



F-Secure Corporation

Investor Presentation
January–March 2023

Highlights of Q4 2022

Solid performance amid challenging environment

Revenue growth of **4.3%** and continued solid profitability

Operating environment more challenging, lower consumer confidence amid high inflation

Strong focus on the roll-out of **F-Secure Total** with important new vertical partnerships

Dividend proposal of EUR 0.07 per share, 78% of the group July–December net profit



Highlights of 2022



Demerger process

Demerger completed and new era as an independent company started



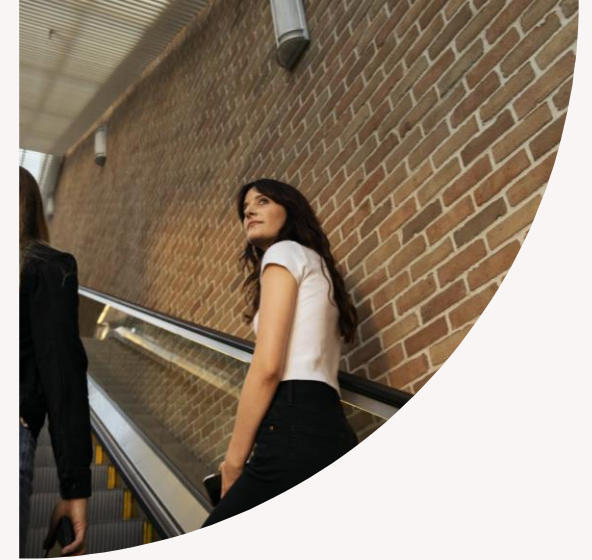
Good performance

Revenue growth of 4.5% and solid profitability



External pressures

Challenging operating environment, towards the end of the year, with lower consumer confidence



Strategy execution

Strong focus on the roll-out of F-Secure Total with important new vertical partnerships

Progress in strategy execution in Q4/2022

	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 Q4:	<ul style="list-style-type: none"> Signed up another 10 partners for F-Secure Total All in all, 35 existing partners have signed up for F-Secure Total upgrade Significant ARPU increase for users who have upgraded to the Total service 	<ul style="list-style-type: none"> Launch of F-Secure Sense with an operator in Finland, our 4th production deployment <ul style="list-style-type: none"> More operators will follow in the early part of 2023 A new product business cell, 'Embedded Security' to complement our existing portfolio <ul style="list-style-type: none"> First partner for Embedded Security signed 	<ul style="list-style-type: none"> A large European bank signed up for F-Secure Total A large Nordic bank signed up for F-Secure Total Active pipeline development: Insurance companies, banks, payment providers

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-Secured 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

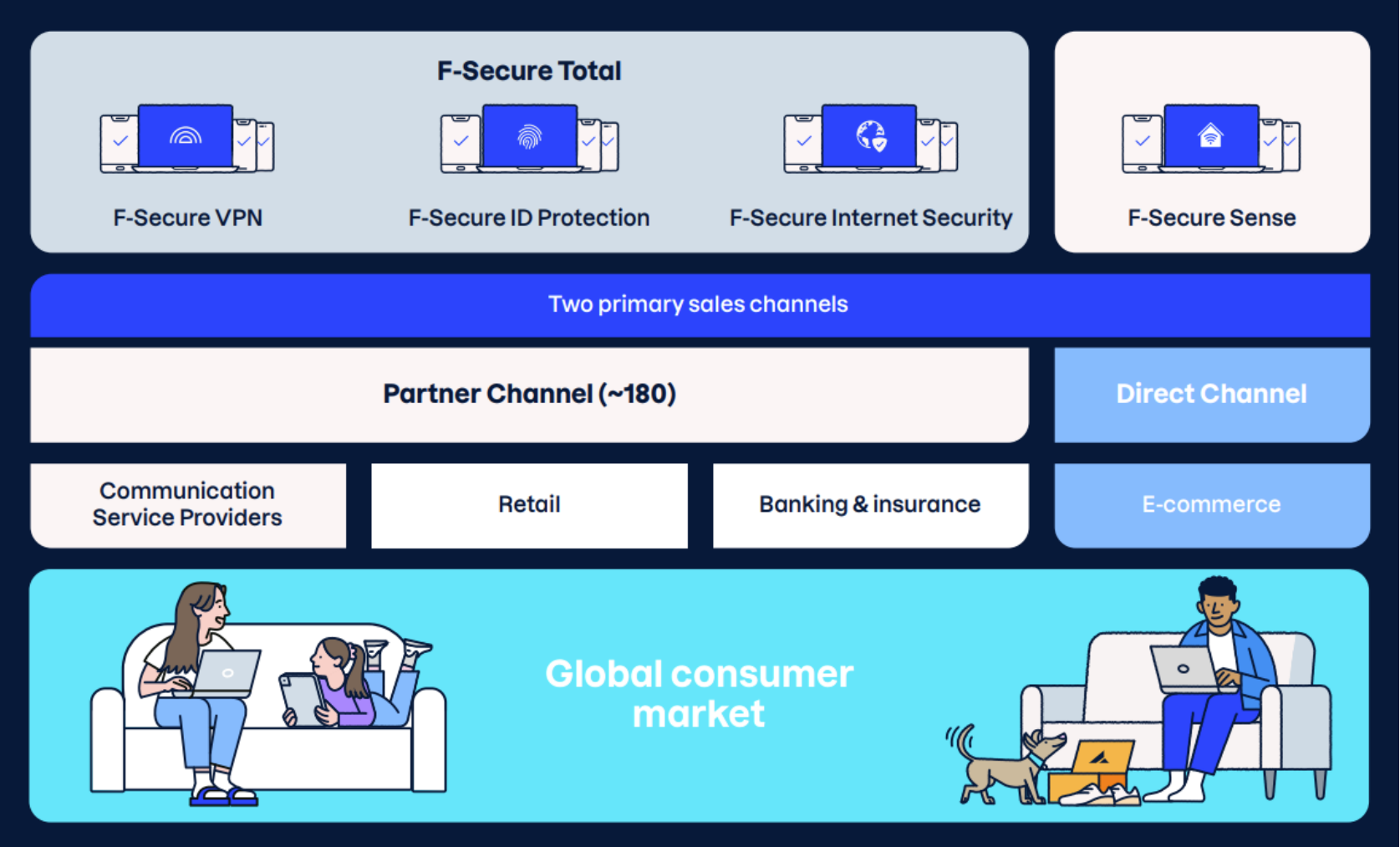
To become the **#1 security experience** company in the world

Our mission

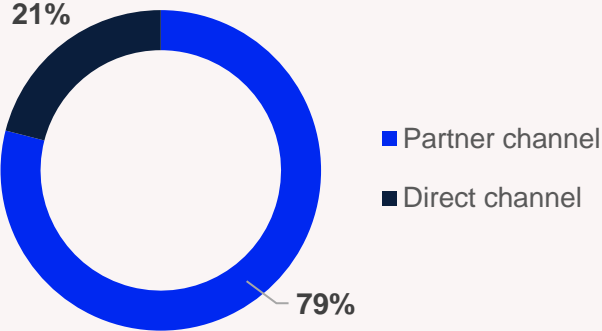
Continuously deliver brilliantly **simple, frictionless security experiences** to our customers and partners



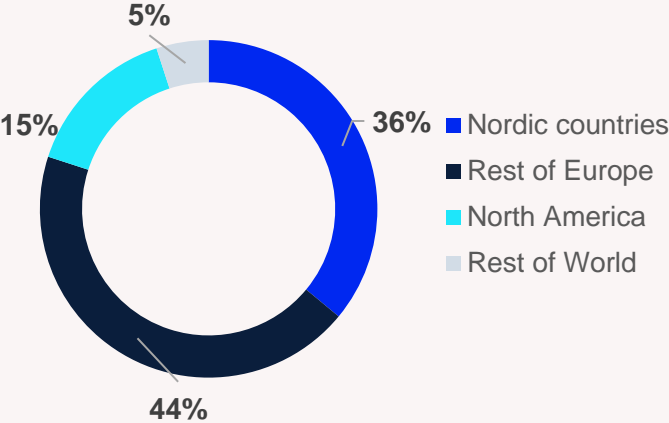
All-in-one integrated security experience



Revenue by channel, %*



Revenue by geography, %*



F-Secure portfolio

Securing every digital moment. Simplified.



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



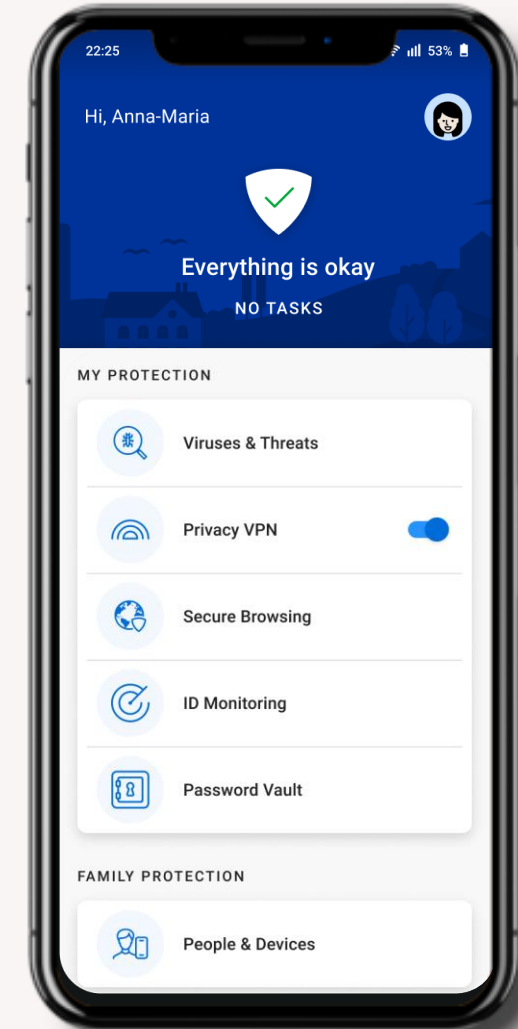
ID protection & password manager

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



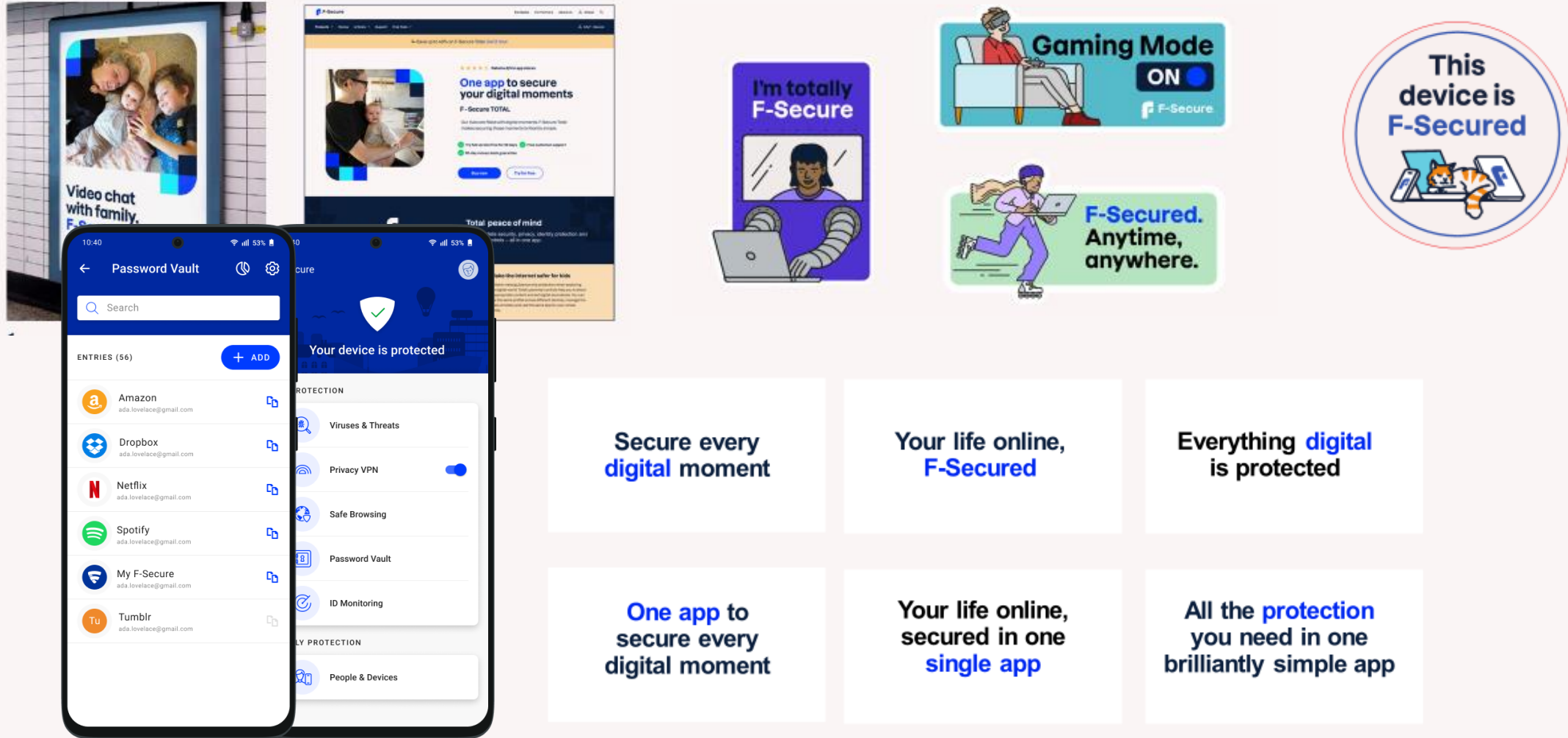
Family protection

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



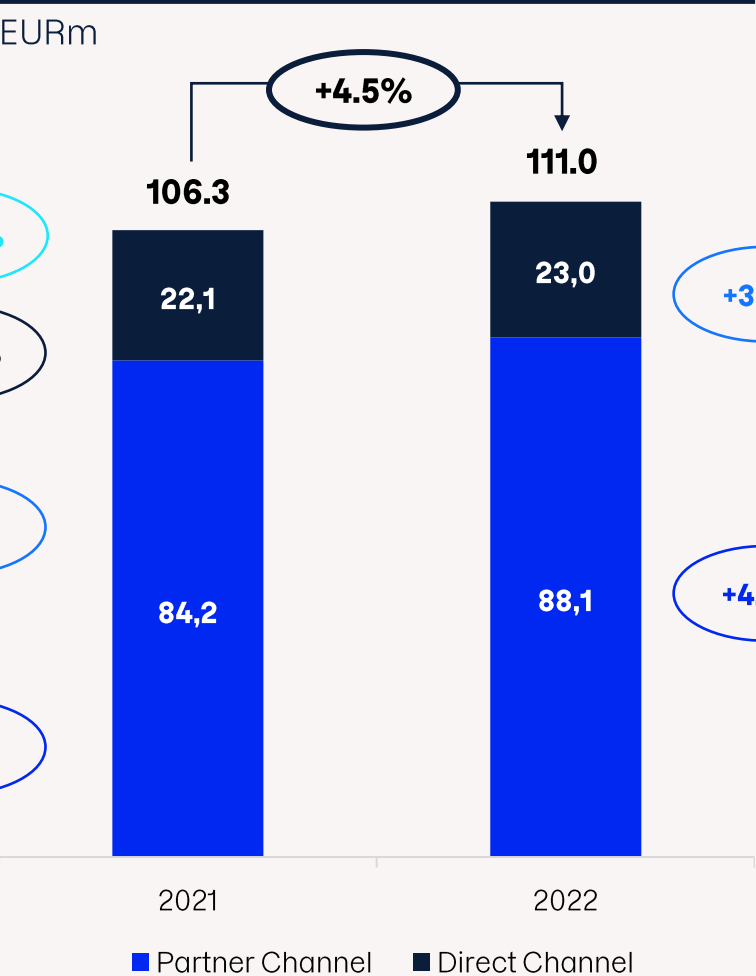
Full year 2022 in figures: solid revenue growth

At comparable exchange rates, revenue increased by 2.9%

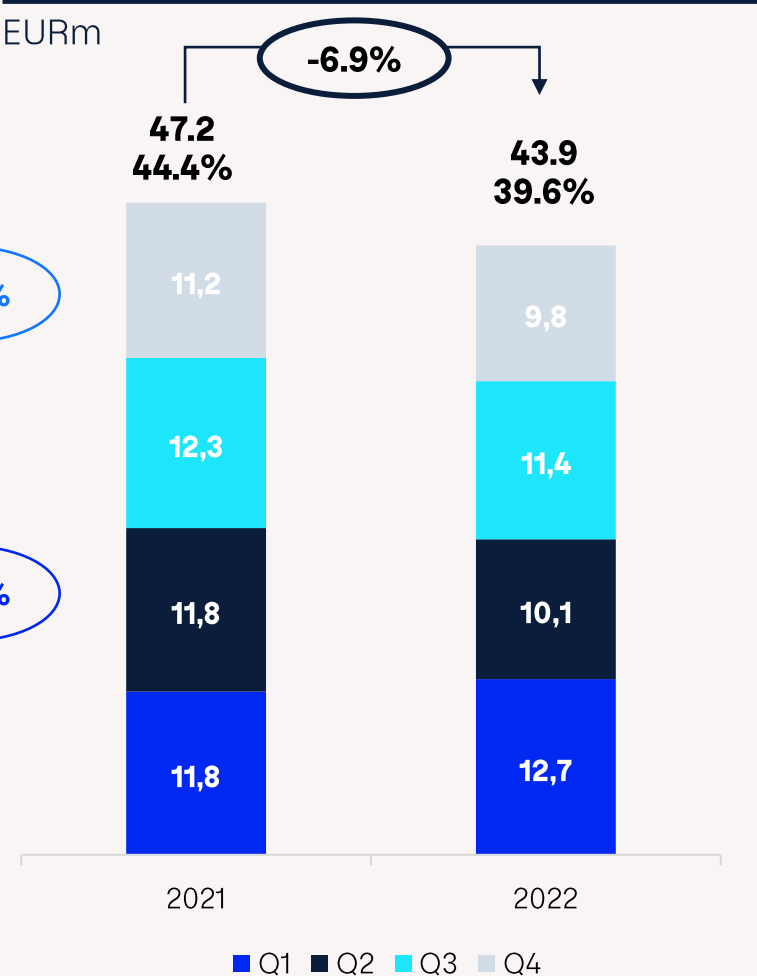
Revenue by geography



Revenue by channel



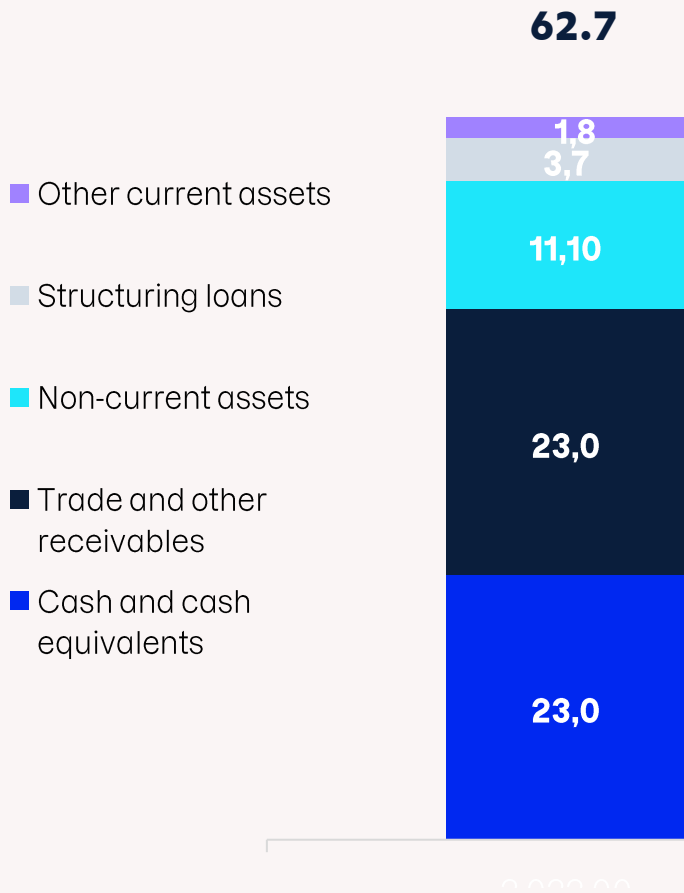
Adjusted EBITA



Solid cash position

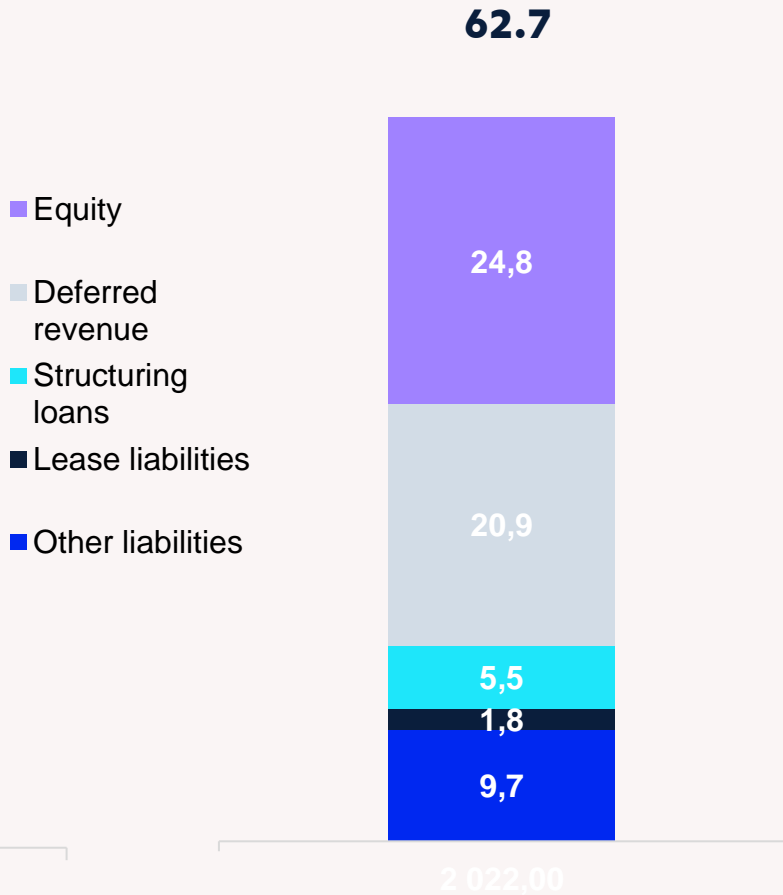
Assets at 31.12.2022

EURm



Equity and liabilities at 31.12.2022

EURm



- Equity ratio was 39.6% (24.5%)
- Net cash was EUR 19.3 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 5.5 million and the receivables totaled EUR 3.7 million

Dividend proposal EUR of 0.07 per share

Board of Directors' proposal for the distribution of profit



- **Dividend policy:** payment of around or above 50% of net profit as dividend on an annual basis
- **Distributable funds:** EUR 14.9 million
- **Dividend proposal:** EUR **0.07** per share, in total EUR 12.2 million to be paid as dividends
- **Earnings per share** (EPS) for the period 7-12/2022 0.09 and the proposed dividend is **78%** of the Group July–December net profit

Outlook 2023

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.



Medium-term financial targets

By 2025

Growth

High single-digit organic revenue growth.

Profitability

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

Dividend yield

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



**Target to consistently
outperform market
growth
&
Rule of 40**

