



**Financial Statements Release
1 January – 31 December 2024**

**Solid end to the year
with focus on future
growth**

6 February 2025

Timo Laaksonen CEO
Sari Somerkallio CFO



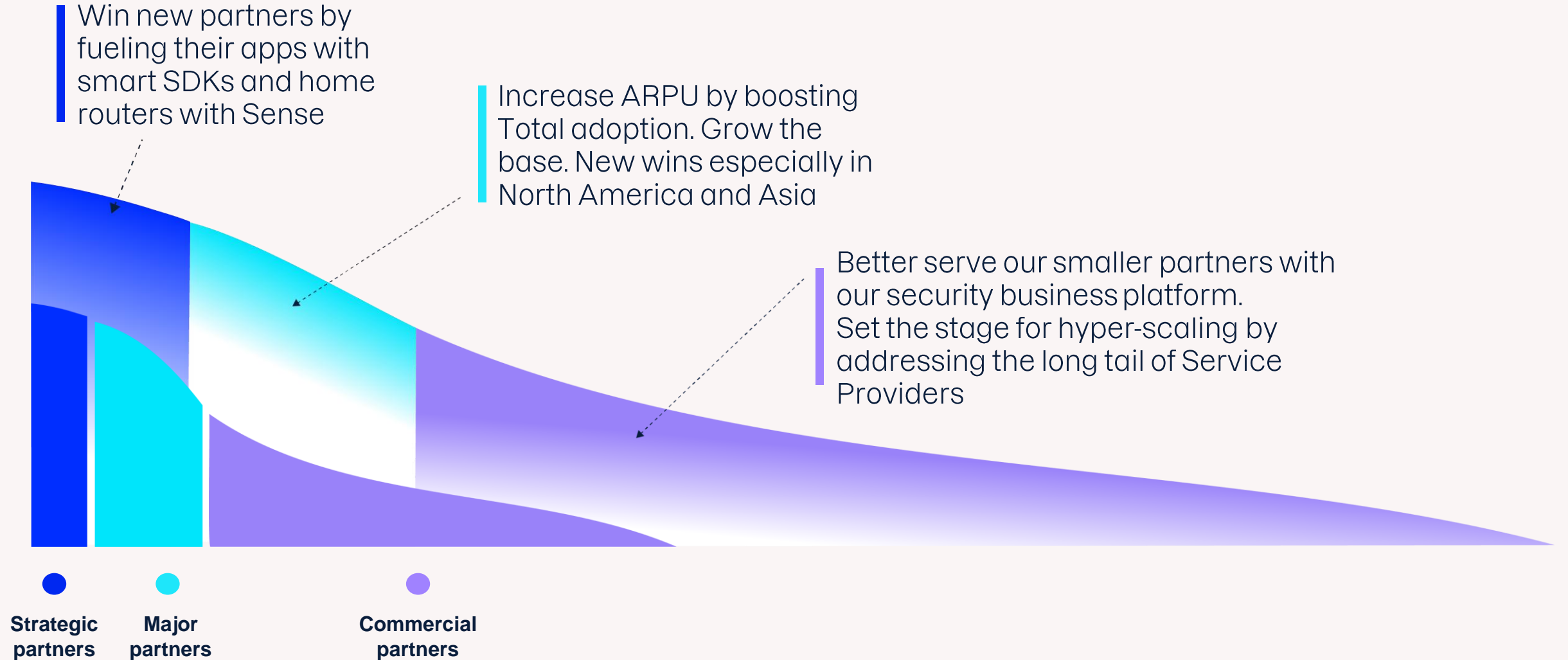
Q4/2024: Solid end to the year with focus on future growth

F-Secure Q4 revenue remained stable, EUR 37.0 million (EUR 36.9 million) and was supported by good performance in Direct Business

- Positive performance driven by strong demand for both Total and Embedded Security products along with 2.2% growth in Direct Business. This was offset by a continuing declining revenue trend with some existing longer-term partners
- We won two **new Communication Service Provider (CSP) partner deals** in Asia-Pacific and **several service extensions and renewals** globally with important existing partners.
- We signed **a frame agreement** with a European CSP group **for F-Secure Sense** and **an agreement for DNS Security services** with a Western European CSP.
- **Transformation process concluded**, to align F-Secure organization and operational model with company's growth strategy and to reflect the increased focus on serving specific partner segment needs. **Saving targets achieved.**

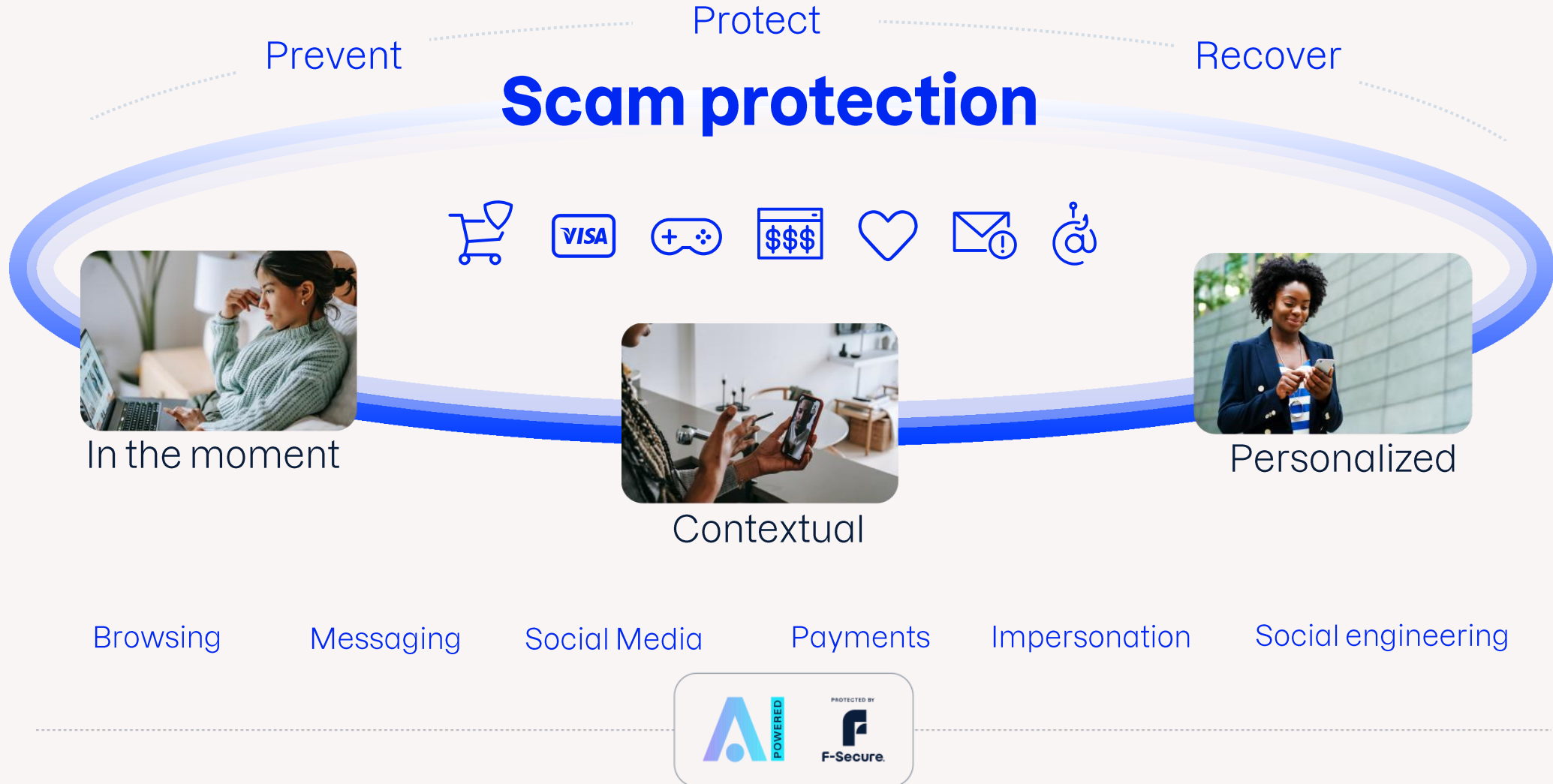


Strategy to grow in each partner segment



Trusted Companion


Our unique AI-powered approach re-imagining consumer security experience



Scam Protection Overview

Collection of advanced features to protect the users against different types of scams

 AI based SMS Scam Protection

 Shopping Protection

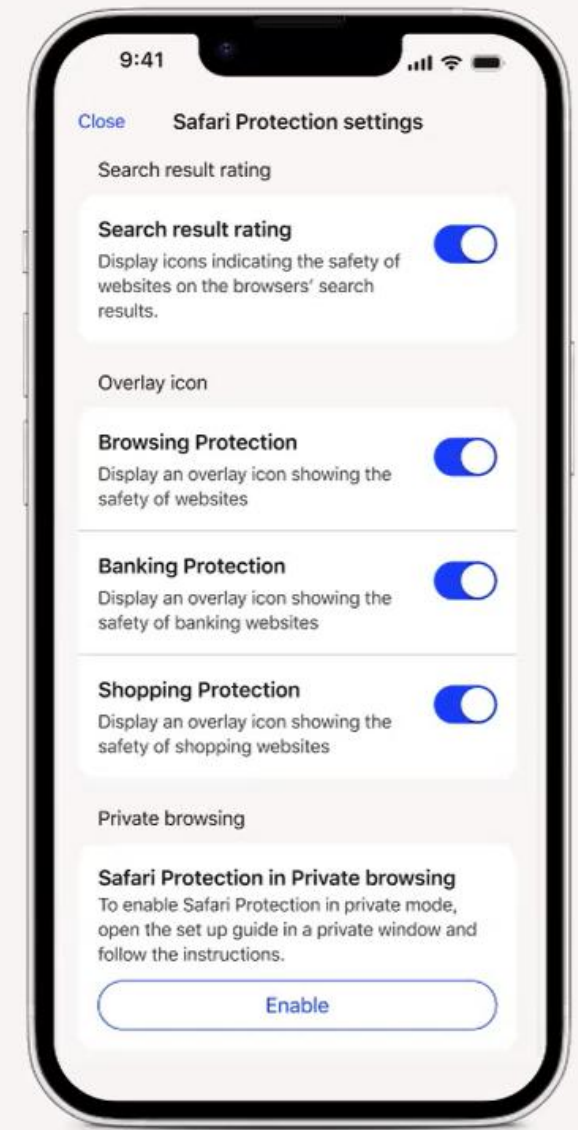
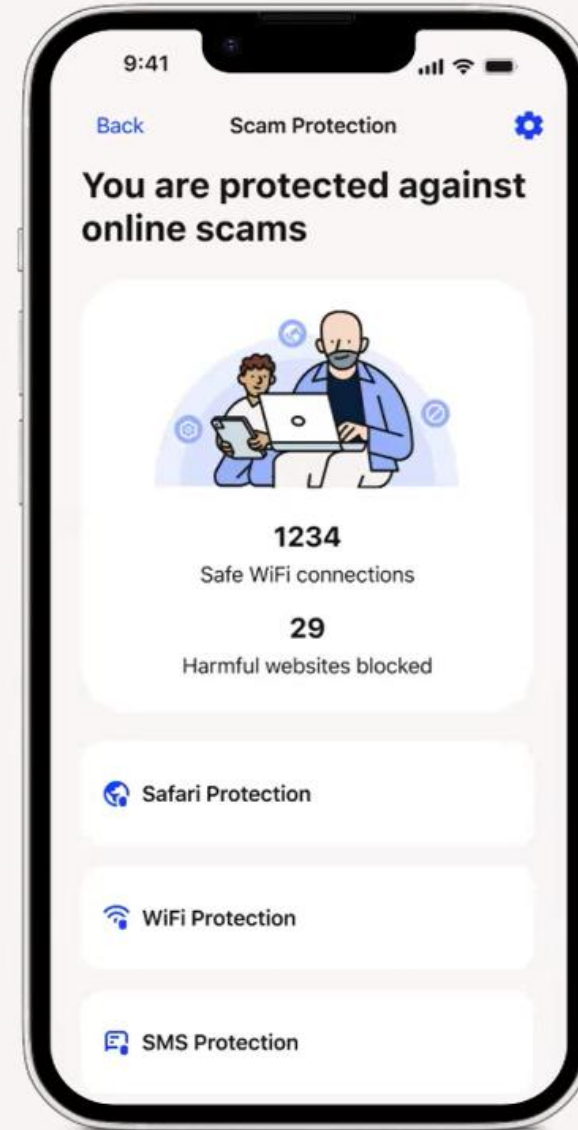
 Banking Protection

 Browsing and Phishing Protection

 WiFi Protection

 Ad Blocker

 Cookie Popup Blocker



Scam protection – we're in the right place at the right time

Scam Protection module in F-Secure Total went live in June.



Broadest embedded portfolio in the industry



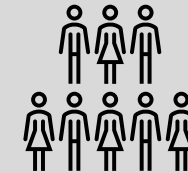
Award-winning, AI powered messaging scam protection



By the end of 2024, already 26 partners have agreed to introduce Scam Protection in their Total offering, the first ones already live

The global rise of scams continues to affect millions of individuals

Scam Pandemic



more than 2 billion people
fell victim to a scam during the year, and



more than
one trillion US dollars
were lost worldwide.

Source: <https://www.gasa.org/research>

Reorganizing the operations - related change negotiations

Announced on 17 October - concluded on 2 December 2024

- Aligning the organization to secure the successful execution of the company's growth strategy.
- In total, the negotiations concerned approximately 360 F-Secure employees globally.
- As a result, 33 positions were terminated, of which 19 in Finland.
- The targeted annual cost savings, around EUR 4 million, were achieved. These will be reinvested back into the company to support growth, and to develop sales and service maturity.
- One-off costs were EUR 1.5 million and were recorded as items affecting comparability (IAC) in Q4/2024.



F-Secure's high-quality performance was recognized



F-Secure achieved ISO 27001 certification

F-Secure has received a worldwide recognized ISO 27001 certification, formalizing our long-standing commitment to information security.

F-Secure's AI-based SMS Protection won customer experience award at AI Gala

The award celebrates an innovation that has significantly improved customer experience with the help of AI.

F-Secure ranked as cyber security leader for telcos

"F-Secure provides a comprehensive solution encompassing router-based protection for the home, for devices on the move, and network security," reports Omdia.

<https://www.f-secure.com/en/partners/insights/f-secure-ranked-as-leader-among-cyber-security-solutions-for-telcos>

<https://www.f-secure.com/en/partners/newsroom/f-secures-ai-based-sms-protection-wins-customer-experience-award-at-prestigious-ai-gala>

<https://www.f-secure.com/ix/4fc457c792/omdia-total-consumer-cybersecurity-solutions-for-telcos.pdf>



Timo Laaksonen



Bruno Rodriguez



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Kaisa Tikka-Mustonen



Nina Lehto



Toby White



Financials

Sari Somerkallio, CFO

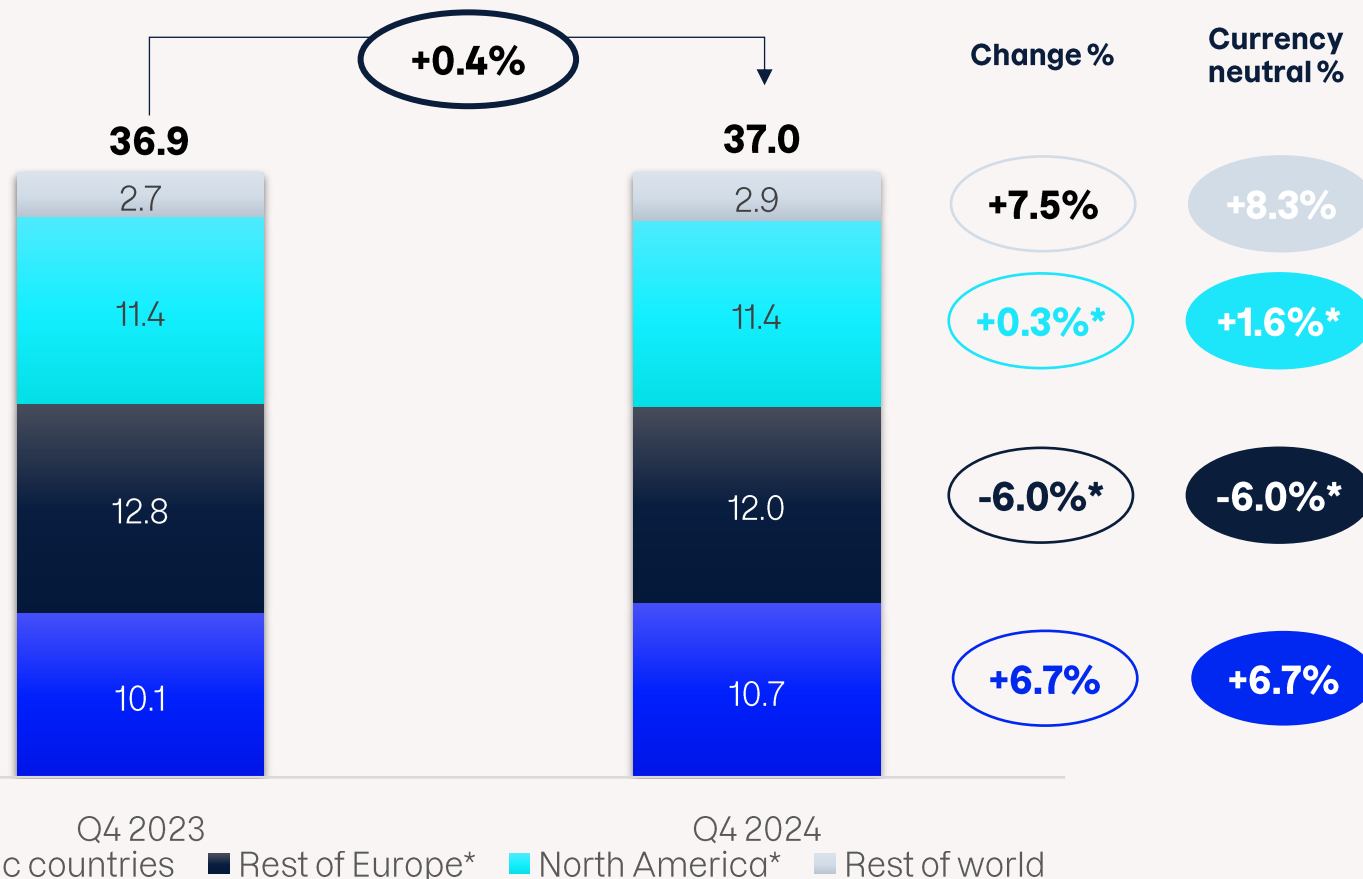


Q4 2024: Revenue development stable, currency neutral +0.9%

Currency neutral organic growth 0.6%

Revenue by geography

EURm



- Partner Channel: Revenue remained flat and was EUR 30.0 million (EUR 30.1 million). Organic revenue growth 0.5%.
 - Thanks to continued good progress with Total conversion the average revenue per user (ARPU) increased
 - Revenue of some long-time F-Secure partners continues to decline also in the fourth quarter, as they are addressing challenges in their core business.
- Revenue from the direct channel increased by 2.2% to EUR 7.0 million (EUR 6.8 million). Organically revenue was flat.
 - Revenue was supported by strong F-Secure eCommerce billings in the previous quarters.
 - Renewals on a good level, ARPU increased.
 - Lower level of paid customer acquisition investments is reflected in Direct Business new sales as planned.

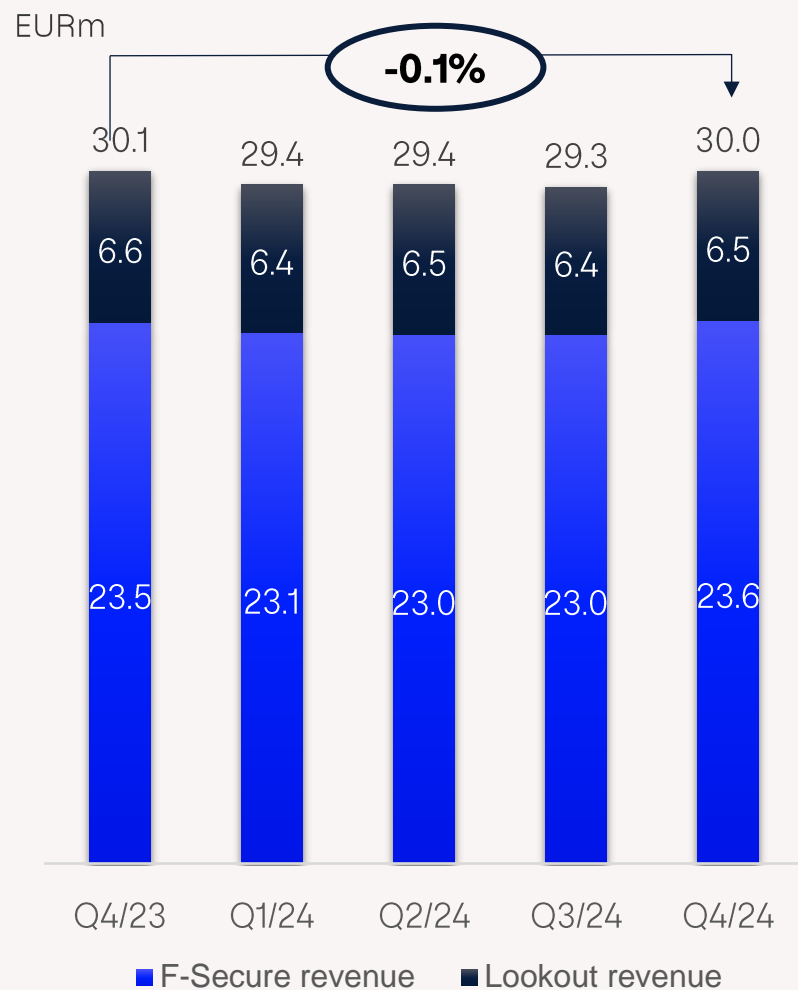
Fair valuation of deferred revenue for the fourth quarter had a negative impact on revenue EUR 0.2 million (EUR 1.1 million) and for the FY2024 EUR 1.5 million (EUR 3.1 million).

*F-Secure has adjusted the geographical split of revenues from Q3/2023 to Q1/2024 between Rest of Europe and North America. This adjustment impacts also the change percentages. The adjustment did not have a material impact to the reported figures. Comparative periods have been adjusted accordingly.

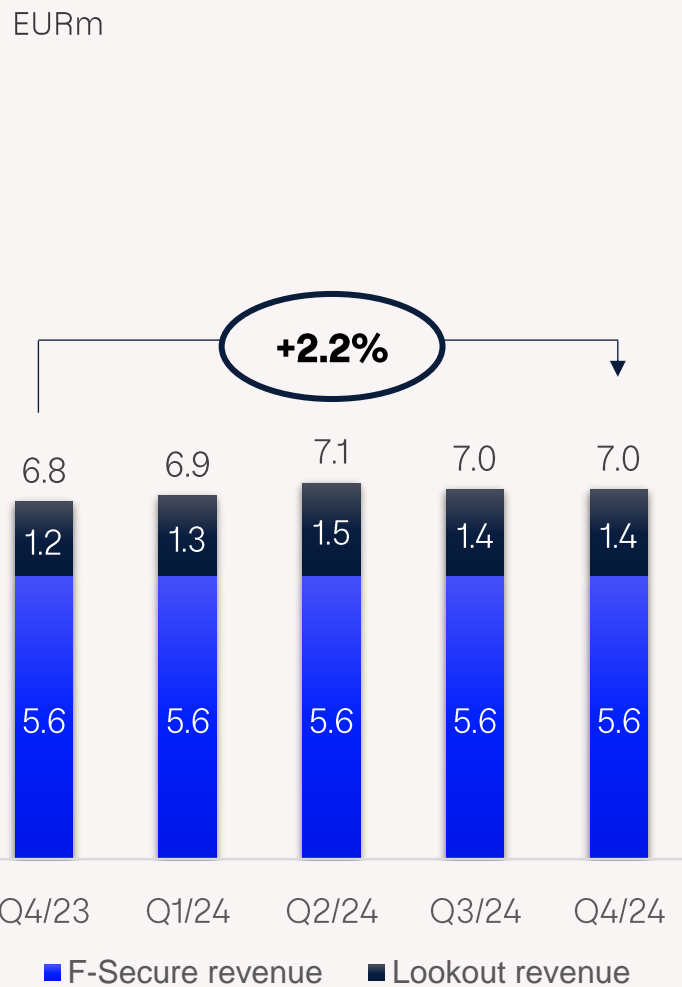
Q4 2024: Group revenue up by 0.4%

Growth supported by Direct Business while Partner Business on a similar pace as in the previous quarter

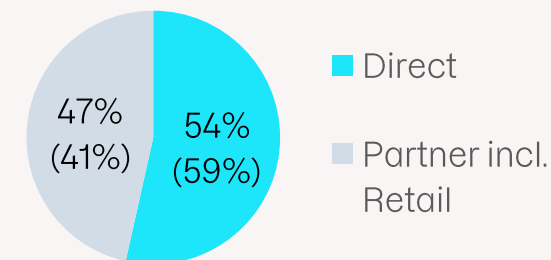
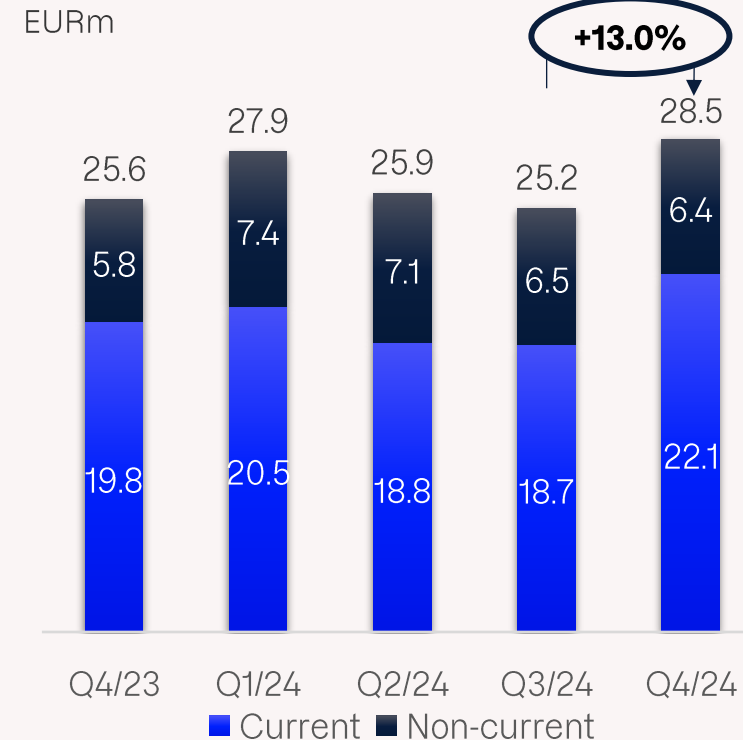
Partner channel revenue



Direct channel revenue



Deferred revenue*



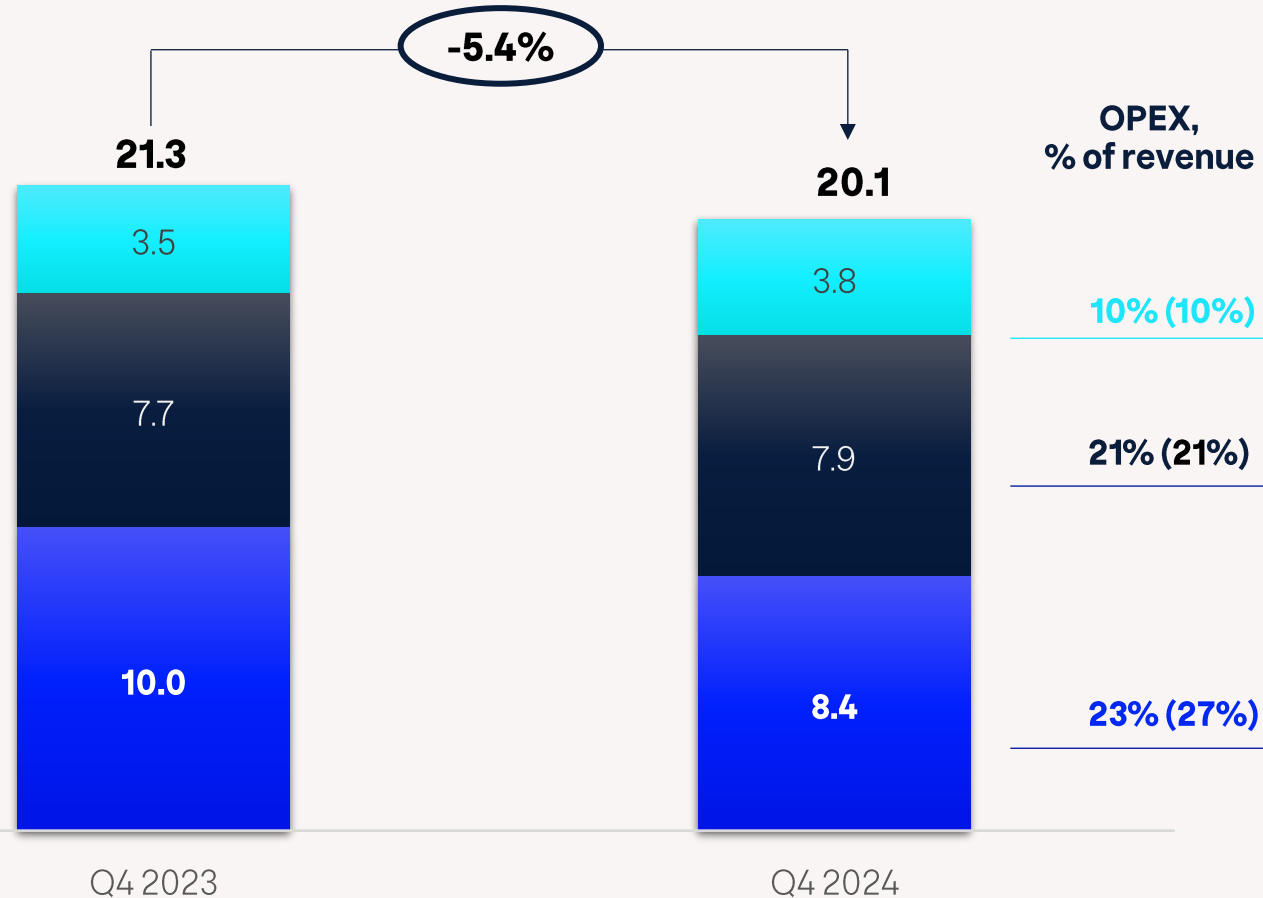
Fair valuation of deferred revenue for the third quarter had a negative impact on revenue EUR 0.2 million (EUR 1.4 million) and for January-September 2024 EUR 1.3 million (EUR 2.0 million).

* Deferred revenue breakdown is indicative, figures in brackets refer to Q3/2024

Operating expenses in Q4 lower than in the comparison period

OPEX¹ development in Q4 2024

EURm



- Operating expenses decreased
- Sales and marketing costs declined mainly due to lower level of paid customer acquisition investments in Direct business new sales as planned.
- Capital expenditures declined towards the end of the year and was EUR 1.2 million, clearly lower than in the previous quarters, as expected (Q3/2024: EUR 3.0 million). The decrease was mainly due to the completion of certain larger R&D projects.

■ Sales and marketing ■ Research and development ■ Administration

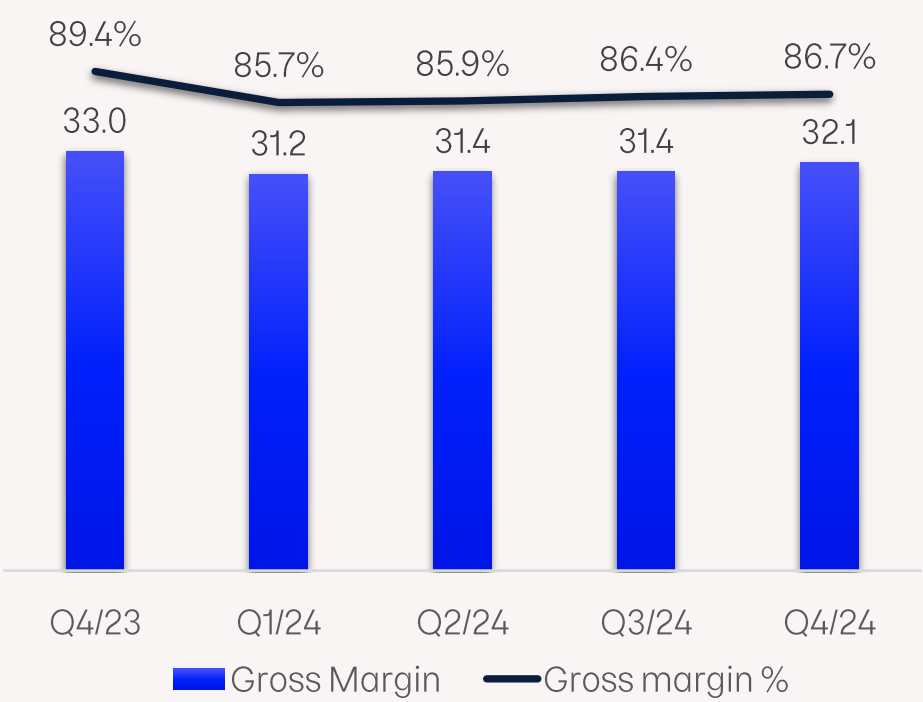
¹Excluding Items Affecting Comparability (IAC) and depreciation and amortization.

Gross margin and adjusted EBITA development

Gross margin continued to improve vs. previous quarters in 2024

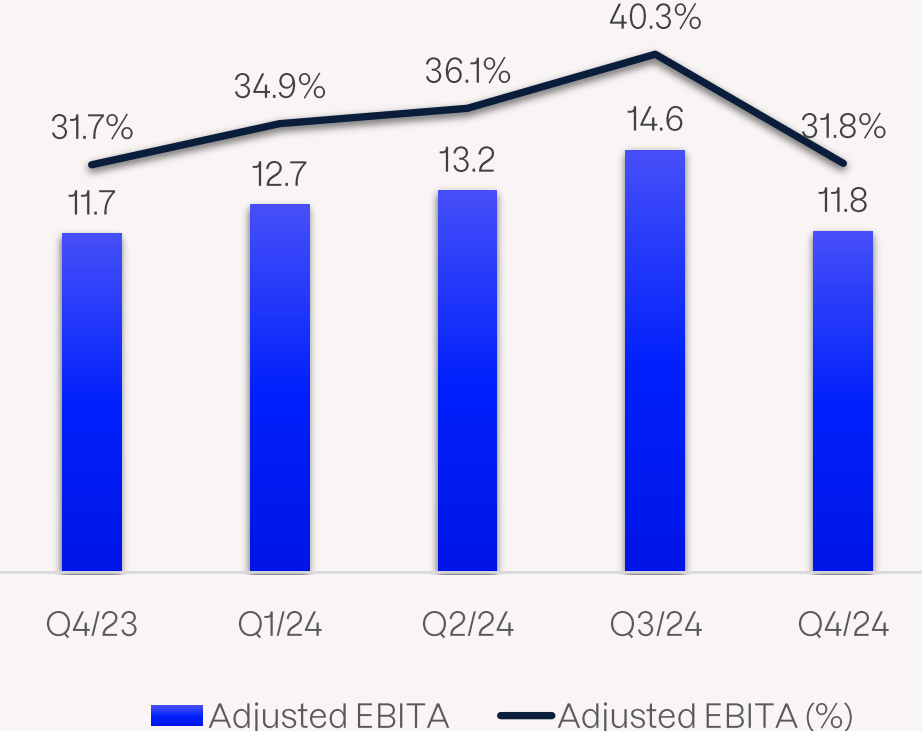
Gross margin

EURm



Adjusted EBITA and adjusted EBITA margin

EURm

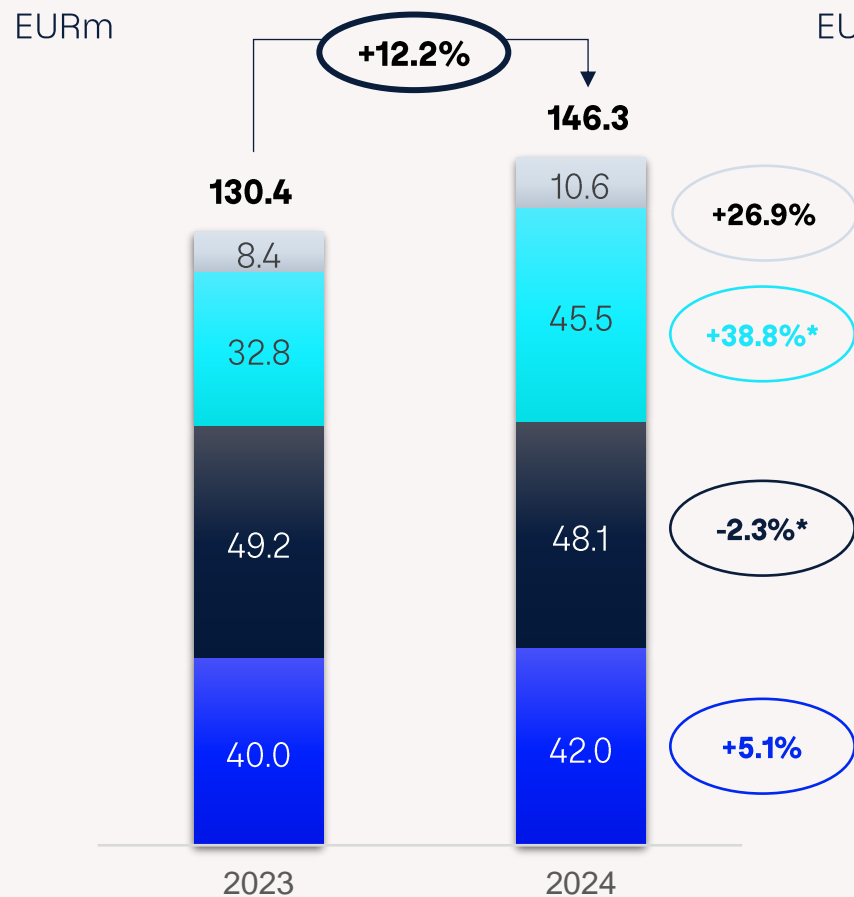


- Comparing the period year ago, gross margin was still burdened by some additional costs related to lost synergies post-TSA period. This impact materialized already in the first half of 2024, after which cost profile has continued to gradually improve as we have progressed in consolidating our production operations and adapted our hosting infrastructure fully to the usage patterns of the independent consumer company.

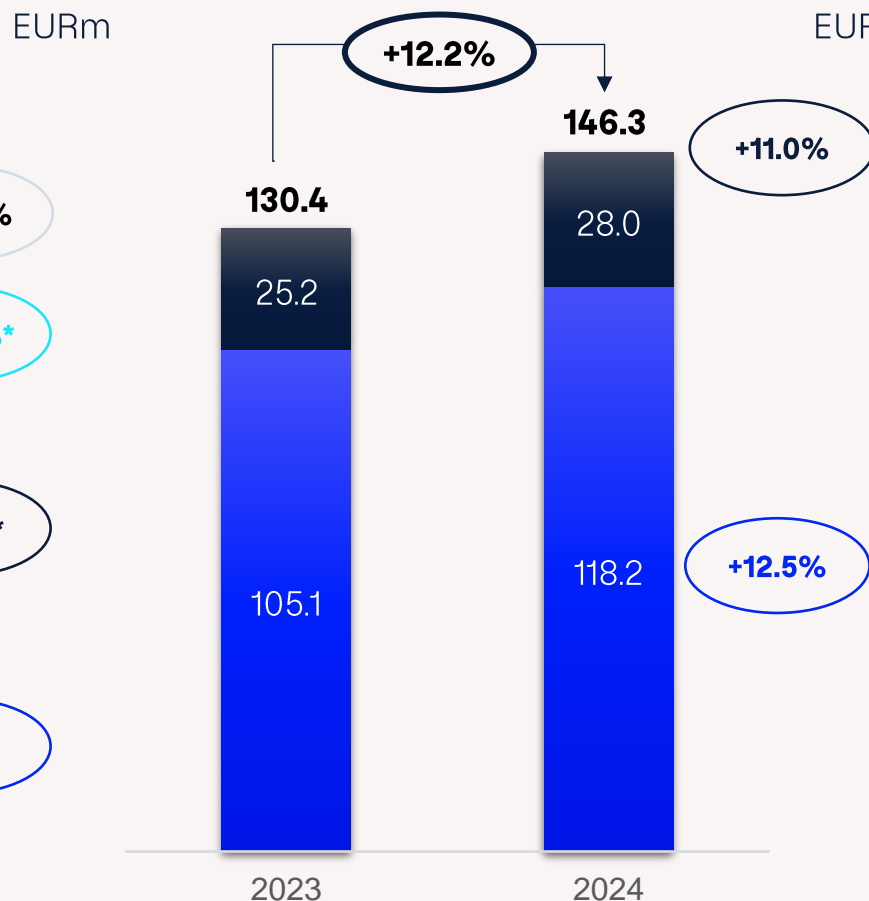
- Lower gross margin
- Lower opex costs, mainly due to sales and marketing

FY2024: Revenue +12.2%, organic growth +1.8%

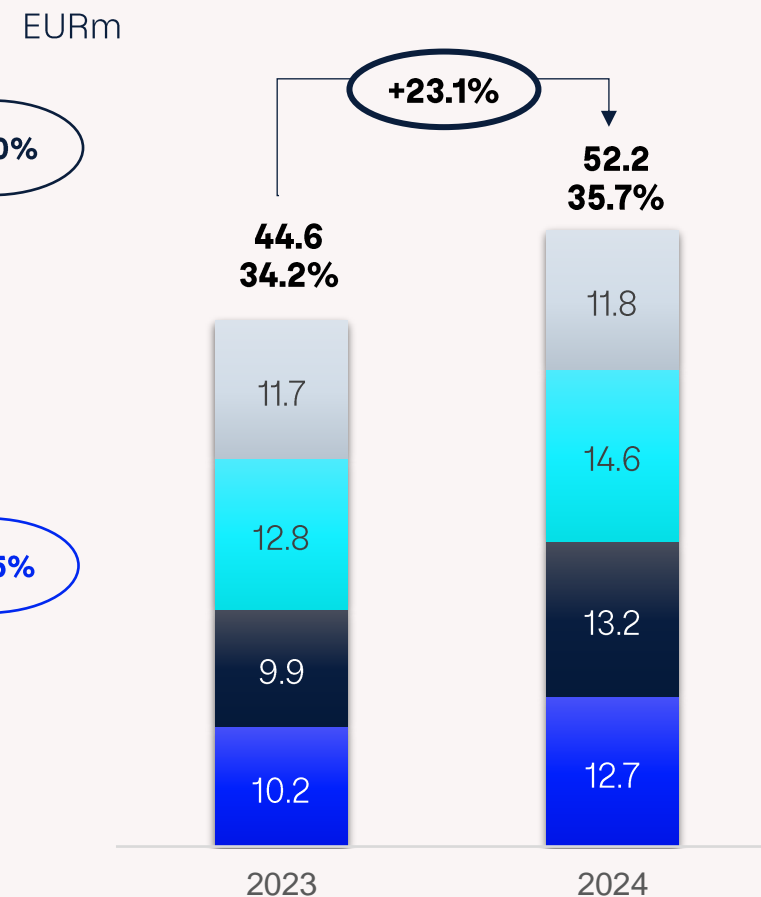
Revenue by geography



Revenue by channel



Adjusted EBITA



■ Nordic countries ■ Rest of Europe*
 ■ North America* ■ Rest of world

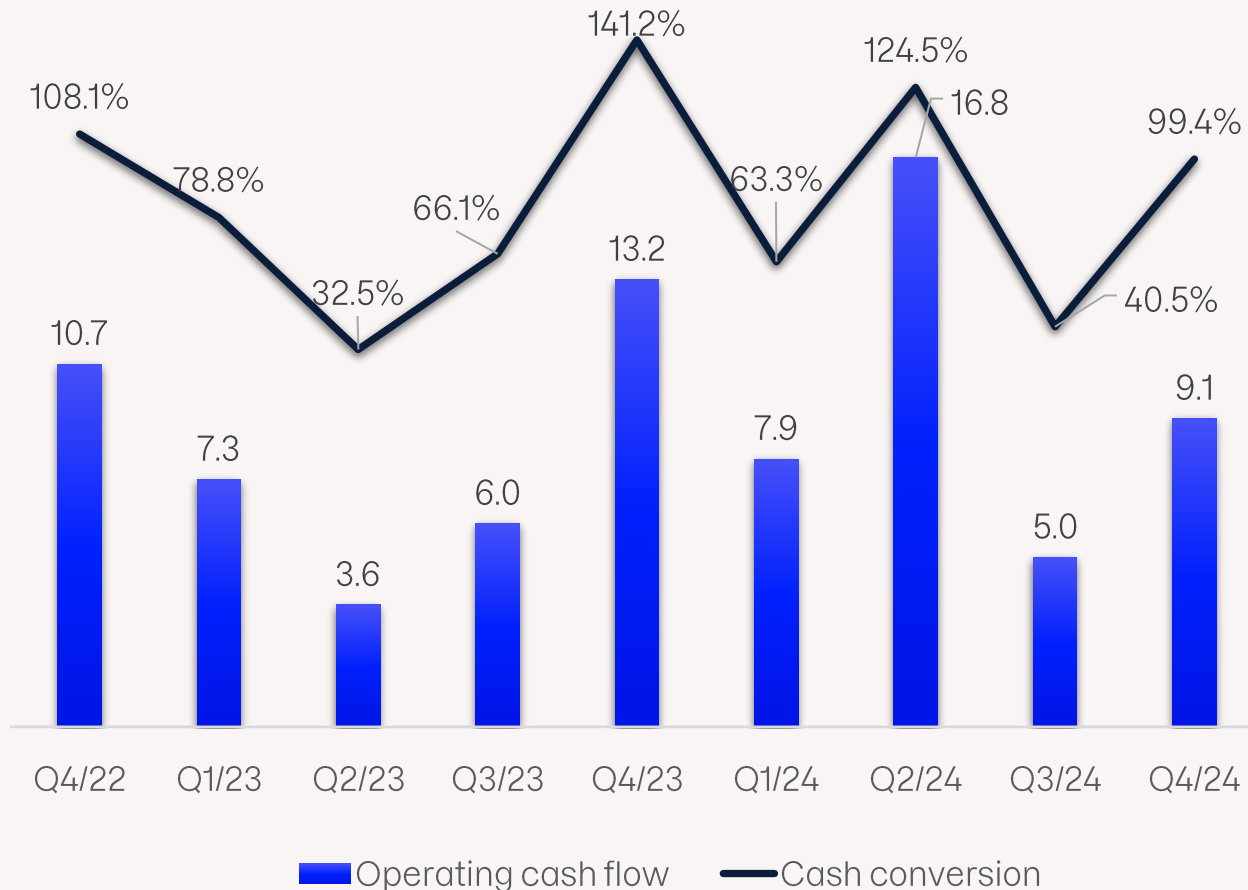
■ Direct Channel (19% of the revenue)
 ■ Partner Channel (81% of the revenue)

■ Q1 ■ Q2 ■ Q3 ■ Q4

*F-Secure has adjusted the geographical split of revenues from Q3/2023 to Q1/2024 between Rest of Europe and North America. This adjustment impacts also the change percentages. The adjustment did not have a material impact to the reported figures. Comparative periods have been adjusted accordingly.

After weaker previous quarter, Q4 result converted fully to cash

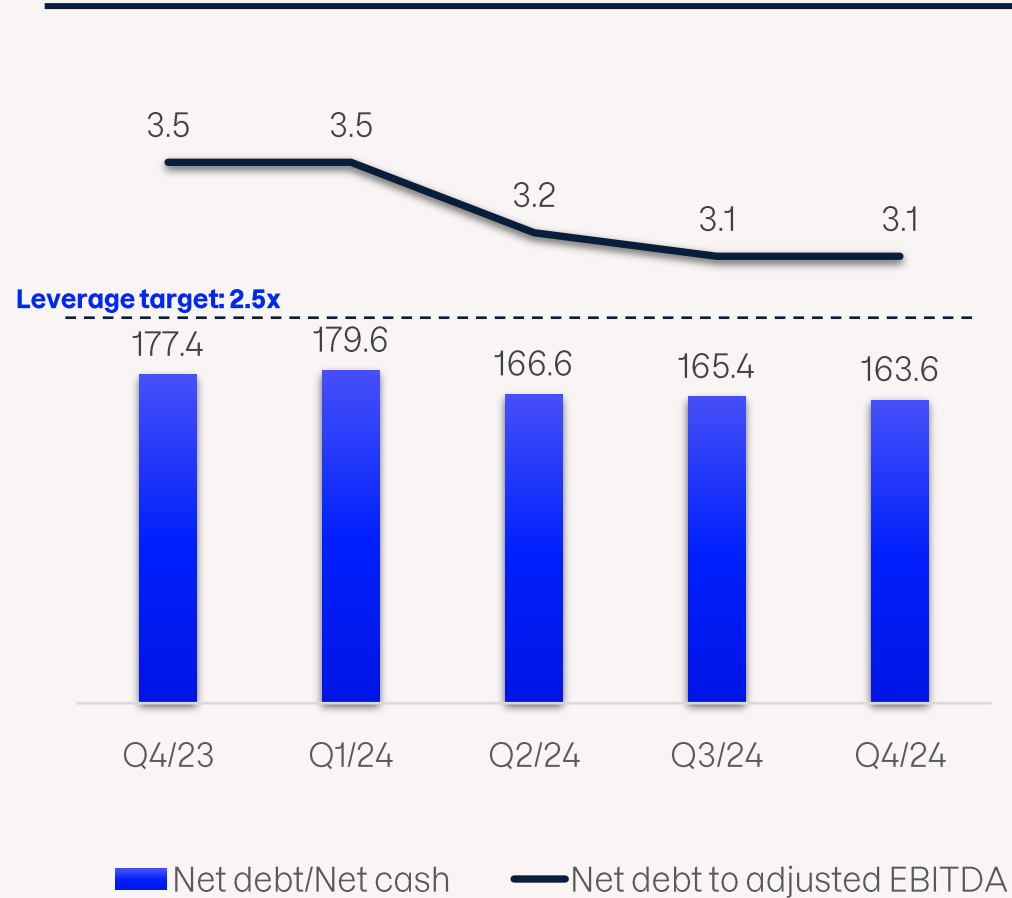
Operating cash flow and cash conversion (QTD)



- Fourth quarter cash conversion rate was 99.4% (141.2%), mirroring the weaker cash conversion in the third quarter of 2024.
- Cash conversion rate in January–December 2024 was to 80.5% (81.2%).
- F-Secure has a RCF of EUR 20 million maturing in 2027 and of which EUR 8 million has drawn down for general cash management purposes.
- During the quarter, F-Secure has repaid EUR 15 million term loan.
- Cash at the end of December 2024 amounted to EUR 8.1 million.

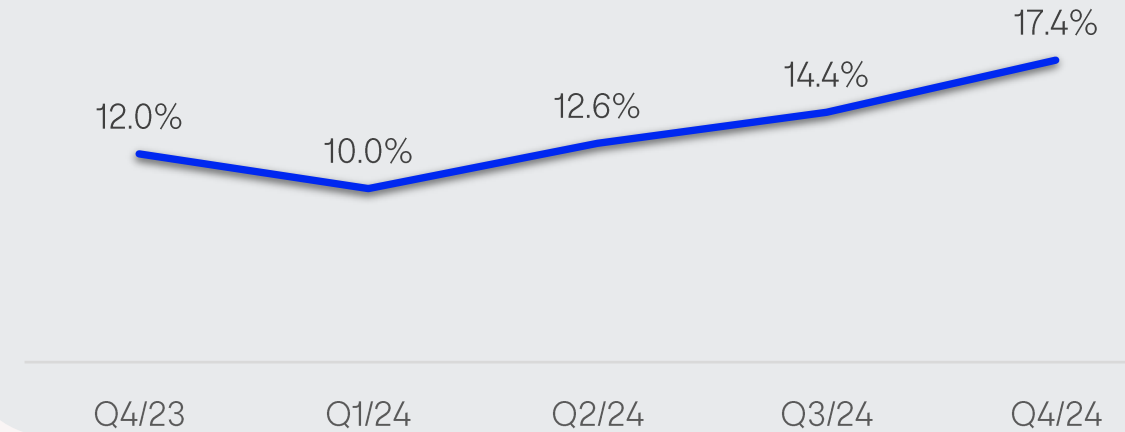
Improved Equity ratio

Net Debt / Net cash and Leverage¹⁾

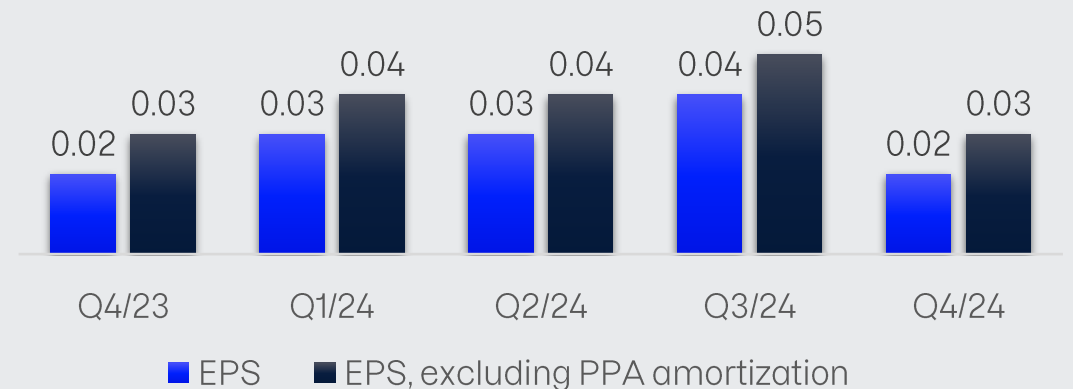


¹⁾ Leverage Q3/2023-Q2/2024 includes Lookout consumer business unit EBITDA on an illustrative basis as if the acquisition had been made on the first day of the period in question.

Equity ratio, %



Earnings per share, EUR¹⁾



¹⁾ Based on the average number of shares during the reporting period.

Proposed dividend of EUR 0.04 per share

Board of Directors' proposal for the distribution of profit

Dividend policy

Around or above 50% of net profit; which can be adjusted as long as leverage is higher than the targeted level.

Distributable funds on 31 December 2024: EUR 13.7 million.

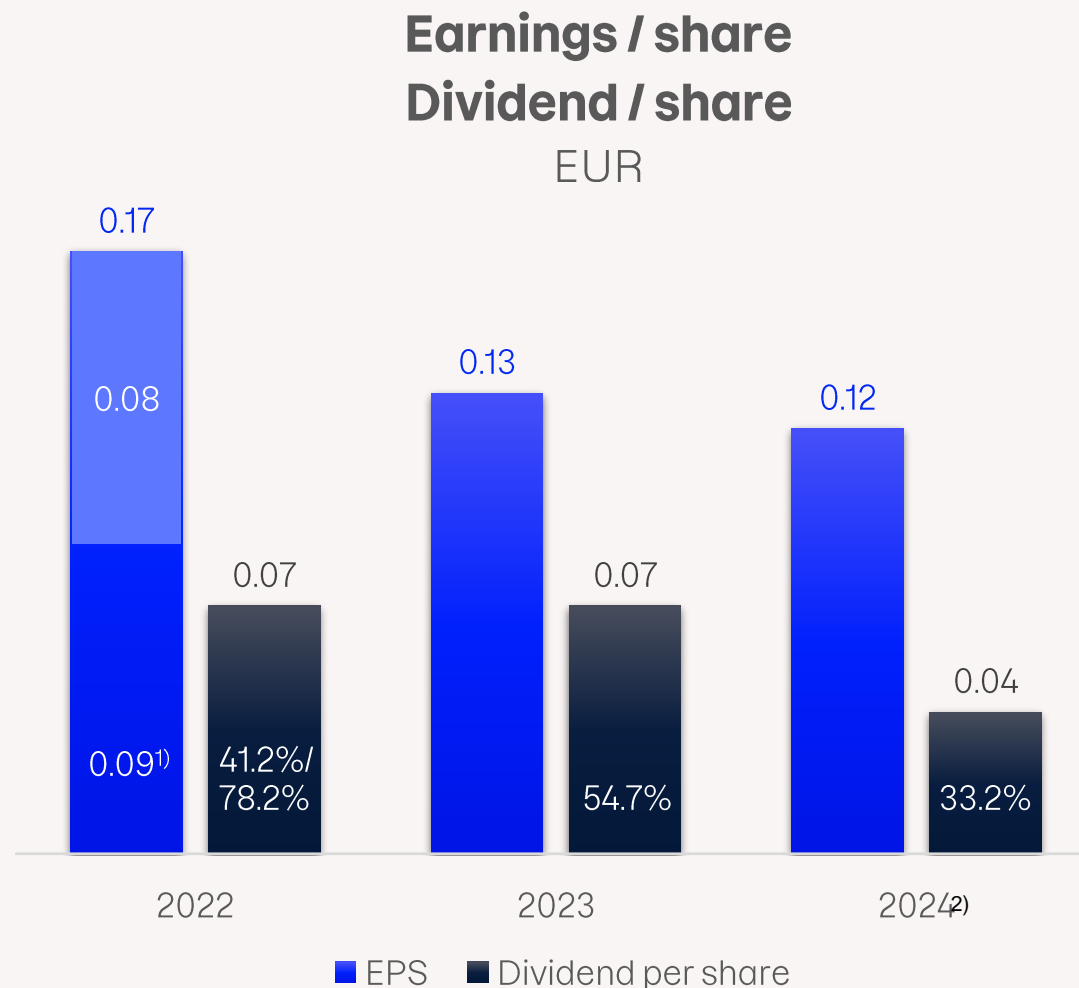
Dividend proposal

The Board of Directors proposes a dividend of EUR 0.04 per share, to be paid in two instalments.

Earnings per share

(EPS) 1-12/2024: EUR 0.12 (0.13).

The proposed dividend is 33% of the January–December 2024 earnings.



1) EPS for the period 7–12/2022, and the dividend % of the biannual net profit.

2) 2024 dividend is a board proposal for AGM to decide on 1 April 2025.

Medium-term financial targets (updated on 19 November 2024)

The targets reflect the company's growth ambitions and strategic direction.

2025 is still a business ramp-up year, after which the journey towards achieving the financial targets is expected to accelerate.

Growth

High single digit growth (CAGR) with additional significant upside from major Tier 1 deals

Profitability

Adjusted EBITA margin approaching 40% as revenue reaches EUR 200 million

Dividend yield

Around or above 50% of net profit; which can be adjusted as long as leverage is higher than the targeted level

Leverage

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

F-Secure Corporation follows the Rule of 40 metric as internal performance measurement and guiding principle, according to which the combined revenue growth rate and profitability margin should be equal to or greater than 40%.

Outlook for 2025



Growth

F-Secure expects mid-single digit revenue growth for 2025



Profitability

The group's adjusted EBITA is expected to be approximately on the same level as in 2024 (EUR 52.2 million)

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 due to the uncertainties around consumer sentiment in certain markets.
- Partner business and especially Embedded services 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 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.
- Capital expenditure level is expected to remain on similar level as in 2024. However, new product development projects related to partner demand can have an impact on the outcome

Financial calendar

Annual Report 2024

27 February 2025

Annual General Meeting 2025

1 April 2025

January-March 2025 Interim report

29 April 2025



Q&A

