



Interim Report
1 January – 30 September 2025

Reimagining business through AI

28 October 2025

Timo Laaksonen CEO | Sari Somerkallio CFO | F-Secure Corporation

Q3/2025: Reimagining business through AI

Our Q3 performance was a mixed bag

- Third quarter currency neutral growth was +1.3%. Due to the weak US dollar, reported revenue remained flat
- We continued to advance our strategy, focusing on innovation, operational excellence, and commercial performance
- Our commercial activity among Tier1 partners remained robust throughout the quarter
- Our organization and business are profoundly transforming toward the AI era, as demonstrated by the AI-native solution initiatives Horizon and Halo
- We continue to see strong growth potential and maintain a healthy pipeline of opportunities, especially among Tier1 partners



Strategic priorities in 2025

1

We continue to transform to accelerate growth



2

We establish our position as the market leader in scam protection



3

We innovate and utilize data and AI



We continue to see strong growth potential and maintain a healthy pipeline of opportunities, especially in the Tier1 partner segment

We secured several contract renewals and expansions, underscoring continued confidence in our offering:

- an expansion agreement with a Tier 1 partner in Asia to integrate embedded deepfake scam protection capabilities
- a new embedded security agreement with a Tier1 insurance service provider
- An extension Total service for one of our major U.S. partner to include the scam protection module
- a new major partner in the Asia-Pacific region for our Total service
- an extension agreement with a Nordic banking partner to include scam protection in their Total offering.

These developments highlight our continued ability to deepen relationships with key partners and expand the reach of our cyber security solutions across diverse markets.



Cybersecurity solution of the year for Telecommunications

F-Secure has been named “Cybersecurity Solution of the Year for Telecommunications” in the 9th annual CyberSecurity Breakthrough Awards, recognizing our commitment to protecting hundreds of millions of telco customers worldwide with state-of-the-art anti-scam technology, building trust and providing value for hundreds of millions of end users.

The CyberSecurity Breakthrough Awards celebrate innovation and excellence *across threat detection, AI security, endpoint protection, and more, having assessed thousands of submissions from startups to Fortune 500 companies.*

This year’s program received thousands of nominations from more than 20 countries, recognizing technologies and organizations making the digital world safer for everyone.



More about the award: <https://cybersecuritybreakthrough.com/>
2025 winners: <https://cybersecuritybreakthrough.com/2025-winners/>

F-Secure Scam Protection

Staying ahead of emerging threats

2024 Scam Protection Launched

Scam Protection against online shopping, investment, tax and various other scams

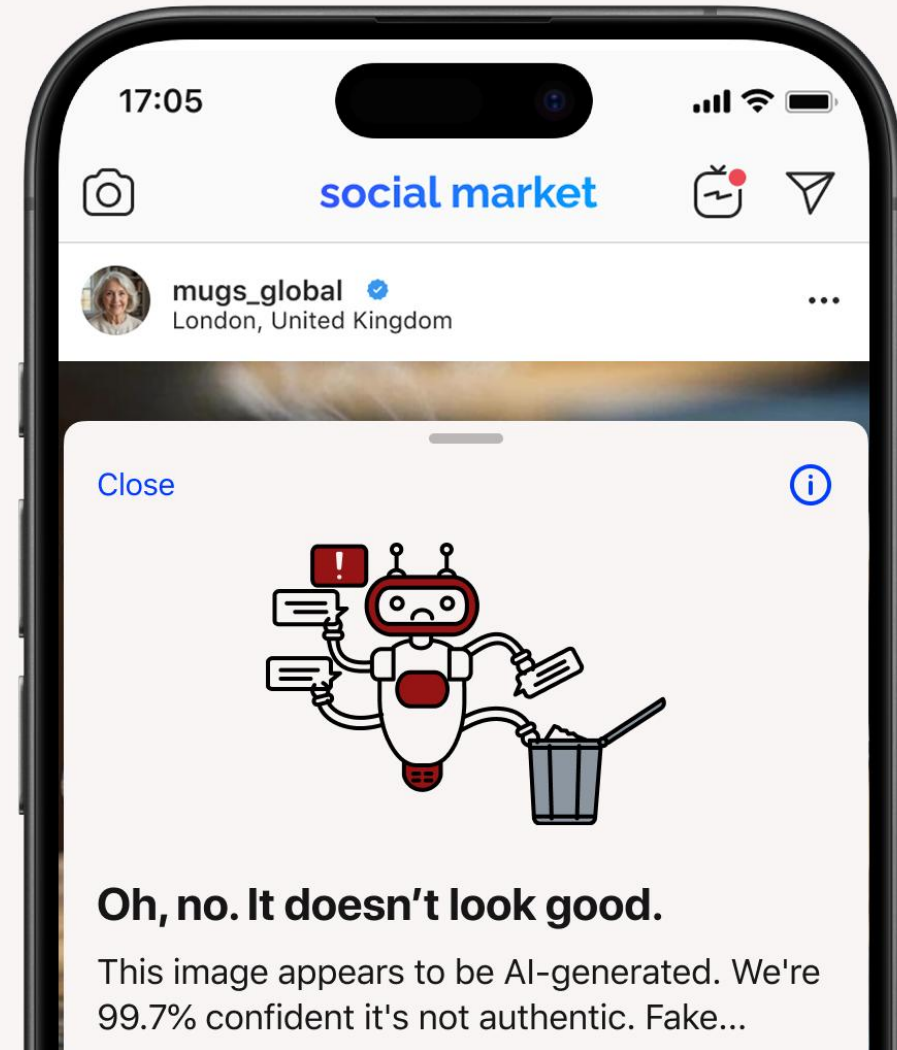
- Block SMS scams
- Detect low quality online shops
- Block online shop scams
- Banking Protection on mobile
- Block scam WiFi networks

2025 Scam Protection Extended

Extended Scam Protection against new and evolving online scams

- Extensive protection against Instant Messaging Scams including WhatsApp and Facebook Messenger scams
- Detection of AI generated and deepfake scams

New capabilities still to be launched 2025



Embedding protection: The trust advantage for Telcos, Banks & Digital Services



F-Secure's new report shows concerning consumer scam awareness gap

The survey results shows both an urgent need and a strategic opportunity for telcos, banks, and other digital service providers: Embed protection into the daily digital lives of consumers while turning trust into a true competitive edge.

F-Secure's [Digital Perception-Reality Gap Report](https://www.f-secure.com/i/x/a57c3badf3/2025-07-01_digital-perception-reality-gap-report.pdf) shines light on the dangerous gap between consumer confidence and the actual risks they're facing online. As it turns out, the digital spaces where people feel the safest are often actually the most dangerous, and vice versa.

https://www.f-secure.com/i/x/a57c3badf3/2025-07-01_digital-perception-reality-gap-report.pdf

Driving AI transformation & Horizon AI powered platform

Our ways of working range from AI-assisted operations to AI-native processes, moving beyond individual productivity to fundamental reimagining how we function as an organization

- Among our product development work, Horizon represents an AI-native platform - it enables extension of F-Secure's addressable market through intelligent automation of partner onboarding and growth
- Horizon's development paradigm fundamentally reimagines software creation, covering requirements, design, development, business best practices, secure coding practices, documentation and quality
- These new ways of working in greenfield areas allow compact, specialized teams to achieve extraordinary velocity: functional prototypes within hours, production-ready features within days
- We already apply the model and learnings from the Horizon initiative across other solution projects, both existing and new ones



Financials

Sari Somerkallio, CFO

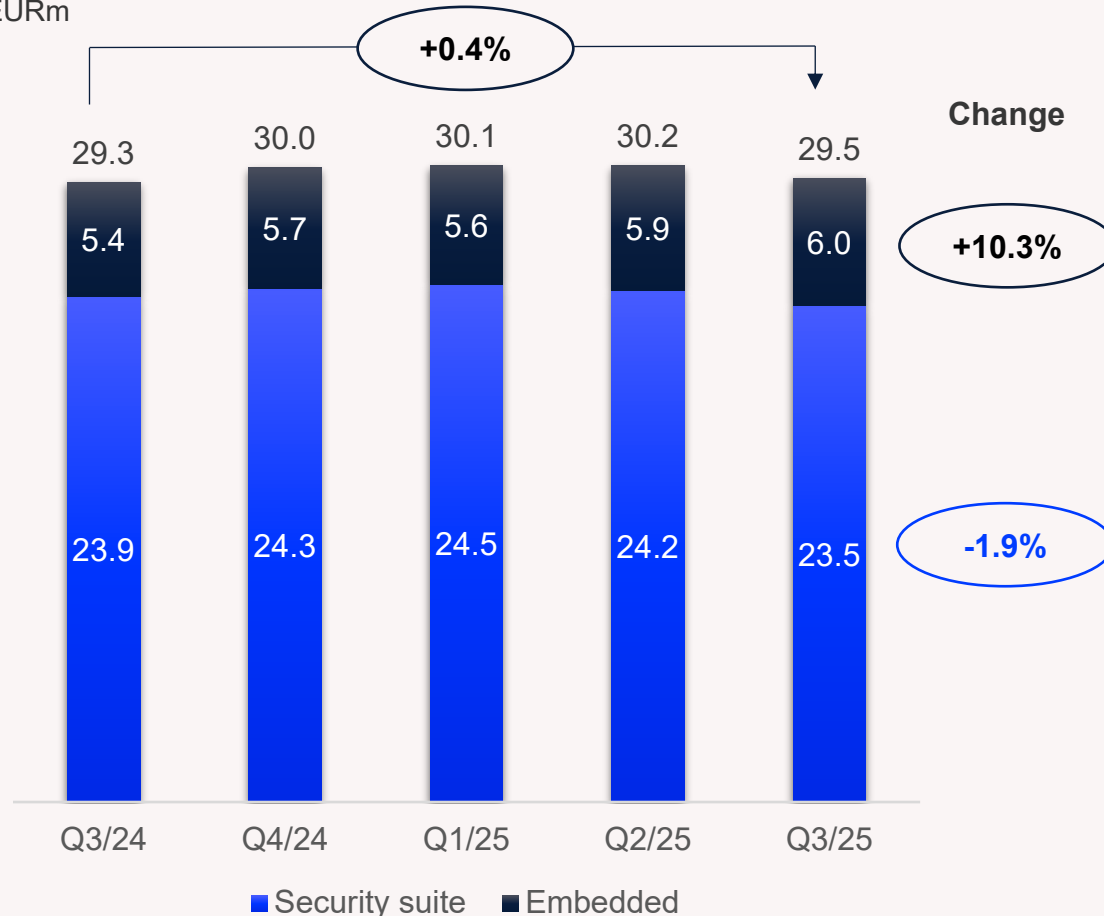


Q3/2025 Partner channel revenue at comparison period level

Among our key markets, Sweden, Finland and Japan continued to show strong performance

Partner channel revenue

EURm



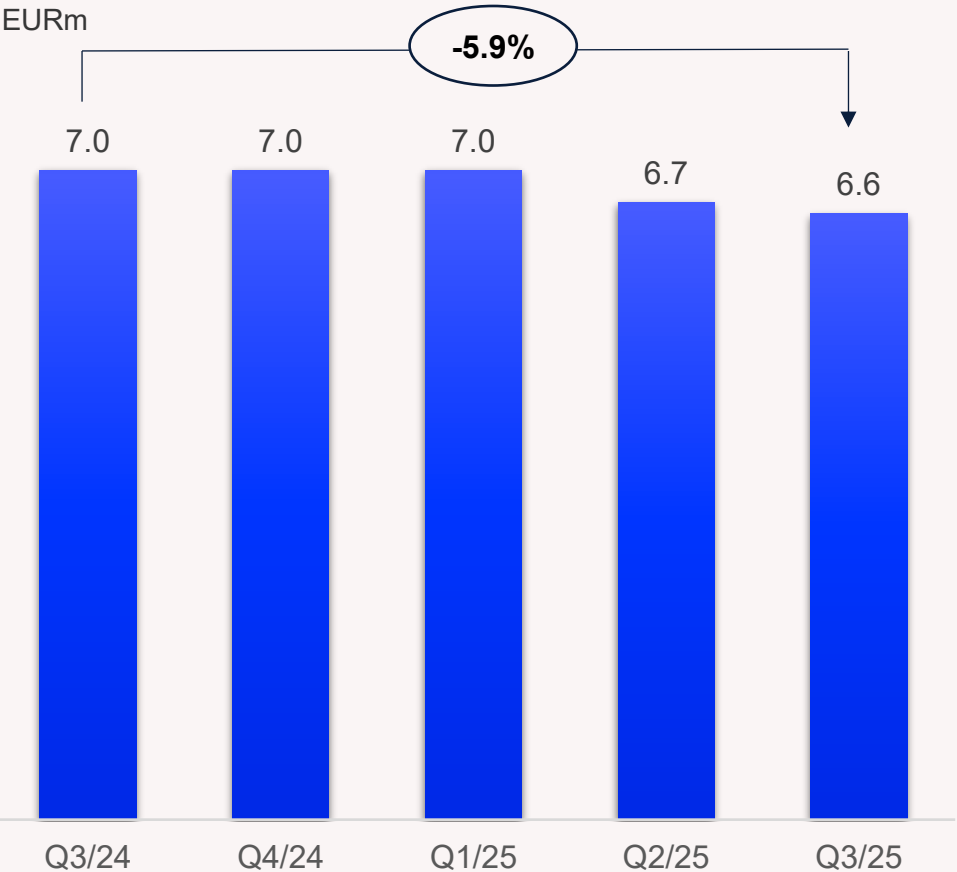
- Partner channel revenue in North America was negatively affected by the weak US dollar
- Revenue from **Security Suite** decreased by -1.9% and was EUR 23.5 million (EUR 23.9 million)
 - Total conversion continued well and the average revenue per user (ARPU) increased
 - In the Nordics, activity was strong in Sweden and Finland
 - DACH region continued to perform well, except for Germany where revenue declined significantly due to ongoing challenges faced by a key partner in their core business.
- Revenue from **Embedded Services** grew by 10.3%, and was EUR 6.0 million (EUR 5.4 million)
 - Growth was driven by continued strong performance in Japan
 - In the US market, the majority of revenue is attributable to Embedded services.

Q3/2025: Revenue - Direct channel & geography

Renewal rates were high and ARPU development was healthy

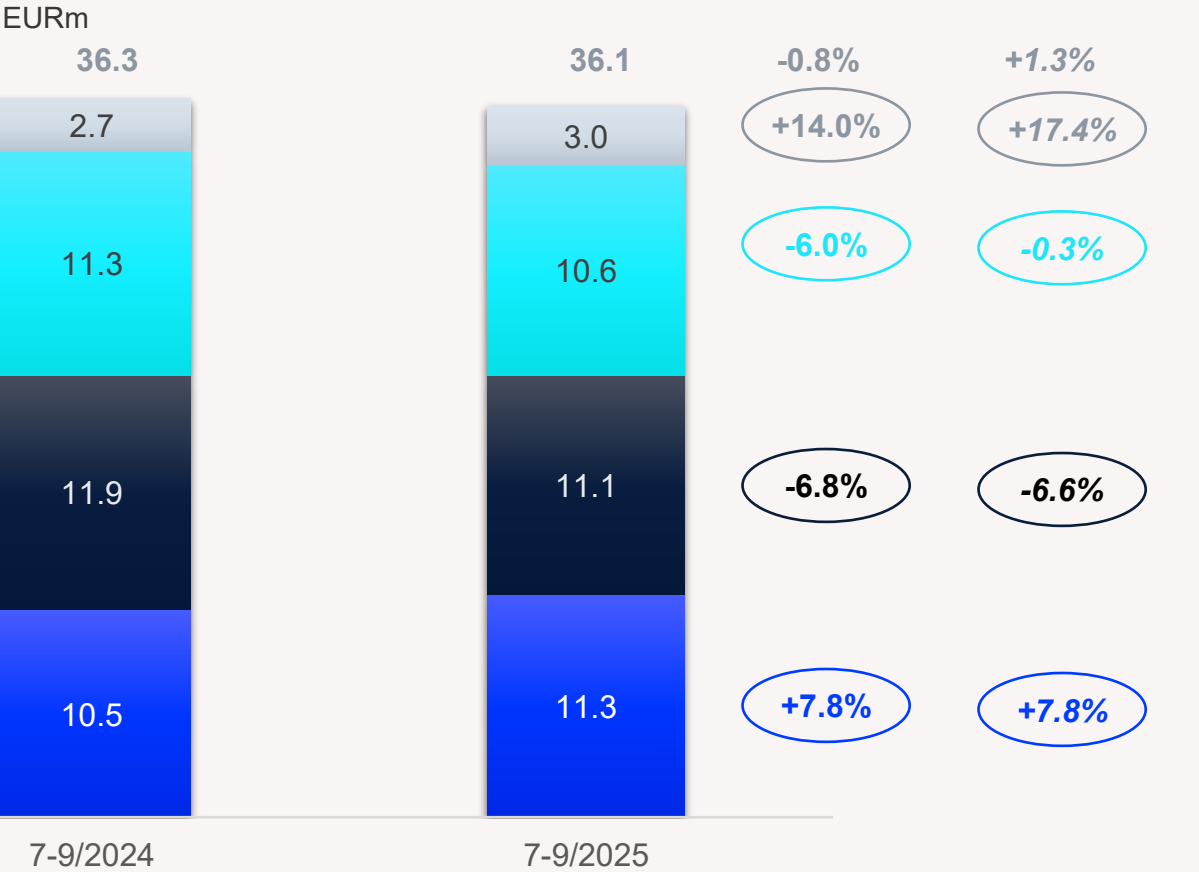
Among our key markets Japan, Sweden and Finland showed significant growth

Direct channel revenue



- User numbers declined due to reduced investments in paid customer acquisition

Revenue by geography

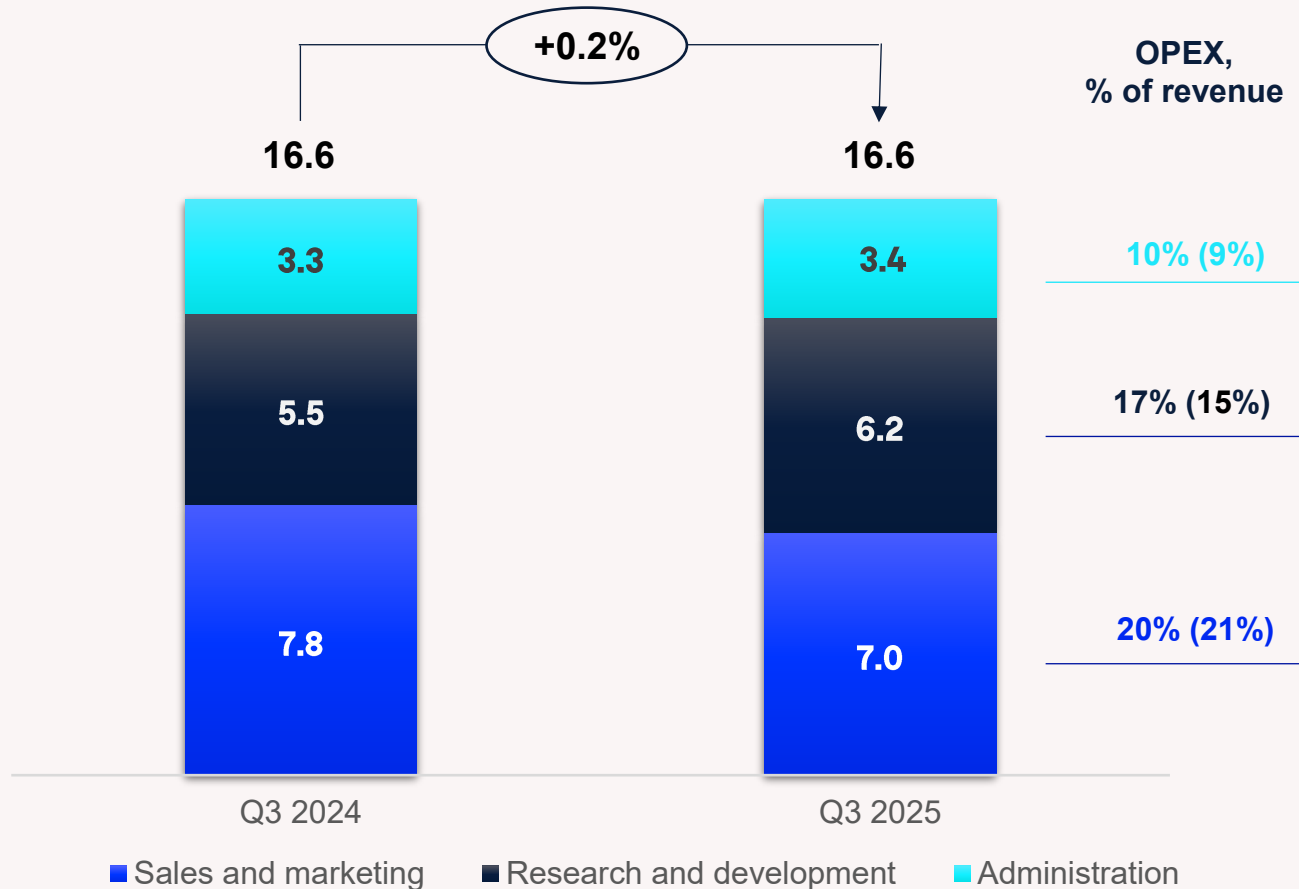


- Nordic countries
- Rest of Europe
- North America
- Rest of the world

Q3/2025: Operating expenses at comparison period level

OPEX¹ development in Q3 2025

EURm



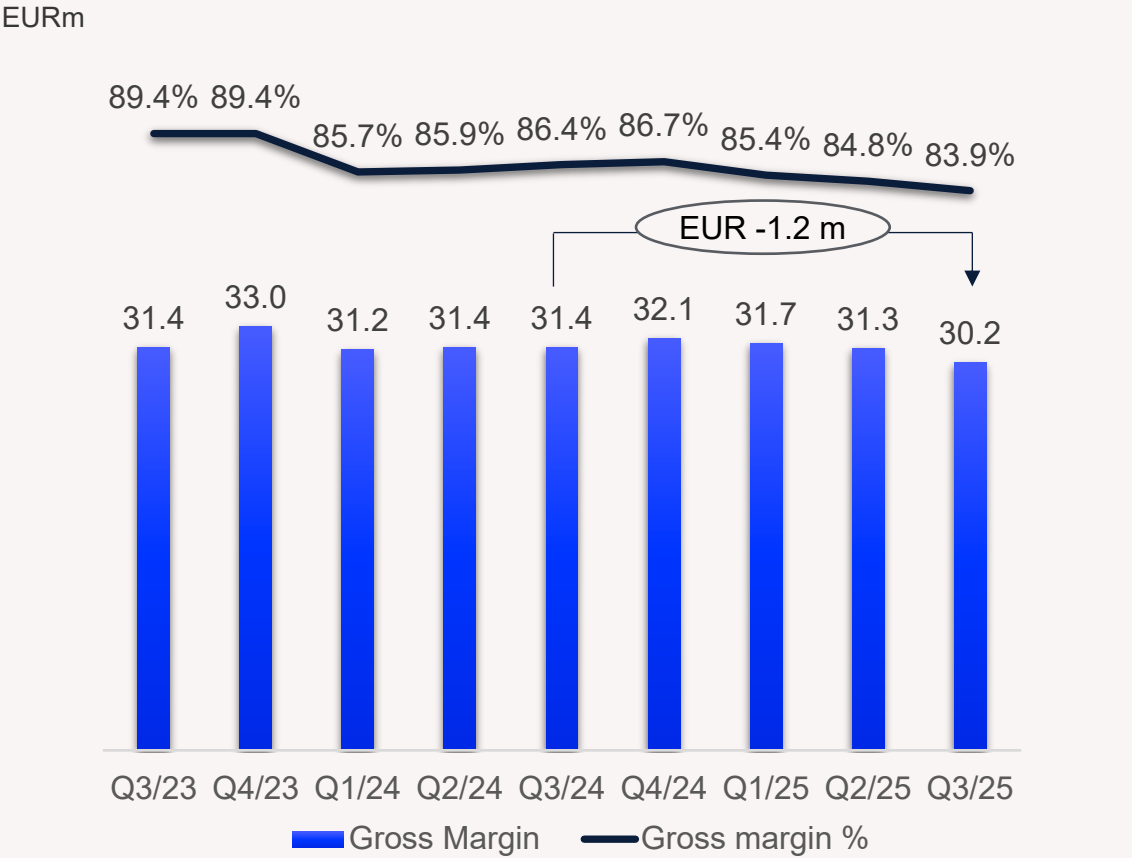
¹Excluding Items Affecting Comparability (IAC) and depreciation and amortization.

- Operating expenses totaled EUR 16.6 million (EUR 16.6 million)
- Sales and Marketing costs declined by 9.5% driven by reduced engagement with retail partners resulting in lower marketing costs
- Administration costs increased by 4.3%
- R&D costs increased by 11.5%. R&D activity increased somewhat but a lower level of capitalization led to higher increase in R&D expenses
- Capital expenditures totaled EUR 3.3 million (EUR 3.0 million), primarily related to technology investments, and included EUR 0.7 million allocated to office premises

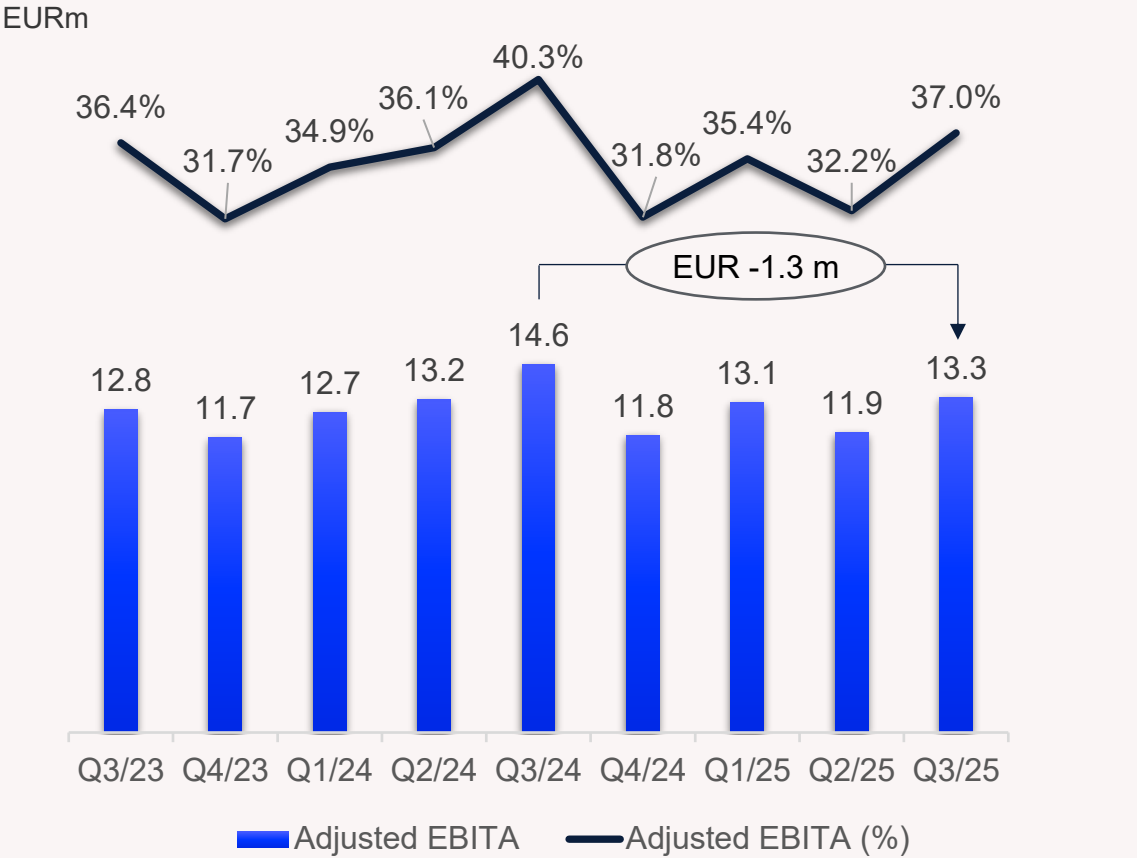
Gross margin and adjusted EBITA development

Gross margin was impacted by lower-than-expected volumes and higher proportion of Embedded business

Gross margin



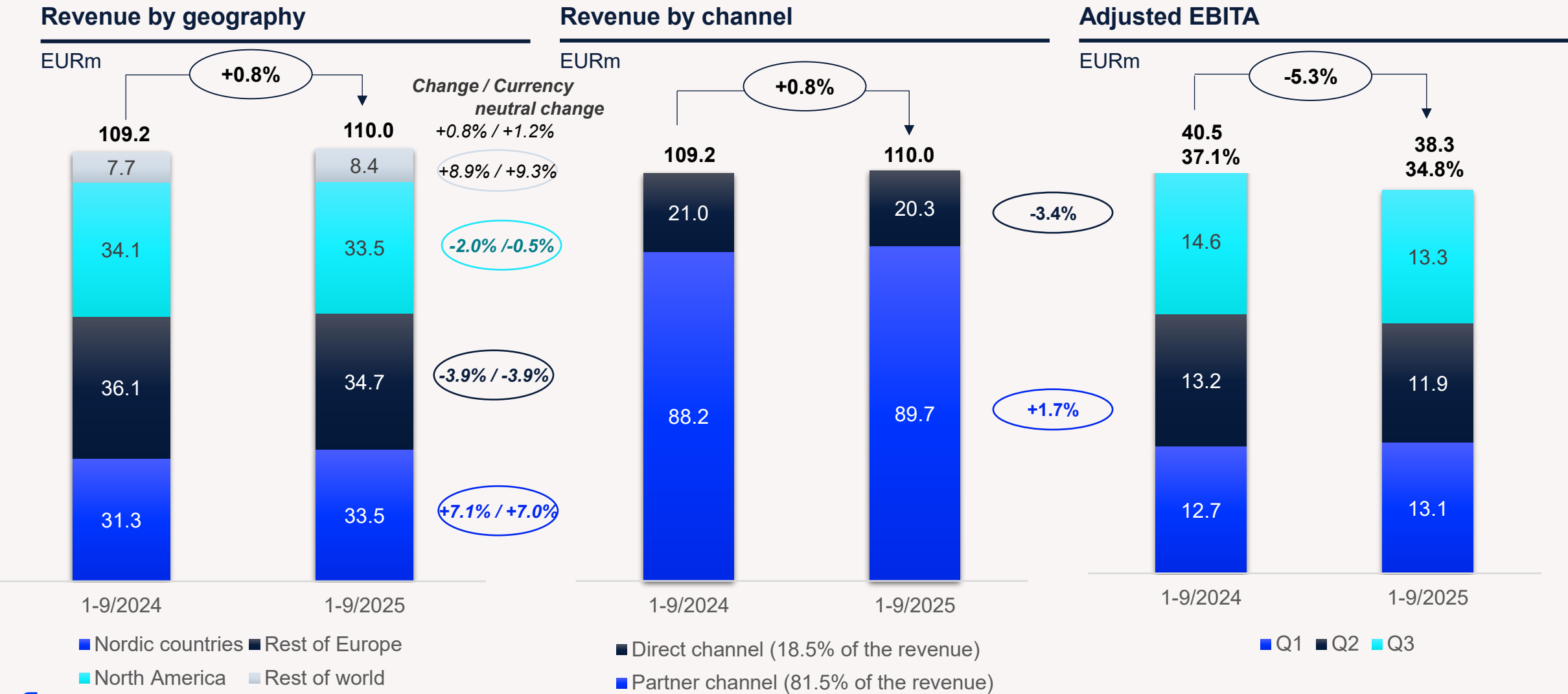
Adjusted EBITA and adjusted EBITA margin



- Adjusted EBITA was on a typical higher level for the third quarter, against the strong comparison period.

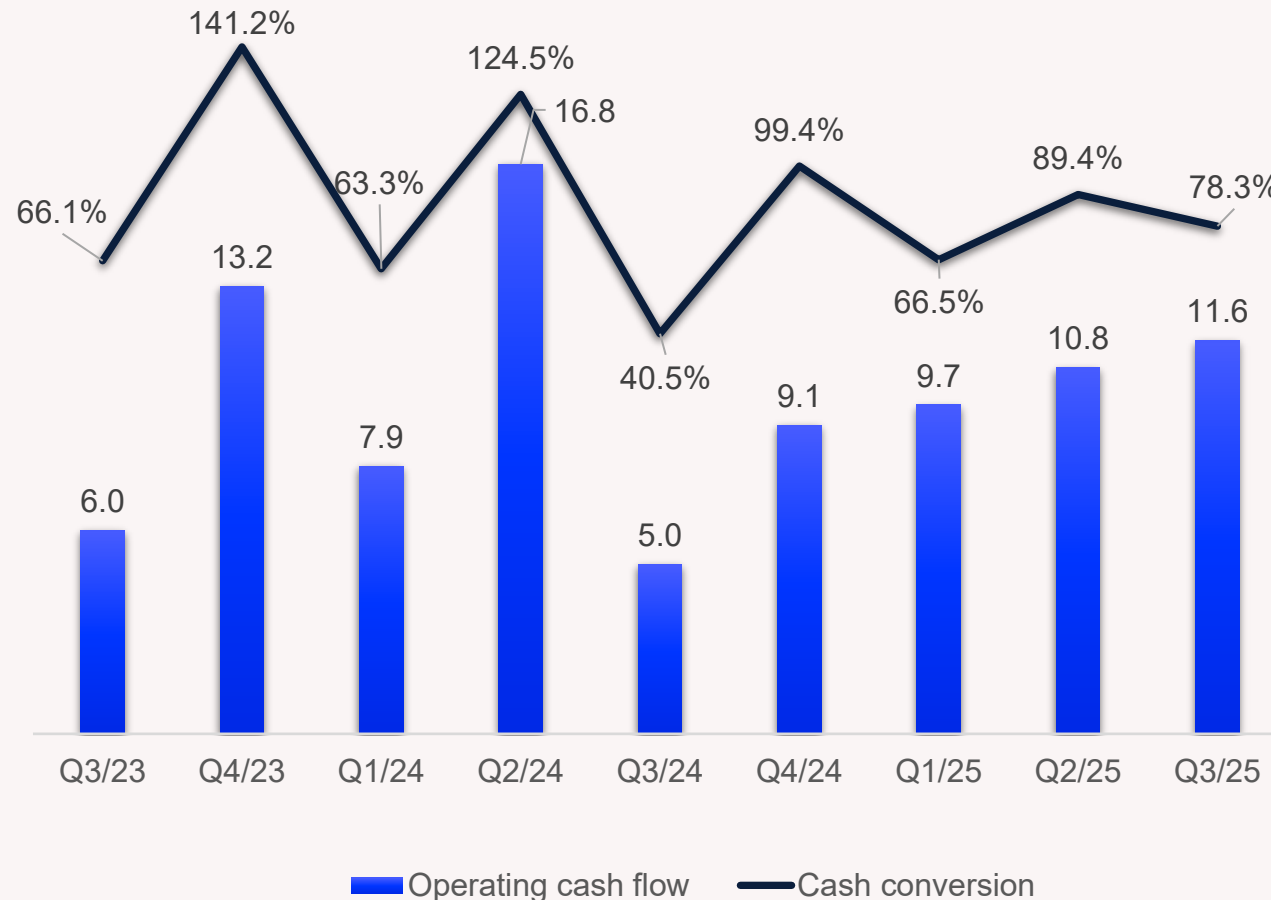
1-9/2025 in brief: revenue increased +0.8%, currency neutral growth +1.2%

Revenue was negatively impacted by soft performance in Rest of Europe and declining Direct business



Operating cash flow EUR 11.6 million (5.0) for Q3/2025

Operating cash flow and cash conversion (QTD)



- Q3 cash conversion was at a good level; 78.3% (40.5%)
- Equity ratio was 18.7% (14.4%)
- Cash at the end of September amounted to EUR 22.1 million (EUR 13.5 million)

Outlook for 2025

Revised on 8 July 2025



Growth

F-Secure expects low single-digit currency-neutral revenue growth for 2025.



Profitability

The group's adjusted EBITA margin is expected to be in the range of 32%–35% in 2025.

Background for the outlook

- F-Secure expects the core consumer cyber security market to grow mid-single digit CAGR mid- to long-term¹. F-Secure sees the potential to grow faster than the market, focusing on partner channel and its offering around Embedded security and Scam Protection. The growth may be moderated by the uncertainties around consumer sentiment in certain markets and general economic volatility.
- Partner business and especially Embedded services are expected to drive F-Secure growth during 2025. Growth is expected to accelerate throughout the year as new partners and services gradually start to generate revenue.
- Direct business revenue development is expected to be negative due to the continued strategy of refraining from paid customer acquisition.
- Gross margin is expected to be slightly lower than in 2024 (86.2%) due to growth of strategic partners with embedded solutions, as these typically have a lower gross margin level than F-Secure Total business.
- F-Secure continues to develop its service, operations and production capabilities further to meet Tier 1 partner requirements. These efforts are still reflected in the higher cost base. As business scales we expect to leverage continued service level investments across a wider partner base, leading to positive adjusted EBITA % development over time.
- Capex level is expected to remain at a similar level to 2024. However, new product development projects related to partner demand can have an impact on the outcome.

¹⁾ Industry analyst views such as Gartner and IDC, and F-Secure management estimates.



Q&A



The reports and related presentation material will be available on the company's website at <https://www.f-secure.com/en/investors>.