SOLID GROWTH IN CORPORATE SECURITY PRODUCTS

Q3/2021 Highlights

Juhani Hintikka, President & CEO
KEY TAKEAWAYS FROM Q3/2021

Solid growth in corporate security products
• Group revenue grew by 8% which combined with our scalable business model resulted in adjusted EBITDA margin of 19%
• The revenue growth from corporate security products accelerated to 13%
  • In business security software strong demand for our cloud-native solutions
  • In Managed Detection and Response (MDR) our focus on key verticals resulted in deals with several new customers
• The cyber security consulting revenue grew by 2%
• Consumer security continued on a growth path - revenue grew 6%
• Ongoing strategic review to find a company structure that:
  • enables optimal capital allocation
  • maximizes shareholder value in the long term
OUR PORTFOLIO FOR BUSINESSES

SOFTWARE

ENDPOINT PROTECTION
ENDPOINT DETECTION AND RESPONSE
COLLABORATION PROTECTION
VULNERABILITY MANAGEMENT
CLOUD PROTECTION FOR SALESFORCE

SOLUTIONS

MANAGED DETECTION AND RESPONSE
CYBER SECURITY CONSULTING

ELEMENTS

ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING
RESEARCH AND THREAT INTELLIGENCE
DATA

SERVITIZE
PRODUCTIZE
REVENUE GROWTH FROM CORPORATE SECURITY PRODUCTS ACCELERATED TO 13% IN Q3

(Corporate security products, 1-9/2021, EUR million)

**Revenue comparison**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>1-9/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue from business security software grew</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Demand for our cloud-native solutions translated into strong order growth for EDR and Cloud Protection for Salesforce</td>
<td></td>
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<td></td>
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<tr>
<td>Positive traction around ELEMENTS platform</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Good renewal performance</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Revenue from Managed Detection and Response (MDR) solutions (F-Secure Countercept) grew</strong></td>
<td></td>
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</tr>
<tr>
<td>Several new customers from key verticals: manufacturing, technology and financial service industries</td>
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<tr>
<td>New sales particularly strong in Germany</td>
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<tr>
<td>New deals also in countries such as the USA and UK</td>
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</tbody>
</table>
REGIONAL VARIATIONS IN CYBER SECURITY CONSULTING CONTINUED

(Cyber security consulting, 1-9/2021, EUR million)

Revenue comparison

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>1-9/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>32.0</td>
<td>50.0</td>
<td>45.8</td>
<td>45.8</td>
</tr>
<tr>
<td>Q3</td>
<td>10.1</td>
<td>11.9</td>
<td>10.9</td>
<td>11.2</td>
</tr>
</tbody>
</table>

**Cyber security consulting revenue grew by 2%**

- Regional variations in business performance continued, as COVID-19 related restrictions still had a negative impact.
- Business performance was impacted due to not having enough highly specialized experts needed to meet the customer demand.
- Good demand for subscription-based services.
- Customers’ technology-driven business strategies create demand for high-value services that require deep expertise from cloud environments.
CONSUMER SECURITY CONTINUED ON A GROWTH PATH – REVENUE UP BY 6%

(Consumer security, 1-9/2021, EUR million)

Revenue from the service provider channel grew

- Growth driven by the sales of our whole portfolio
- Device activations increased and renewal performance solid
- Partnership approach resulted in some existing service providers signing new deals to add more F-Secure products to their offering
- In the long-term F-Secure SENSE and F-Secure ID PROTECTION provide a further growth opportunity

Revenue from direct sales to consumers grew

- Growth driven by the increasing share of our bundled solution, F-Secure TOTAL
- The renewal performance continued on a good level

Revenue comparison

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>1-9/2021</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>23.8</td>
<td>23.4</td>
<td>25.0</td>
<td>26.5</td>
</tr>
</tbody>
</table>

+6% Q3
ID PROTECTION - CONSUMER BEHAVIOR AND CHANGES IN OPERATIVE LANDSCAPE CREATE BUSINESS OPPORTUNITIES

COMPROMISES

On average 5 public data compromises each day during Q3/2021\(^1\)

RISK

80% of consumers believe they are at risk of identity theft

ENGAGEMENT

Increase interaction between service providers and end customers

PASSWORDS

123456 Bonjour Whatever

Common weak passwords, also re-used across services

AWARENESS

Increasing awareness of identity protection solutions outside USA

COMMITMENT

25 deals with service provider partners

Source: F-Secure global market survey Q3/2021
\(^1\)Identity Theft Resource Center Q3/2021
F-SECURE’S 1-9/2021 IN BRIEF

(F-Secure Group, 1-9/2021, EUR million)

### Revenue split & growth by business
- **Cyber Security Consulting**: +7%
- **Corporate Products**: +9%
- **Consumer Security**: +7%

### Revenue split & growth by geography
- **Nordics**: +9%
- **North America**: +3%
- **Europe (excl. Nordics)**: +7%
- **Other Regions**: +10%

### Adjusted EBITDA YTD
- **1-9/2018**: 12.6
- **1-9/2019**: 16.6
- **1-9/2020**: 28.4
- **1-9/2021**: 28.8

*Revenue growth: +8%*
Q3 adjusted EBITDA - best performance to date in 2021

Q3/2021 Financial review

Tom Jansson, CFO
### ADJUSTED EBITDA AT 11 MEUR – 19% MARGIN

(F-Secure Group, EUR million)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>58.7</td>
<td>54.5</td>
<td>8 %</td>
<td>174.6</td>
<td>162.3</td>
<td>8 %</td>
<td>220.2</td>
</tr>
<tr>
<td>Consumer security</td>
<td>26.5</td>
<td>25.0</td>
<td>6 %</td>
<td>79.2</td>
<td>74.2</td>
<td>7 %</td>
<td>100.1</td>
</tr>
<tr>
<td>Corporate security products</td>
<td>21.0</td>
<td>18.5</td>
<td>13 %</td>
<td>60.7</td>
<td>55.2</td>
<td>9 %</td>
<td>74.3</td>
</tr>
<tr>
<td>Cyber security consulting</td>
<td>11.2</td>
<td>10.9</td>
<td>2 %</td>
<td>34.8</td>
<td>32.6</td>
<td>7 %</td>
<td>45.8</td>
</tr>
<tr>
<td>Adjusted EBITDA¹</td>
<td>11.0</td>
<td>11.0</td>
<td>0 %</td>
<td>28.8</td>
<td>28.4</td>
<td>1 %</td>
<td>35.7</td>
</tr>
<tr>
<td>% of revenue</td>
<td>19 %</td>
<td>20 %</td>
<td></td>
<td>16 %</td>
<td>18 %</td>
<td></td>
<td>16 %</td>
</tr>
<tr>
<td>EBIT</td>
<td>7.2</td>
<td>6.9</td>
<td>4 %</td>
<td>15.7</td>
<td>16.5</td>
<td>-5 %</td>
<td>19.7</td>
</tr>
<tr>
<td>% of revenue</td>
<td>12 %</td>
<td>13 %</td>
<td></td>
<td>9 %</td>
<td>10 %</td>
<td></td>
<td>9 %</td>
</tr>
<tr>
<td>Net Debt²</td>
<td>-12.9</td>
<td>6.4</td>
<td></td>
<td>-11.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from operations before financial items and taxes</td>
<td>3.9</td>
<td>7.9</td>
<td>-51 %</td>
<td>23.1</td>
<td>28.9</td>
<td>-20 %</td>
<td>48.3</td>
</tr>
<tr>
<td>Earnings per share (EUR)³</td>
<td>0.04</td>
<td>0.03</td>
<td>10 %</td>
<td>0.07</td>
<td>0.06</td>
<td>16 %</td>
<td>0.08</td>
</tr>
<tr>
<td>Personnel, end of period</td>
<td>1,689</td>
<td>1,693</td>
<td>0 %</td>
<td>1,678</td>
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</tr>
</tbody>
</table>

¹Adjustments 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.

²Net Debt = Interest bearing liabilities (including IFRS16 liabilities) - Cash and financial assets at fair value through P&L

³Based on the weighted average number of outstanding shares during the period 158,342,807 (1-9/2021).
# Deferred Revenue Growth Driven by Business Security Software and Managed Detection and Response

(F-Secure Group, EUR million)

## Deferred Revenue\(^1\)

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</thead>
<tbody>
<tr>
<td>Non-current</td>
<td>52.6</td>
<td>56.4</td>
<td>54.4</td>
<td>53.2</td>
<td>51.7</td>
<td>57.2</td>
<td>56.8</td>
<td>57.3</td>
<td>56.7</td>
</tr>
<tr>
<td>Current</td>
<td>17.6</td>
<td>17.6</td>
<td>19.2</td>
<td>19.1</td>
<td>20.3</td>
<td>23.8</td>
<td>27.2</td>
<td>25.9</td>
<td>24.8</td>
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</table>

## Deferred Revenue\(^1\) Growth

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current</td>
<td>-5%</td>
<td>4%</td>
<td>2%</td>
<td>10%</td>
<td>10%</td>
<td>15%</td>
<td>35%</td>
<td>41%</td>
<td>36%</td>
</tr>
<tr>
<td>Current</td>
<td>0%</td>
<td>-2%</td>
<td>2%</td>
<td>4%</td>
<td>8%</td>
<td>10%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
</tr>
</tbody>
</table>

\(^1\)Non-current deferred revenue = recognized as revenue after the next 12 months onwards

Current deferred revenue = recognized as revenue within the next 12 months
INCREASE IN OPERATIVE EXPENSES DURING Q3

(F-Secure Group, EUR million)

- During the comparative period operative expenses\(^1\) were at an unusually low level due to the COVID-19 pandemic outbreak
- Increase in sales commissions
- Research and development costs grew due to a headcount increase
- Salary inflation in several markets

\(^1\)Operating expenses excluding depreciation and amortization, and items affecting comparability (IAC)
PROFITABILITY DEVELOPMENT

(F-Secure Group, EUR million)

- Adjusted EBITDA
- Adjusted EBITDA margin (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjusted EBITDA (EUR million)</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>
<tr>
<td>Q2/20</td>
<td>10.2</td>
<td>19%</td>
</tr>
<tr>
<td>Q3/20</td>
<td>11.0</td>
<td>20%</td>
</tr>
<tr>
<td>Q4/20</td>
<td>7.3</td>
<td>13%</td>
</tr>
<tr>
<td>Q1/21</td>
<td>9.6</td>
<td>17%</td>
</tr>
<tr>
<td>Q2/21</td>
<td>8.1</td>
<td>14%</td>
</tr>
<tr>
<td>Q3/21</td>
<td>11.0</td>
<td>19%</td>
</tr>
</tbody>
</table>

Other operating income:
- Items Affecting Comparability
- Depreciation & Amortization

EBIT
- Q1/19: 0.6, 1%
- Q2/19: 3.3, 6%
- Q3/19: 2.5, 5%
- Q4/19: 0.8, 1%
- Q1/20: 3.6, 7%
- Q2/20: 6.0, 11%
- Q3/20: 6.9, 13%
- Q4/20: 3.1, 5%
- Q1/21: 6.2, 11%
- Q2/21: 2.4, 4%
- Q3/21: 7.2, 12%

EBIT margin (%)
- Q1/19: 9%
- Q2/19: 9%
- Q3/19: 13%
- Q4/19: 12%
- Q1/20: 19%
- Q2/20: 20%
- Q3/20: 17%
- Q4/20: 14%
- Q1/21: 11%
- Q2/21: 8.1
- Q3/21: 11.0

1 Contingent consideration
OPERATIVE CASH FLOW IMPACTED BY CHANGES IN NETWORKING CAPITAL

(F-Secure Group, EUR million)

- EUR4.1m

- Negative changes in networking capital impacted operative cash flow
  - Decrease in accounts payables
  - Payment of holiday pay done this year in Q3 whereas year before in Q4 as a precautionary measure due to COVID-19 related uncertainties
## OUTLOOK FOR 2021 UNCHANGED

(F-Secure Group, EUR million)

<table>
<thead>
<tr>
<th></th>
<th>2021 Outlook (unchanged)</th>
<th>Mid-term financial targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate security products, revenue</td>
<td>Expected to grow at a high single-digit rate.</td>
<td>Grow at a double-digit rate</td>
</tr>
<tr>
<td>Cyber security consulting, revenue</td>
<td>Expected to grow but uncertainty remains due to the COVID-19 pandemic.</td>
<td>Grow at a high single-digit rate</td>
</tr>
<tr>
<td>Consumer security, revenue</td>
<td>Expected to grow approximately at the same rate as in 2020.</td>
<td>Grow at a mid single-digit rate</td>
</tr>
<tr>
<td>Adjusted EBITDA, F-Secure Group</td>
<td>Expected to remain approximately at the previous year’s level.</td>
<td>Adjusted EBITDA margin improving towards 20%</td>
</tr>
</tbody>
</table>
Q&A