thead>
</table>
| Business continuity | ▪ All cybersecurity operations protecting our customers remained unaffected  
▪ Smooth transition to remote work |
| Business impact | ▪ Financial outlook for 2020 withdrawn due to market uncertainties  
▪ Impact from COVID-19 pandemic mainly seen on our consulting business  
▪ Slowdown in new sales of advanced cyber security solutions seen as a risk |
| Mitigation | ▪ Scenario planning to prepare for different COVID-19 outcomes  
▪ Implement potential mitigating actions when necessary  
▪ Active management of cash, costs and working capital to secure liquidity |
STRONG LIQUIDITY & FINANCING POSITION TO OVERCOME MARKET TURBULENCE

(EUR million)

Debt financing available

On 24 April F-Secure withdrew 10M€ from the RCF to strengthen its liquidity further.

Cash Flow from operating activities

Strong cash conversion in Q1/2020 due to improved profitability and collection performance.

Upcoming Term Loan repayments

Term Loan repayments in 2020-2022 are due at the end of second quarter (3M€) and at the year end (3M€).

Development of liquid assets

Strong cash balance despite payment of MWR InfoSecurity earnout (3,7M€) in Q1.

1Cash and financial assets at fair value through P&L
## NEED FOR CYBERSECURITY IS CONSTANT

**Threat actors seeking new attacking angles constantly**

- Average cost of an attack per day: **18 659€**
- Average time to detect a breach: **+100 DAYS**
- Average time to resolve an attack: **46 DAYS**
- Attack traffic grown by **3x**
- IoT device insecurity top driver of attack traffic
- Consumers seeing themselves as likely victim of identity theft: **71%**

**Long term market drivers unchanged**
CASE STUDY: THE UNEXPECTED DOUBLE BREACH

Day -514
Initial Nation State Actor A compromise

Day -24
Initial breach by Global CyberCrime Group

Day 1
Client engaged F-Secure Incident Response

Day 2
F-Secure Countercept deployed to support investigation

Day 4
Nation State Actor A identified

Days 12-19
Containment of Global Cybercrime Group

Days 19-25
Containment of Nation State Actor A
## IMPROVED PROFITABILITY

**(Financial Highlights 1-3/2020)**

<table>
<thead>
<tr>
<th>EUR million</th>
<th>1-3/2020</th>
<th>1-3/2019</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>54.8</td>
<td>53.4</td>
<td>3 %</td>
</tr>
<tr>
<td>Consumer security</td>
<td>24.4</td>
<td>24.0</td>
<td>1 %</td>
</tr>
<tr>
<td>Corporate security</td>
<td>30.4</td>
<td>29.4</td>
<td>4 %</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong>¹</td>
<td>7.2</td>
<td>5.0</td>
<td>44 %</td>
</tr>
<tr>
<td>% of revenue</td>
<td>13 %</td>
<td>9 %</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>3.6</td>
<td>0.6</td>
<td>477 %</td>
</tr>
<tr>
<td>% of revenue</td>
<td>7 %</td>
<td>1 %</td>
<td></td>
</tr>
<tr>
<td><strong>Net Debt</strong>²</td>
<td>13.6</td>
<td>25.1</td>
<td>-46 %</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>8.4</td>
<td>-1.4</td>
<td></td>
</tr>
<tr>
<td>Earnings per share (EUR)³</td>
<td>0.01</td>
<td>-0.01</td>
<td></td>
</tr>
<tr>
<td>Personnel, end of period</td>
<td>1,688</td>
<td>1,680</td>
<td>0 %</td>
</tr>
</tbody>
</table>

¹ Adjustments are material items outside normal course of business associated with acquisitions, integration, restructuring, gains or losses from sales of businesses and other items affecting comparability.
² Net Debt = Interest bearing liabilities (including IFRS16 liabilities) - Cash and financial assets at fair value through P&L
³ Based on the weighted average number of outstanding shares during the period 157,835,454 (1-3/2020)
CORPORATE SECURITY PRODUCTS REVENUE GREW 4%

(1-3/2020, EUR million)

Revenue from endpoint security continued slight and steady growth
- Good renewal performance with existing installations
- Positive quarter in new sales of Endpoint Protection Suite in most of the sites
- Increasing demand for solutions that are sold adjacent to EPP, such as could platform security or vulnerability management

Strong revenue growth from Managed Detection and Response solutions (F-Secure Countercept)
- Some considerable-sized deals in demanding customer verticals such as industrial manufacturing and critical infrastructure in several European countries
  - Significant win in telecom and media
- The new customer acquisition of advanced solutions may show signs of slowdown if the COVID-19 pandemic prolongs due to high touch sales approach and long sales cycles
**CYBER SECURITY CONSULTING REVENUE GREW 3%**

(1-3/2020, EUR million)

<table>
<thead>
<tr>
<th></th>
<th>Q1/19</th>
<th>Q2/19</th>
<th>Q3/19</th>
<th>Q4/19</th>
<th>Q1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>11.6</td>
<td>12.1</td>
<td>11.9</td>
<td>14.4</td>
<td>11.9</td>
</tr>
</tbody>
</table>

Cyber security consulting strong growth continued excluding a particularly large project in the Nordics

- In the Nordics, a particularly large project came to its finalization phase, which meant a reduction in scope when compared to the previous year
- Apart from this, the revenue of consulting grew in line with the last quarters of 2019
- Strong performance in Singapore and in the Nordics during Q1
- By the end of the quarter we started to see the market uncertainties clearly impacting new sales and we believe that consulting will be negatively affected due to the pandemic
CONSUMER SECURITY – AT THE PREVIOUS YEAR’S LEVEL

(1-3/2020, EUR million)

Revenue comparison

<table>
<thead>
<tr>
<th></th>
<th>Q1/19</th>
<th>Q2/19</th>
<th>Q3/19</th>
<th>Q4/19</th>
<th>Q1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from the operator channel remained at the previous year’s level</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
- The resilient operator channel continued its stable performance
- Nifty (Japan) first of our operator partners to launch ID PROTECTION
- Reassuring feedback from the operator partners related to the market environment

Revenue from direct sales remained at the previous year’s level
- The renewal performance continued at a good level
- The beginning of the year was good especially for ecommerce while the retail sales were impacted slightly by the pandemic
F-SECURE’S Q1/2020 IN BRIEF

(EUR million, 1-3/2020)

Revenue split & growth by business

- Cyber Security Consulting: +3%
- Corporate Products: +4%
- Consumer Security: +1%

Q1/2019: 53.4
Q1/2020: 54.8

Revenue split & growth by geography

- Nordics: -6%
- Europe (excl. Nordics): +6%
- North America: +26%
- Other Regions: +1%

Q1/2019: 53.4
Q1/2020: 54.8

Adjusted EBITDA

Q1/2019: 5.0
Q1/2020: 7.2

+44%
APPENDIX
ADJUSTED EBITDA DEVELOPMENT
(Q1/2019 – Q1/2020, EUR million)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjusted EBITDA</th>
<th>Adjusted EBITDA margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/19</td>
<td>5.0</td>
<td>9%</td>
</tr>
<tr>
<td>Q2/19</td>
<td>4.8</td>
<td>9%</td>
</tr>
<tr>
<td>Q3/19</td>
<td>6.8</td>
<td>13%</td>
</tr>
<tr>
<td>Q4/19</td>
<td>6.6</td>
<td>12%</td>
</tr>
<tr>
<td>Q1/20</td>
<td>7.2</td>
<td>13%</td>
</tr>
</tbody>
</table>

Other operating income:
- Other operating income: 9.1
- Impairment: -6.0
- Restructuring: -4.6
- Depreciation & Amortization: -4.4

EBIT:
- Q1/19: 0.6
- Q2/19: 3.3
- Q3/19: 2.5
- Q4/19: 0.8
- Q1/20: 3.6

EBIT margin (%):
- Q1/19: 1%
- Q2/19: 6%
- Q3/19: 5%
- Q4/19: 1%
- Q1/20: 7%

1 Contingent consideration