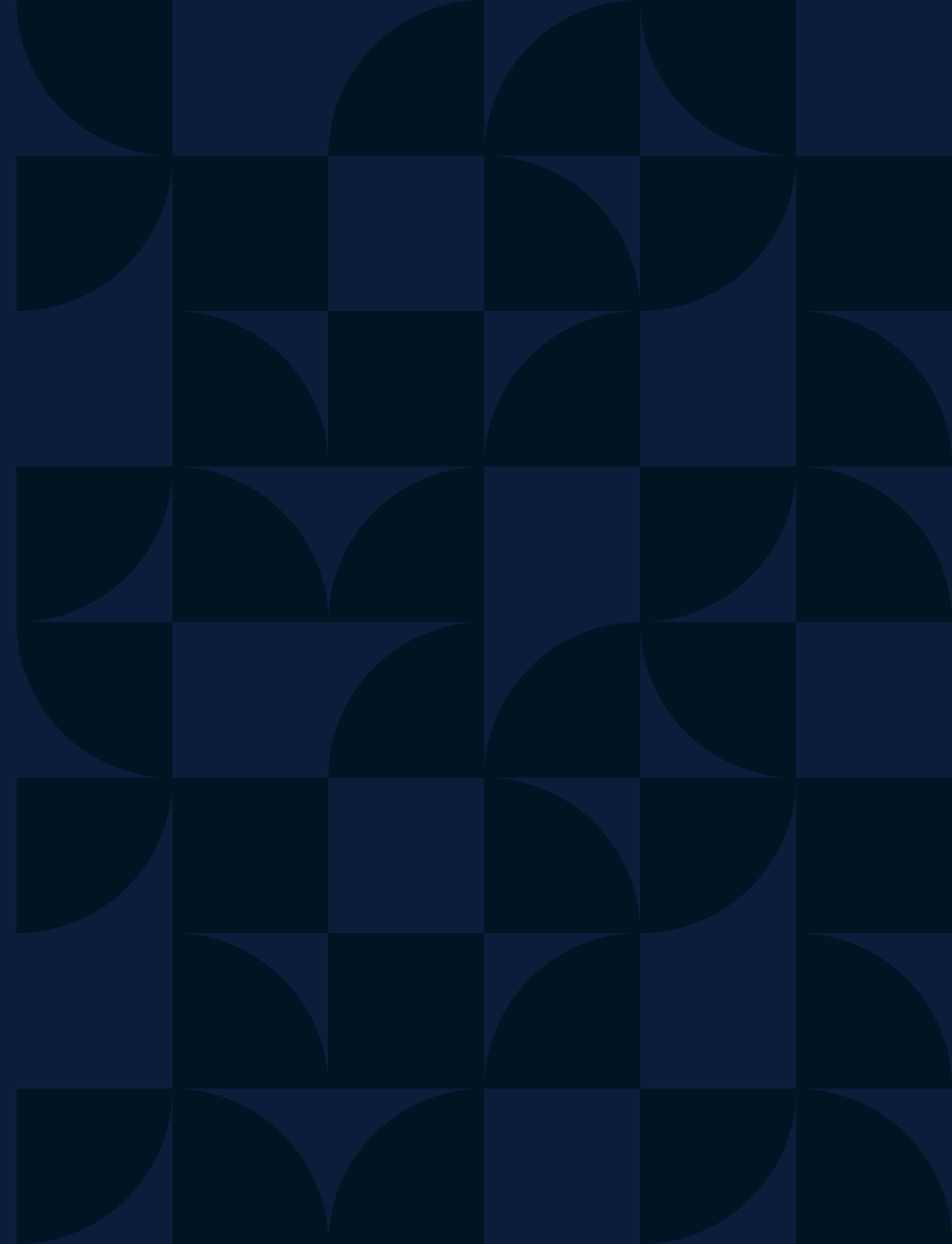




F-Secure Corporation

Investor Presentation
April–June 2023



Q1: Strategy execution continues

Colored by challenging market environment

Revenue growth of **1.6%** – weak performance especially within new sales

Market uncertainty continued, consumer sentiment weaker in the face of interest rate hikes and inflation – significant decline in device sales globally

Brand renewal and launch of the new generation **F-Secure Total** in Direct Channel

Planned **acquisition of Lookout Life**, US-based consumer focused mobile security business arm of Lookout Inc*



Progress in strategy execution in Q1/2023

	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 Q1:	<ul style="list-style-type: none"> Signed up 3 new partners for F-Secure Total 8 existing partners signed up for F-Secure Total upgrade New generation F-Secure Total launched in the Direct Channel in mid-February. 	<ul style="list-style-type: none"> Launch of F-Secure Sense with one operator in Denmark and another one in Netherlands Second partner for Embedded Security signed: leading Fintech company in Asia 	<ul style="list-style-type: none"> Joined forces with Allianz Partners Active pipeline development: Insurance companies, banks, payment providers

Short-term performance drivers

Growth drivers

- Weak consumer sentiment resulting in a global decline in devices, impact visible especially in new sales
- Partner Channel on a solid track, with new partners signing up and existing partners upgrading for Total
- Strong underlying demand, we expect the situation to improve already in the second quarter

Profitability drivers

- Strategic investments in growth and R&D investments to strengthen our independence is burdening our profitability
- TSA costs to terminate by the end of 2023

Other drivers

- FX impact in revenue
- Demand for cyber security solutions persists and our offering is more relevant than ever

Towards our strategic targets

2022



Independence

Establish F-Secure as an agile and empowered organization

- Demerger completed June 30, 2022
- Ramp-up of own business operations and building up capabilities as an independent company

2023



Total

Growth through Total and replacing stand-alone products

- Strong focus on the roll-out of F-Secure Total with important new vertical partnerships
- New generation F-Secure Total product launch starting in February 2023

2024



Innovation

2x Customer base with service that talks to people

- In-app communication
- Enhanced set of F-Secure digital moments
- Enhanced market reach through major service provider partners

2025



No.1 Security experience

Double-digit revenue growth

- Value proposition: Sense of Security on the internet
- Data-driven, context-aware user experience that guides users
- Service that educates users to get safer and savvier on the internet

Focus areas supporting growth

Brilliantly simple security experiences

- 1. All-in-one security suite**
Covers all key digital moments
- 2. Network security**
Protects households and people without needing to install an app
- 3. Embedded security (new)**
Adds security capabilities into apps and services consumers already trust

Expanding market reach

- 4. New verticals**
Banking, insurance, fintech and payments, and retail
- 5. Geographical expansion**
Increase presence in Japan, Asia-Pacific, and North America
- 6. New partnership models**
Develop reseller and integration partnerships for network security

Our purpose

We exist to make **every digital moment more secure**, for everyone

Our vision

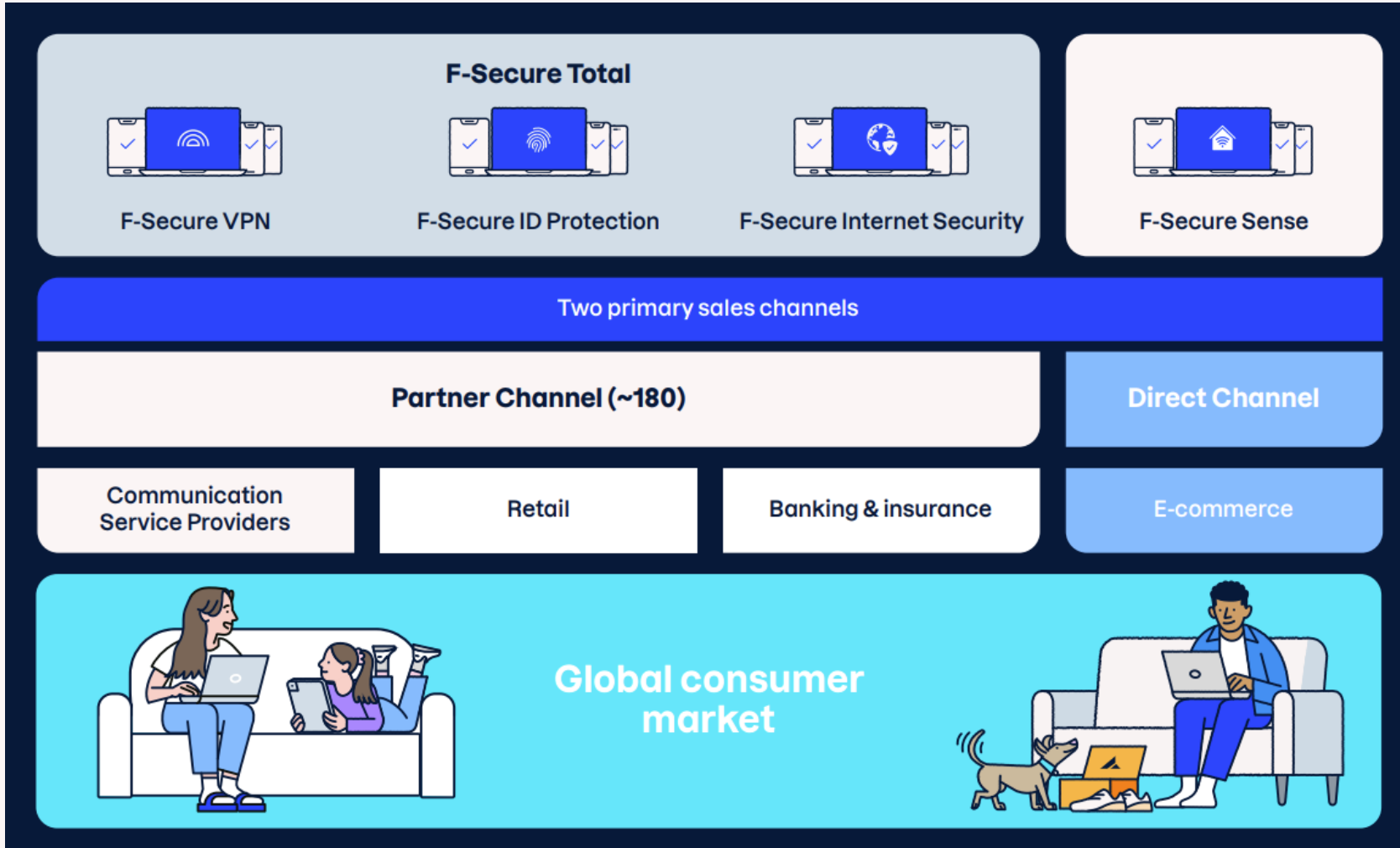
To become the **#1 security experience** company in the world

Our mission

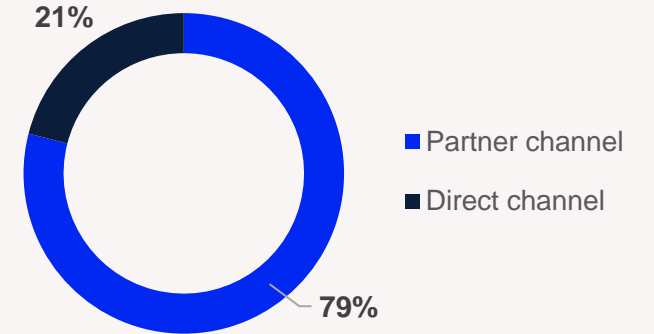
Continuously deliver brilliantly **simple, frictionless security experiences** to our customers and partners



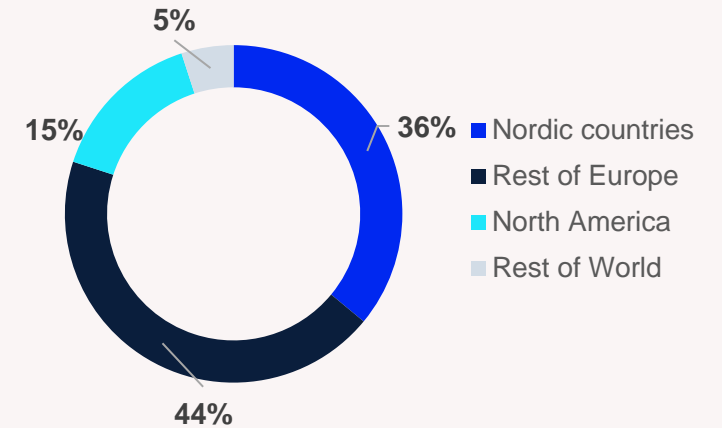
All-in-one integrated security experience



Revenue by channel, %*



Revenue by geography, %*



F-Secure portfolio

Securing every digital moment. Simplified.

Safe browsing &
Banking protection



Family rules

Malware protection



Identity protection

Privacy protection



Strong passwords

Smart home security



Protection on the go



Cyber Help



Use cases for premium security – peace of mind

Why premium security solution vs. free security

Covers all personal devices within all platforms

Holistic protection – all online needs are covered

Explicit protection: Safe shopping and banking

Great usability (NPS = 51)

Tech support, Cyber Help and self-help

Lack of trust against free versions

All the protection you need in one package



Internet security

Protection against viruses and ransomware, safe online shopping and banking



VPN/privacy protection

Keep your browsing private and stay safe from hackers, trackers, and intrusive companies



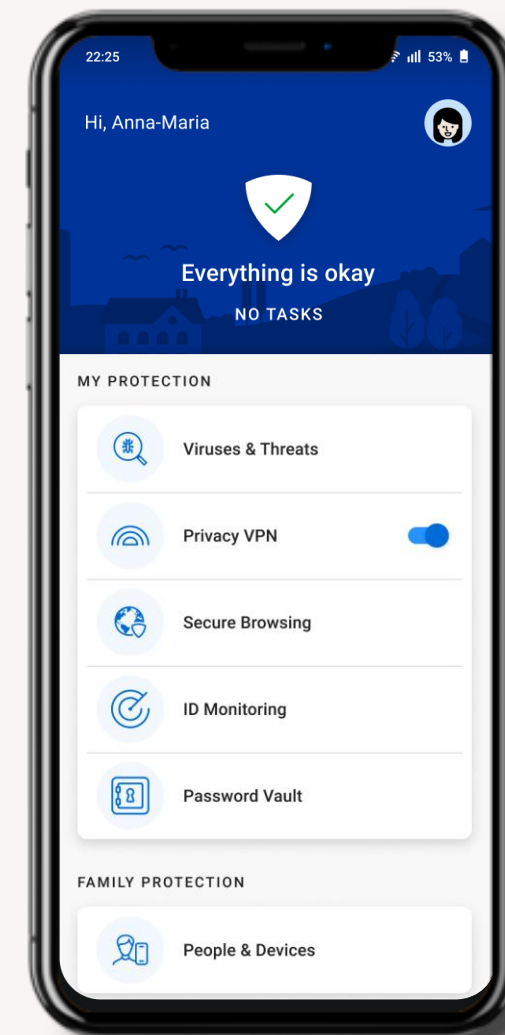
ID protection & password manager

Password management and online identity protection with real-time data breach alerts



Family protection

Protect every device in your family. Set healthy boundaries for children online



Brand renewal: The New F-Secure

Vision to become the No 1 security experience company in the world

The collage features several elements: a digital billboard with a family photo and the text 'Video chat with family'; a desktop website with the headline 'One app to secure your digital moments' and 'F-Secure TOTAL'; a smartphone showing the 'Password Vault' app with a list of entries including Amazon, Dropbox, Netflix, Spotify, My F-Secure, and Tumblr; and several lifestyle illustrations: a person gaming with 'Gaming Mode ON', a person working on a laptop with 'I'm totally F-Secure', a person running with 'F-Secured. Anytime, anywhere.', and a circular badge stating 'This device is F-Secured'.

Secure every digital moment

Your life online, F-Secured

Everything digital is protected

One app to secure every digital moment

Your life online, secured in one single app

All the protection you need in one brilliantly simple app

Financials

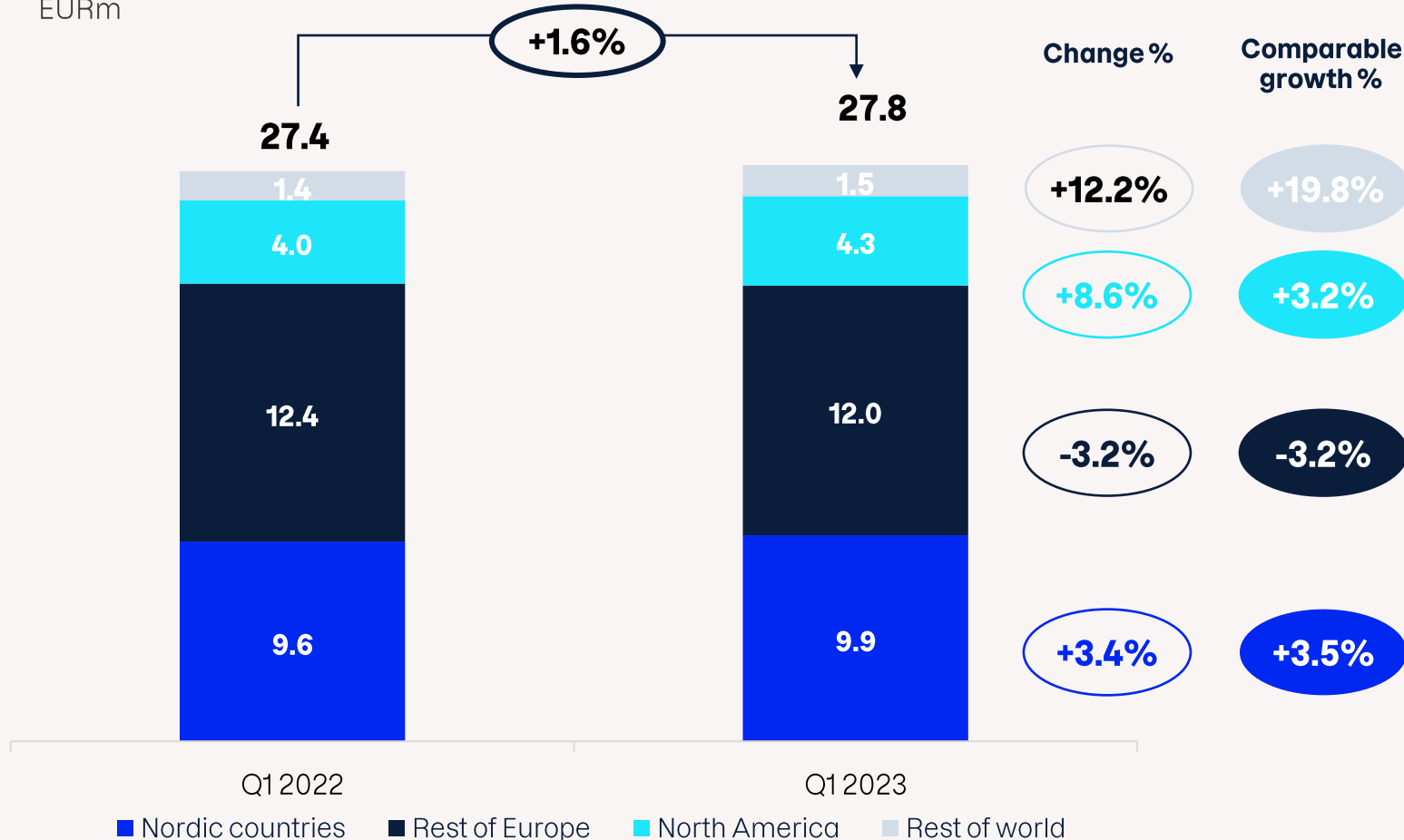


Q1: Revenue up by 1.6%

At comparable exchange rates, revenue increased by 1.2%

Revenue by geography

EURm



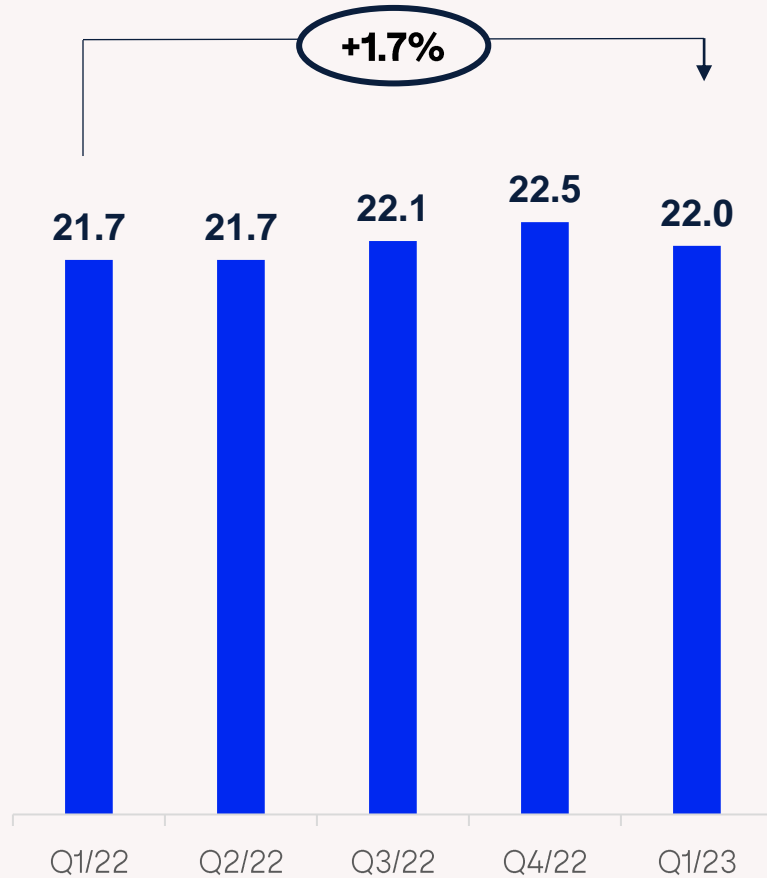
- Partner Channel: revenue increased by 1.7%
 - Sales increased especially in Asia-Pacific (APAC).
 - Growth in North America mainly attributable to a positive USD currency impact.
 - Regulatory change in Poland in 2021 has a continued negative impact on adoption rates on the local market.
- Direct Channel: revenue increased by 1.2%
 - Headwinds and market uncertainty reflected especially within new business sales.
 - F-Secure Total launched in mid-February but due to challenges in optimizing direct business performance the new sales activity was lower than expected

Q1 2023: Group revenue up by 1.6%

Partner business on a solid track, while eCommerce experienced strong headwinds in new sales

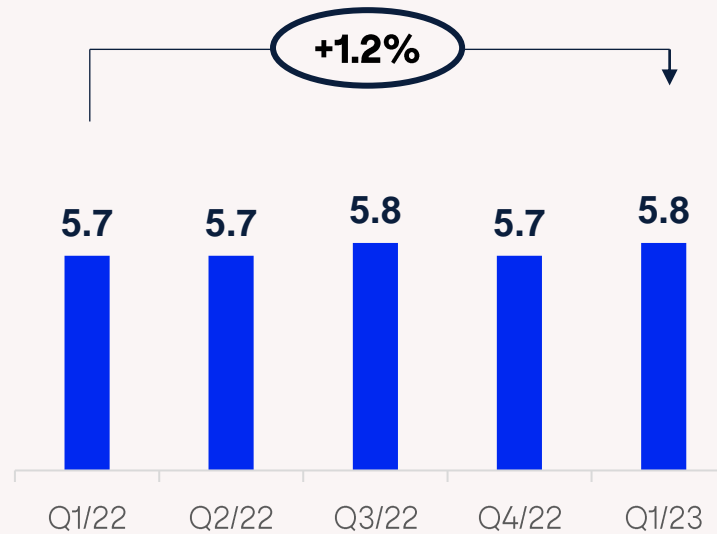
Partner channel revenue

EURm



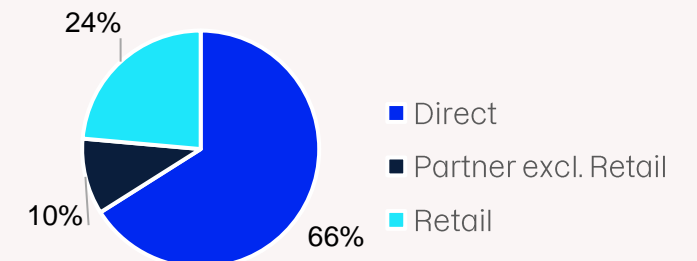
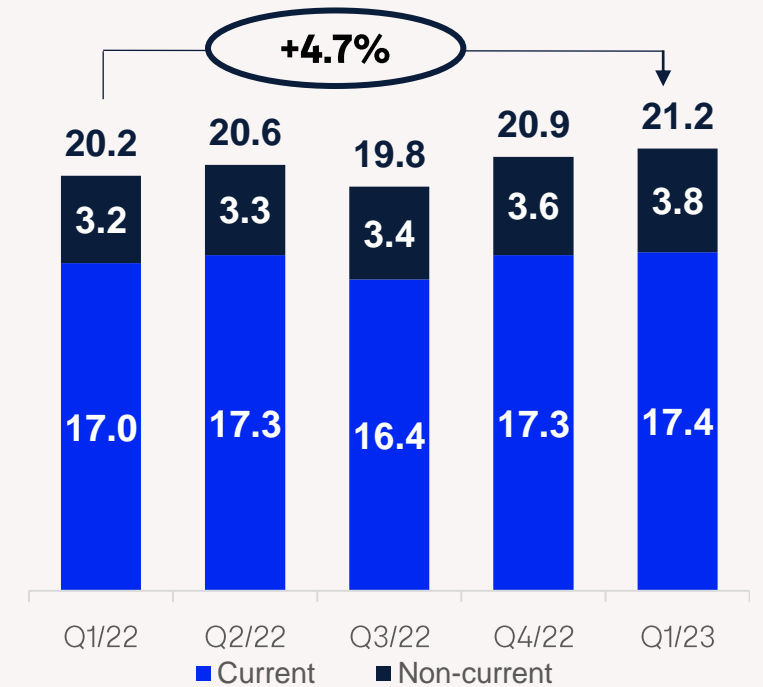
Direct channel revenue

EURm



Deferred revenue*

EURm

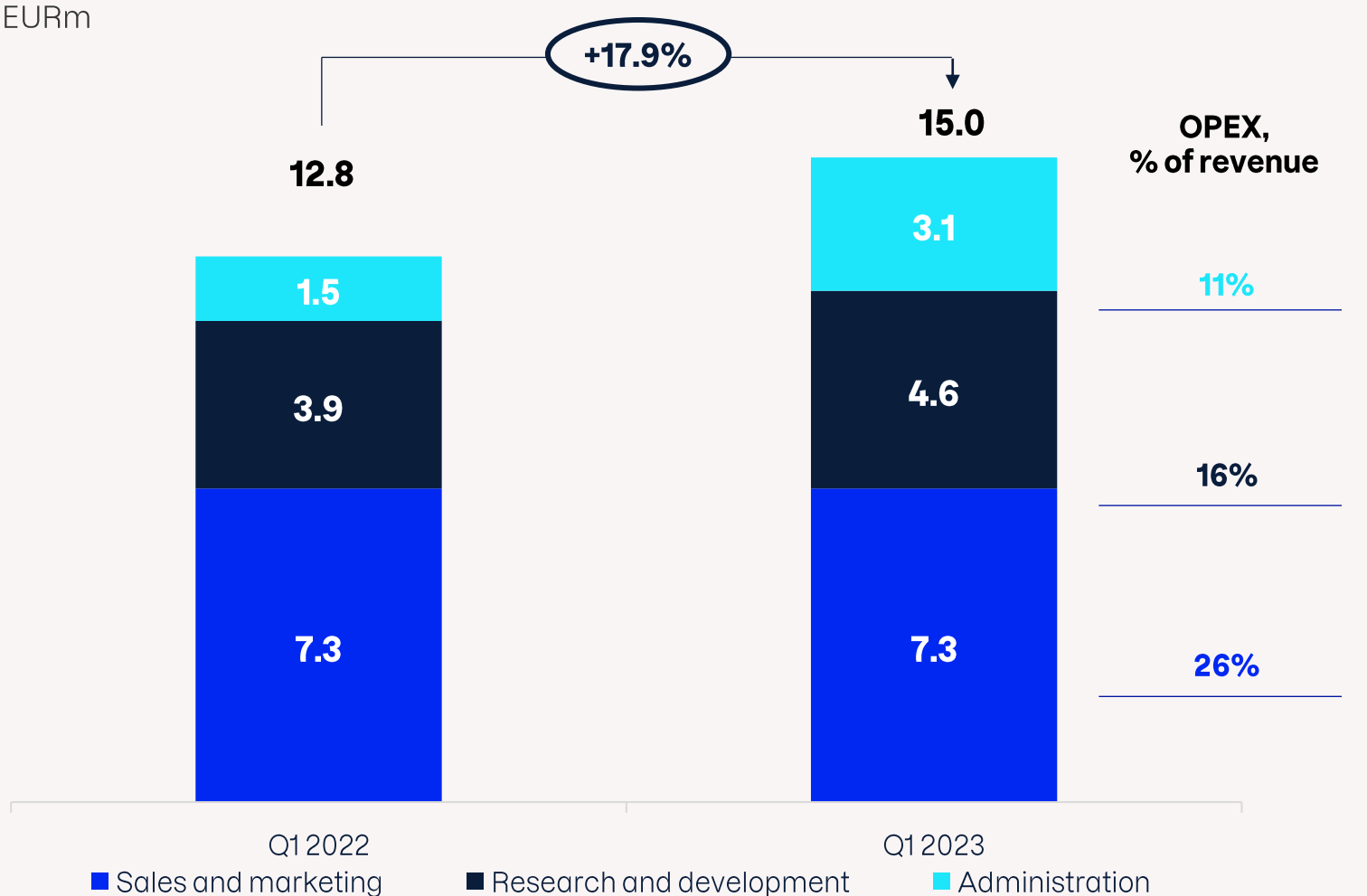


* Deferred revenue breakdown is indicative

Operating expenses in Q1

Figures for comparison period are not fully comparable

OPEX* development Q1



- Figures for comparison period are not fully comparable as the classification and allocation method used in carve-out vary from actuals.
- R&D expenses grew as planned due to increased investments in product development and human resources.

Transitional services agreements support independency

- 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.
- TSA costs in cost of revenue are planned to terminate latest by the end of 2023.
- Majority of the administration TSAs terminated at the end of 2022, and the rest of administration and all of R&D planned to terminate by the end of 2023.

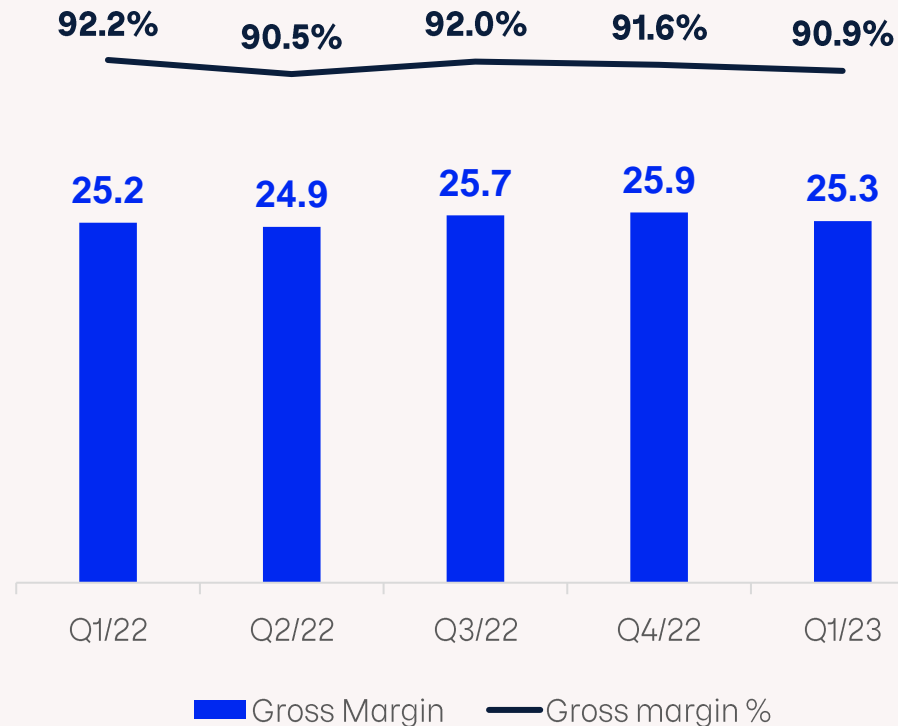
EURm	1-3/2023 Total	1-3/2023 TSA	7-12/2022 TSA
Cost of revenue	2.5	0.9	1.8
Operating expenses		1.4	7.2
R&D	4.6	0.8	1.9
Administration	3.1	0.5	5.2
Total		2.2	9.0

*TSA costs incurred only in the second half of the year.

Gross margin and adjusted EBITA development

Gross margin

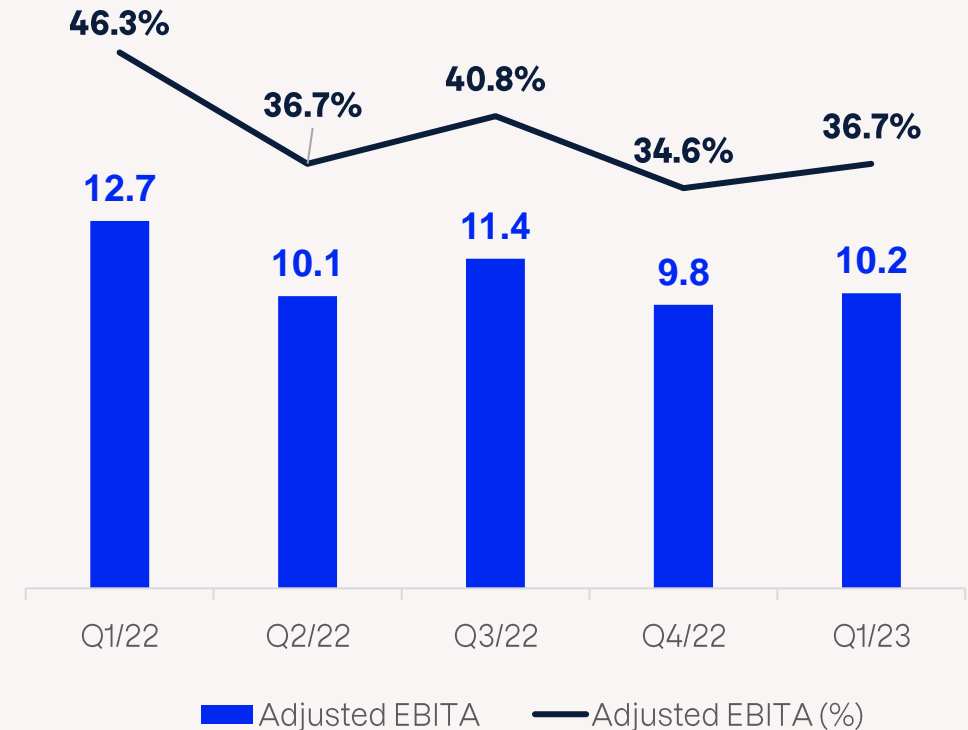
EURm



- Gross margin was 25.3 million (EUR 25.2 million) and 90.9% of revenue (92.2%).
- Gross margin on a slightly lower level due to increased costs in hosting and royalties.

Adjusted EBITA and adjusted EBITA margin

EURm



- Strategic investments in growth and R&D investments to strengthen our independence had a negative impact on profitability.
- Figures for the comparison period do not fully reflect F-Secure's profitability as a standalone entity.

Cash generation foundation remains healthy

Assets at 31.3.2023

EURm

71.7



Equity and liabilities at 31.3.2023

EURm

71.7



- Equity ratio followed by dividend payment was 26.5% (23.7%)
- Net cash was EUR 24.2 million (net debt of EUR 0.2 million)
- Receivables and interest-bearing liabilities due to forming the legal standalone subsidiary structure. F-Secure payables totaled in EUR 5.4 million and the receivables totaled EUR 3.7 million

Outlook 2023

On 26 April 2023, F-Secure announced the planned acquisition of Lookout Life. Subject to the completion of the acquisition, the transaction will have a financial impact on F-Secure.

At this point, **F-Secure will keep its 2023 outlook unchanged** until the schedule for the completion of the transaction is confirmed. Financial outlook for 2023 published in the financial statement release 2022 on 17 February 2023, **does not incorporate the impact of the now disclosed acquisition** on the company's revenue or adjusted EBITA for 2023.

Implications on financial outlook for 2023 will be announced later when a reasoned estimate can be made.

Outlook 2023 (unchanged):

F-Secure expects the global demand for cyber security solutions to grow while our operating environment has turned more challenging and consumer confidence remains unstable in the face of rising inflation, causing higher risk for weaker development on new business sales in the direct channel.

We have made a number of growth-related investments in 2022 and continue to do so in 2023. There is a level of uncertainty when these will have a concrete effect on our financial performance.

F-Secure expects revenue to grow by 4-8% year-on-year.

Adjusted EBITA for the full year 2023 is expected to be within 38-41%.

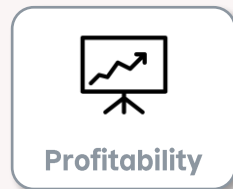
F-Secure continues to drive its business following Rule of 40 – the sum of revenue growth % and adjusted EBITA % is expected to be 42-49% based on the growth and profitability expectations.

Updates to medium-term financial targets

Current medium-term financial targets (by 2025)



- *High single-digit organic revenue growth*



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

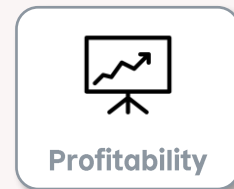


- *F-Secure aims to pay around or above 50% of net profit as dividend on an annual basis*

Planned new medium-term financial targets (by 2026)¹⁾



- *Total revenue of more than EUR 200 million by 2026*



- *Unchanged*



- *Unchanged*



- *Net debt / adjusted EBITDA ratio below 2.5x, excluding temporary impact from acquisitions*

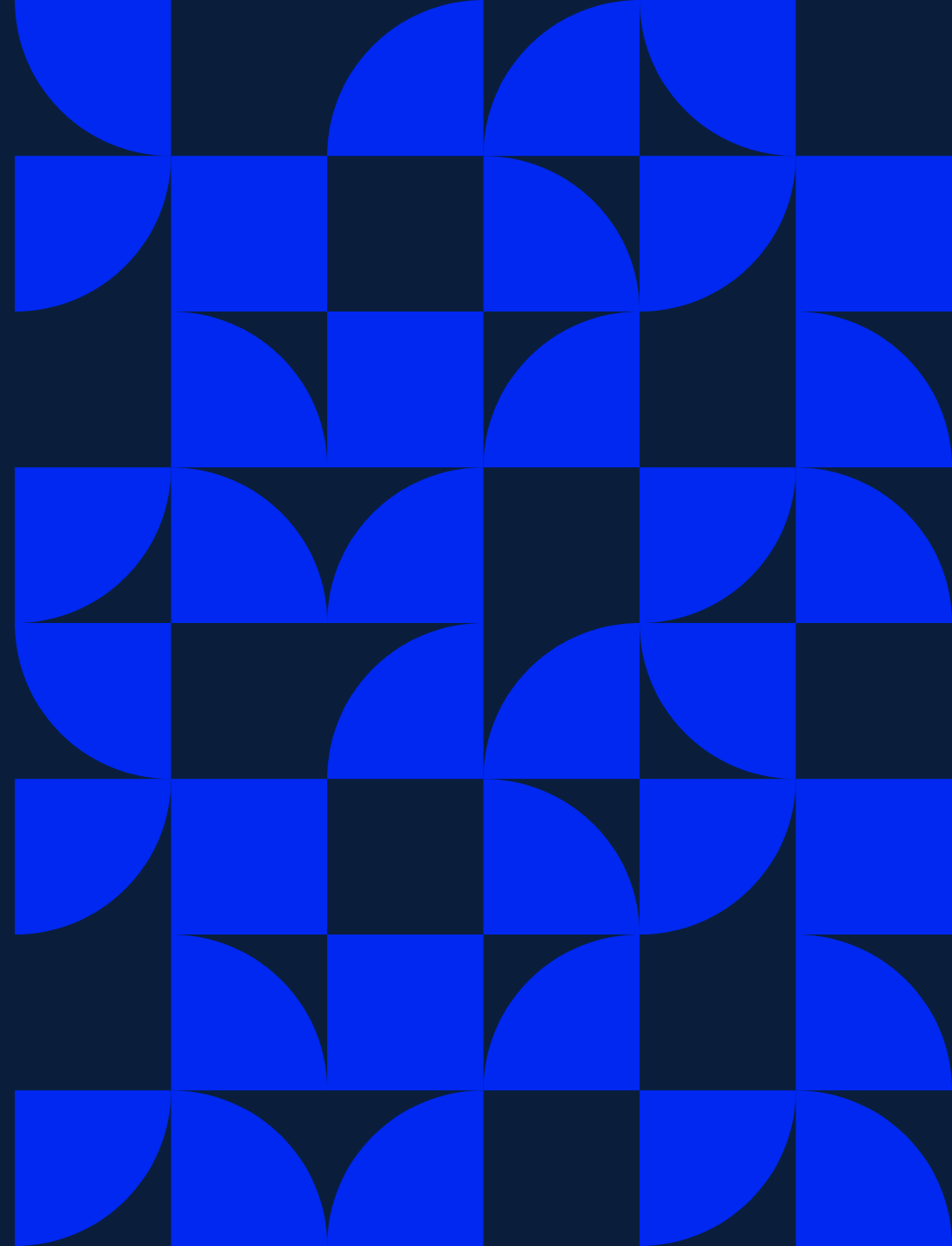
Target to consistently outperform market growth & Rule of 40 (unchanged)



F-Secure acquisition of mobile consumer security business unit of Lookout Inc.

Creating the #1 consumer security
experience company

26 April 2023



Compelling strategic and financial rationale



Increasing size of F-Secure nearly 3x in the fast growing US market and strengthening position as the **global leader in CSP channel**



Complementary mobile optimized product portfolio expanding consumer cyber security experience for **tens of millions of subscribers worldwide**



Shared company culture with strong competence and experience developing mobile products



Attractive combined financial profile with opportunity to **accelerate growth and improve profitability**



Transaction expected to deliver **significant value for shareholders**

 **F-Secure**

+


Lookout
Life

Lookout Life at a glance

Leading consumer focused mobile security platform

2007

Founded

EUR 36m

Revenue (FY 01/2023¹⁾)

EUR 14m

EBITA (FY 01/2023¹⁾)

38%

EBITA-% (FY 01/2023¹⁾)



Device Security

- Anti-virus & malware protection
- Locate, scream and signal flare
- Passcode check and theft alert



Identity Protection

- 24/7 live restoration support
- USD 1m theft insurance protection
- Lost wallet recovery assistance



Password Management

- Integrated identity and password protection for consumers
- Secure sensitive personal data



Privacy & Online Protection

- Safe browsing & Wi-Fi monitoring
- System privacy advisor
- Social media monitoring

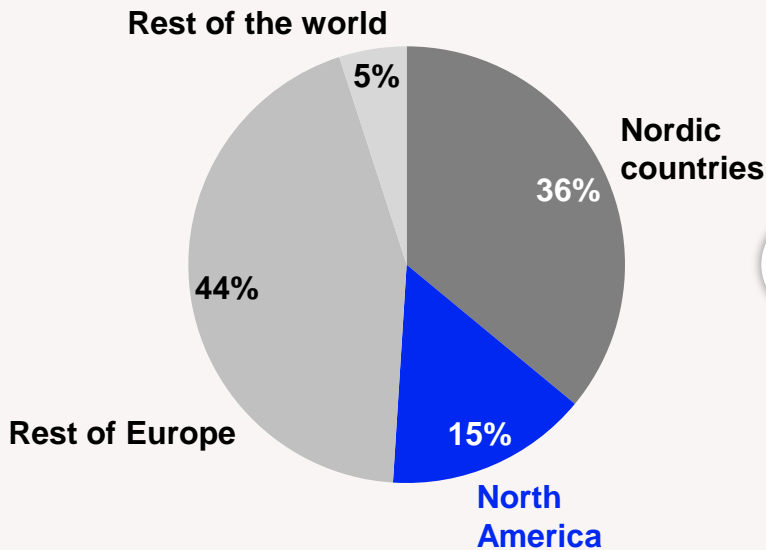




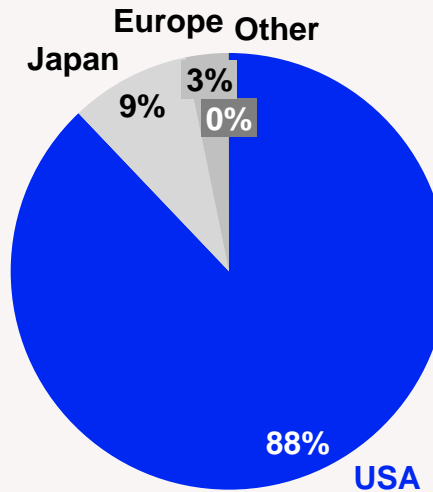
Significantly strengthened market position in the US...



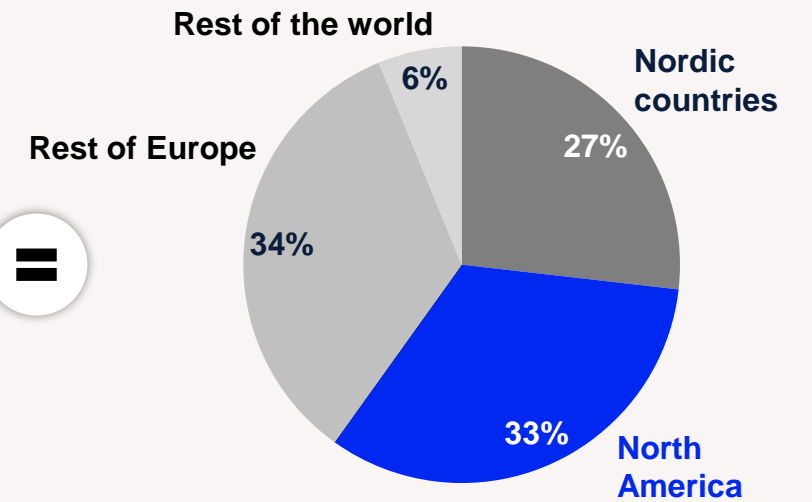
Revenue mix by geography



Revenue mix by geography¹⁾



Illustrative combined¹⁾



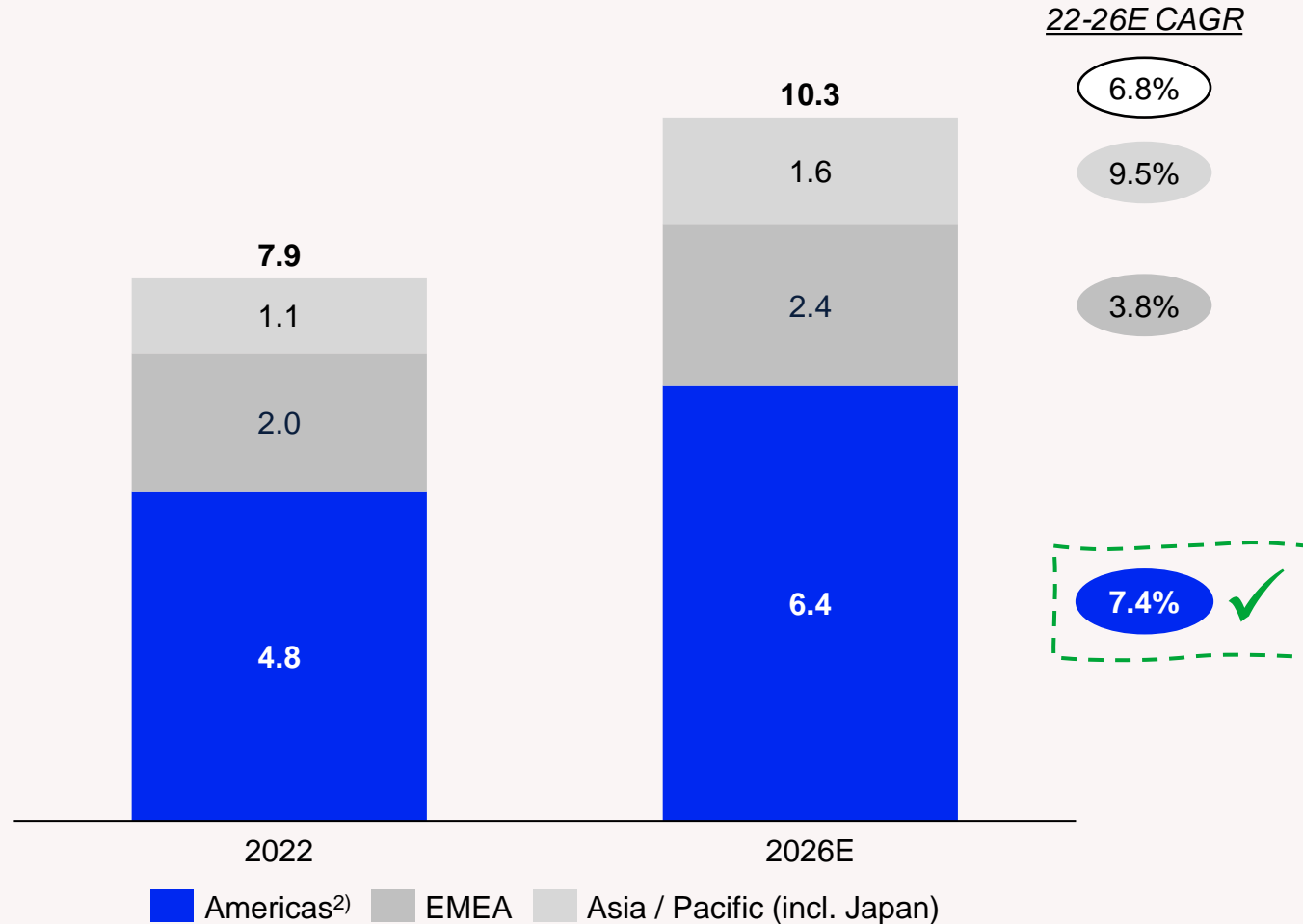
Nearly 3x size in the





...which is a major part of the largest consumer cyber security market growing faster than current key markets

Global cyber security market (EURbn)¹⁾



Key attractions for F-Secure



Americas grows ~2x faster than EMEA



The US was the most targeted country for cyber attacks, accounting for 46% of attacks globally³⁾

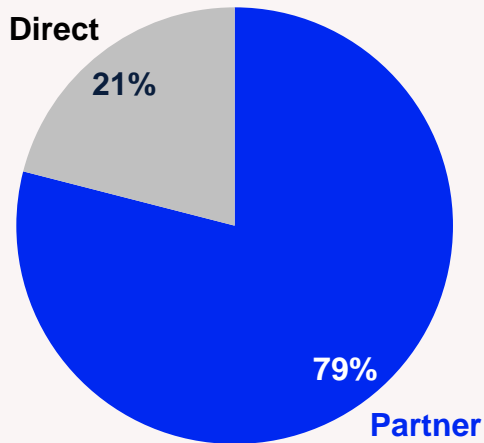


US consumers spend over +50% more on cyber security compared to Europe

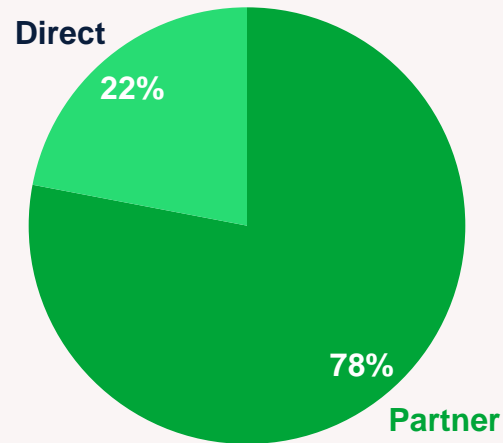
Strong strategic alignment of go-to-market



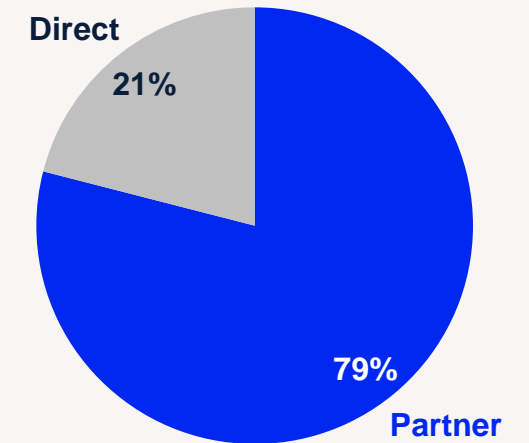
Revenue mix by channel



Revenue mix by channel¹⁾



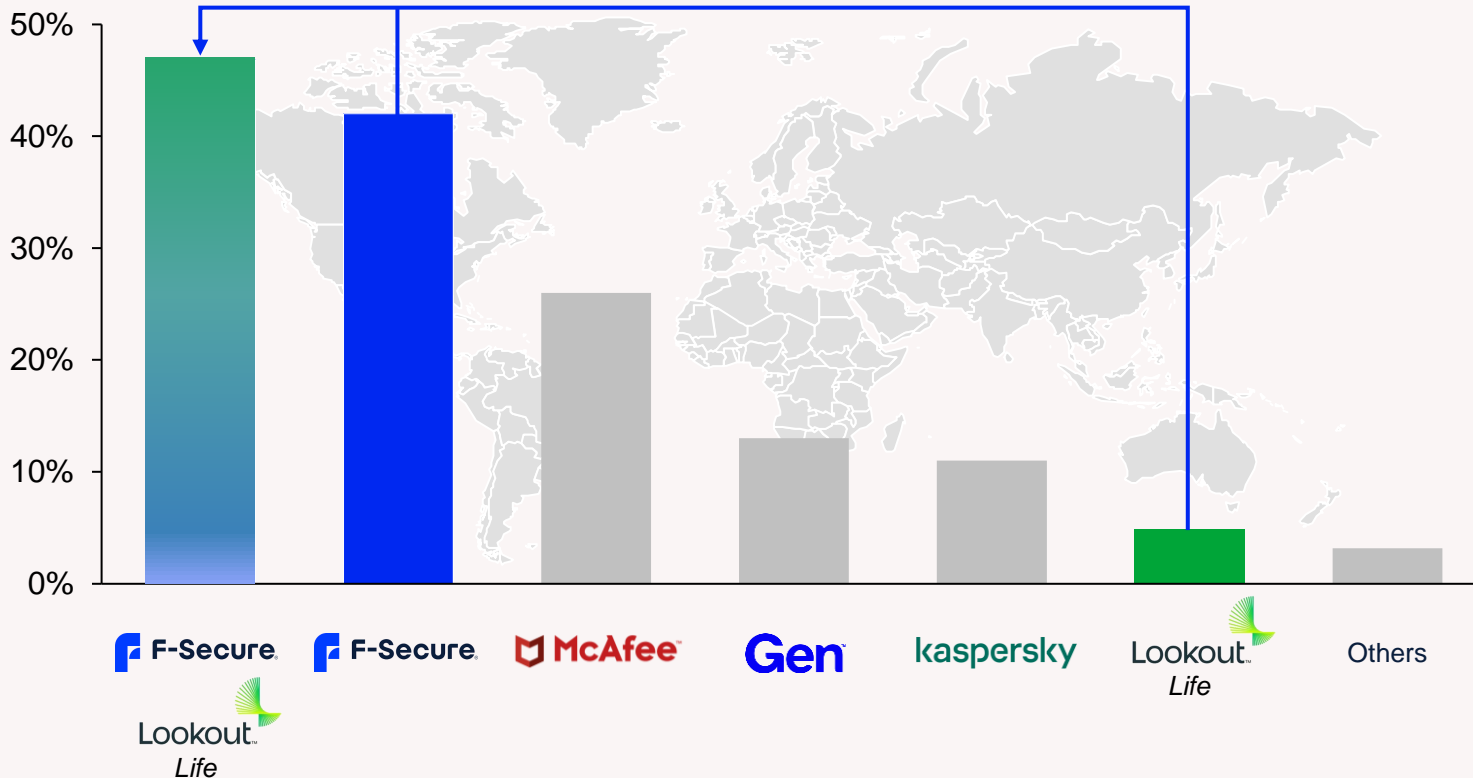
Illustrative combined¹⁾



Strengthening position as the global leader in CSP channel with ~150 partners after the transaction

Estimated share of contracts in communication service provider (CSP) channel

Illustrative



Selected Lookout Life partner customers



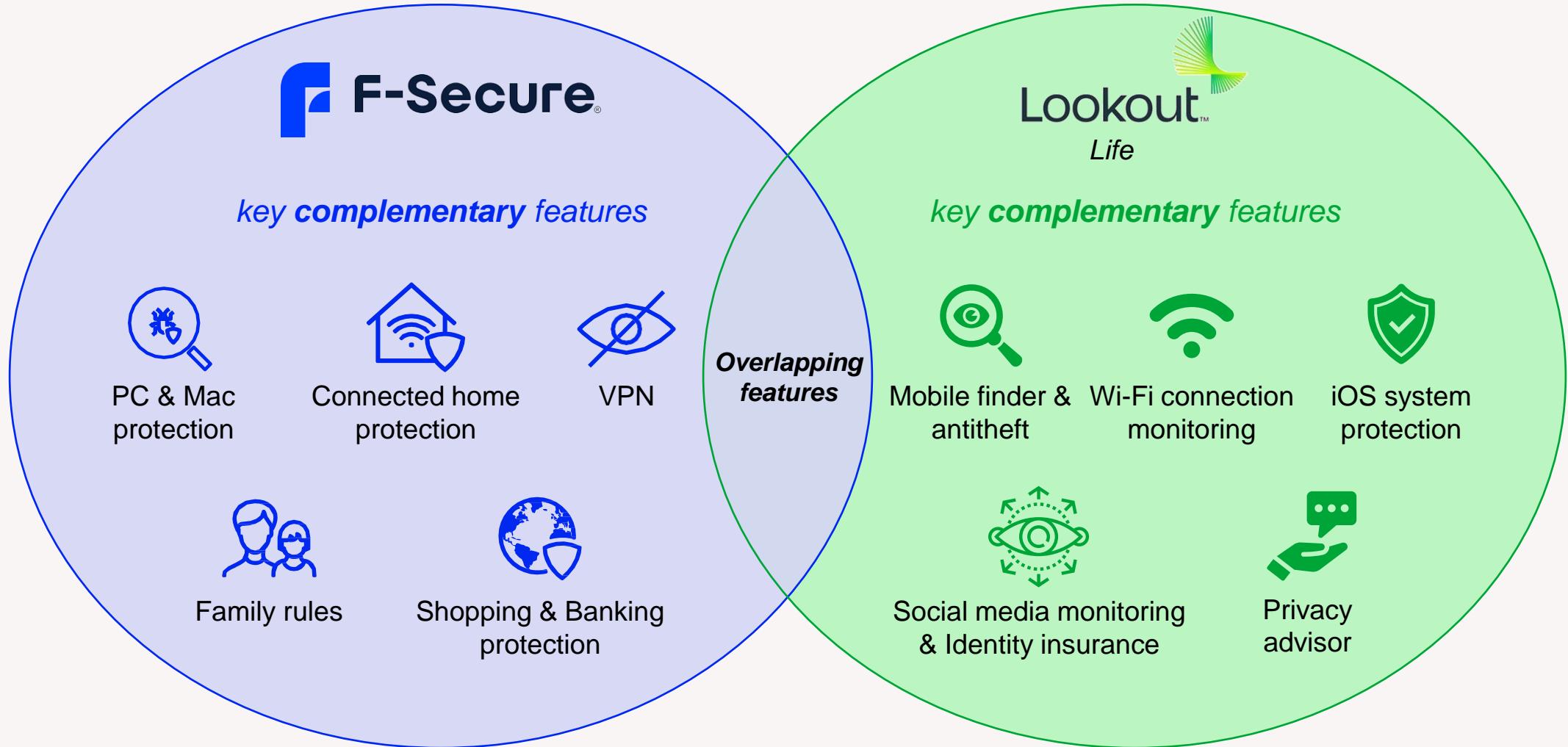
The enlarged F-Secure will be even better positioned to win more Tier-1 CSP customers



Highly complementary consumer facing product portfolio

Desktop and mobile

Pure-play mobile



Shared company culture with strong competence and experience developing mobile products



**Adding Lookout Life's
~70 employees to
F-Secure creates a
global talent pool of
~500 employees**



**Shared entrepreneurial
cultures and vision of
the future**



**Investments in know-
how and talent fueling
innovation and growth**



**Best-in-class
mobile-first cyber
security knowledge**

Key terms of the transaction

Purchase price

- Enterprise value of USD 223 million (approx. EUR 202 million¹⁾)
 - 15.7x EV/EBITA FY 01/2023
 - 9.0x EV/EBITA FY 01/2023 including full impact of expected annual synergies by 2027²⁾

Financial impact

- Combined company to have illustrative combined revenue of EUR 147 million and EUR 57 million in adjusted EBITA in 2022
- Transaction expected to deliver at least EUR 12 million of revenue synergies and incremental EBITA level synergies of EUR 10 million per annum in 2027
- Transaction is projected to be significantly accretive to EPS (adjusted for IAC³⁾ and purchase price allocation related amortization) from inception and by more than 15% in 2024
- Transaction and integration related IAC³⁾ expenses estimated to be EUR 7 million mainly occurring during 2023

Financing

- Acquisition will be financed with debt
- Upon completion of the transaction, F-Secure is expected to have a leverage of 3.2x
- Strong cash flow expected to reduce net debt to adjusted EBITDA ratio to less than 2.5x during 2024

Integration, Timing and Approval

- F-Secure and Lookout Inc. have agreed on certain service agreements to ensure a smooth transition and integration process including services related to certain general and administrative functions, threat intelligence, and platform services, and intellectual property licenses and knowledge transfer with regards to platform services
- Transaction is subject to customary closing conditions and is expected to be finalized in the second quarter of 2023
- Closing of the transaction does not require approval from the competition authorities

