



**Half-year Financial Report
1 January – 30 June 2025**

Consistent progress offset by FX and Tier-1 ramp-up delays

18 July 2025

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Q2/2025: Consistent progress offset by FX and Tier-1 ramp-up delays

We continued to make meaningful progress in advancing our commercial performance, driving innovation, and enhancing operational excellence

- Q2 revenue grew by 1.1%, currency neutral growth was 1.9%
- The adoption of new services by Tier1 partners progressed slower than expected
- Closing of new Tier1 deals, both with existing and new partners, has been delayed due to factors deriving from partners, such as
 - organizational changes, shifting priorities, limited resources, and evolving business cases
- **Commercial progress**
 - new contract for embedded security with a Latin American insurance company
 - expanded partnership with TDS Telecom/US and Docomo/Japan
 - Multiple service launches with major partners

Despite the obvious challenges, we maintain a strong opportunity pipeline and remain optimistic about future growth



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

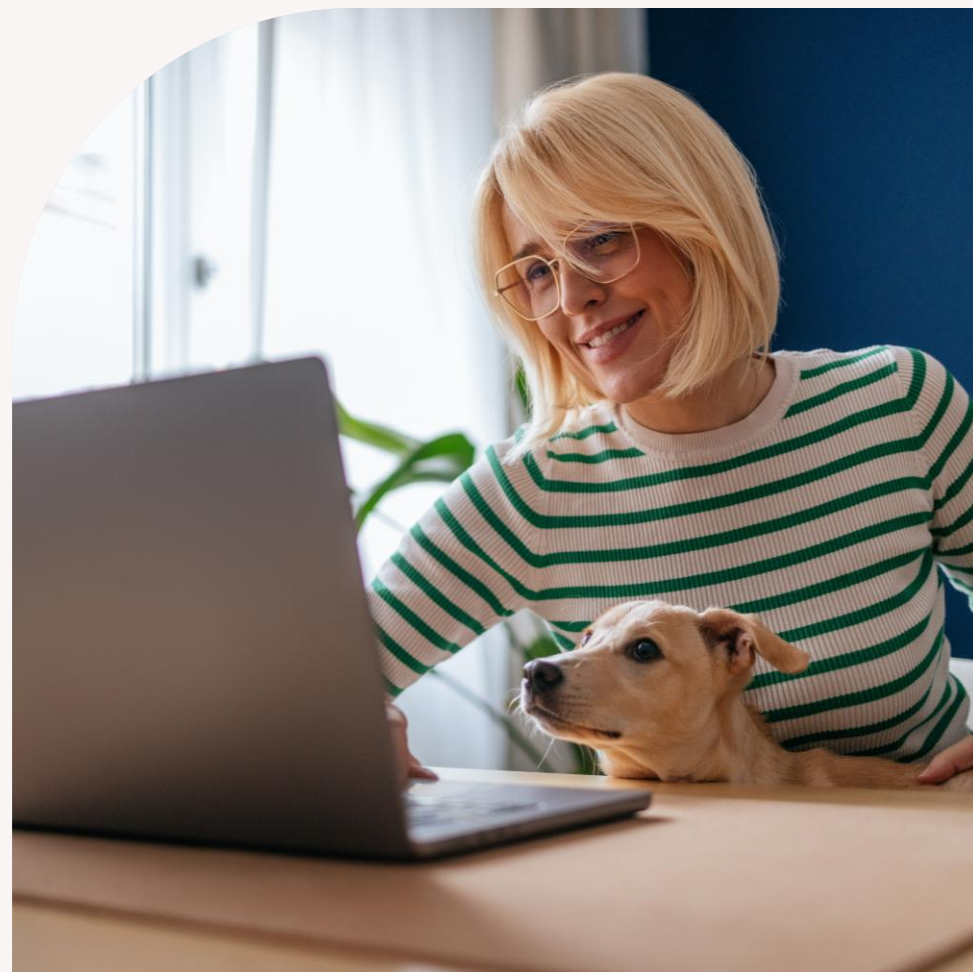
We innovate and utilize data and AI



Tier 1 partner business outlook

Core growth engine for F-Secure in the mid-term – but not the only one

- Market dynamics remain unchanged
 - Rising demand for seamless digital protection
 - Surge in online scams
 - CSPs seeking new, high-margin revenue streams
- Tier 1s prefer unique security offering vs generic resell model
- Active procurement ongoing among multiple Tier 1 CSPs
- F-Secure well-positioned to win
 - Competitive, extensive portfolio
 - Partner-centric business model with strong references
- Revenue growth slower than forecasted due to commercial ramp-up and deal flow delays, mitigations underway
 - Strategic leadership engagement
 - Enhanced partner success support & co-marketing
 - Prudent planning and forecasting



F-Secure again recognized in multiple fields



F-Secure Named Leading Cyber Security Partner for Telcos in STL Partners' Latest Report



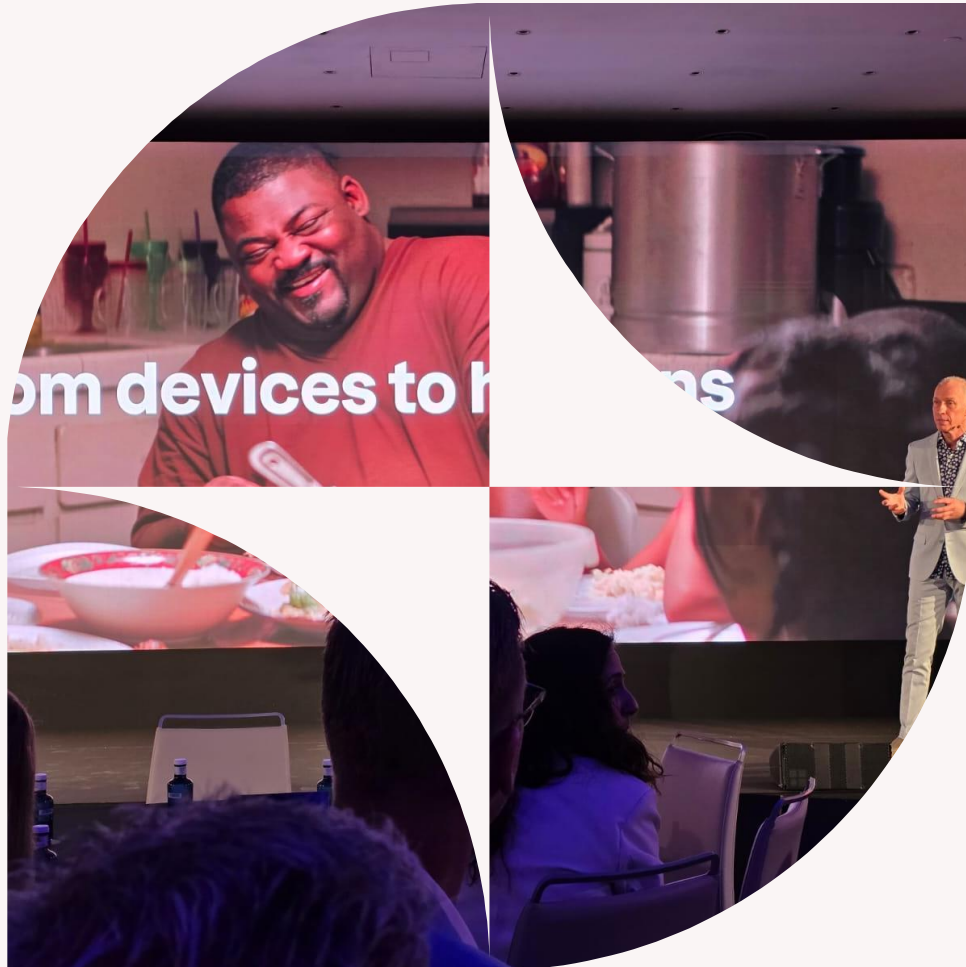
F-Secure won a Gold Medal in the EcoVadis sustainability assessment, scoring in the top 5 percent of over 150,000 companies around the world.



Proof of Concept Award at Fiber Connect 2025

F-Secure SPECIES25 Partner event

Driving innovation, sharing best practices and delivering tangible business results



SPECIES is about driving insight, sparking innovation, sharing best practices, and building lasting connections

A successful partner gathering was arranged in May in Madrid.

With strong attendance and a diverse mix of companies, SPECIES facilitated meaningful conversations and real collaborations to drive innovation in the cybersecurity landscape and to generate concrete business outcomes.

- ❖ Range of new **Embedded Security scam protection capabilities** demoed
- ❖ 118 attendees from 43 partner companies
- ❖ 10 partner case studies presented
- ❖ Extensive peer-to-peer networking
- ❖ Multiple F-Secure and external keynotes
- ❖ >90% of partners agree that F-Secure will achieve its goal of becoming #1 for Scam Protection

HackWeek - Driving Innovation with AI & Data

Most popular Hack Week ever with > 50 submissions

- Focused on applying AI and data-driven approaches to real business challenges
- Encouraged cross-functional collaboration and experimentation
- Complemented by company-wide AI learning week
- Multiple submissions already adopted in daily operations and processes
- Additionally, resulted in several promising prototypes, process improvements, new ideas for internal tools and services, and strengthened AI skills and cultural adoption





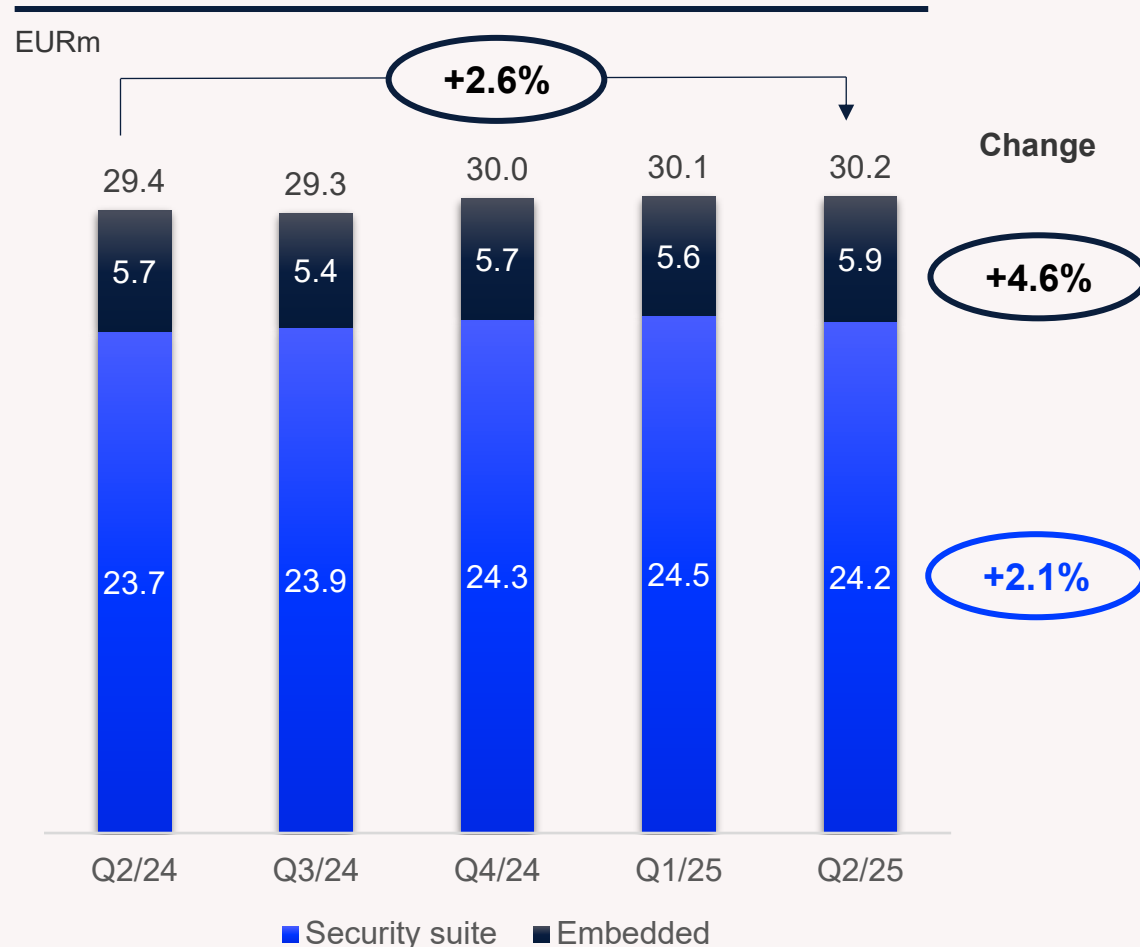
Financials

Sari Somerkallio, CFO

Q2/2025: Partner channel revenue increased by 2.6% and was EUR 30.2 million

Growth was burdened by strongly weakened US dollar

Partner channel revenue

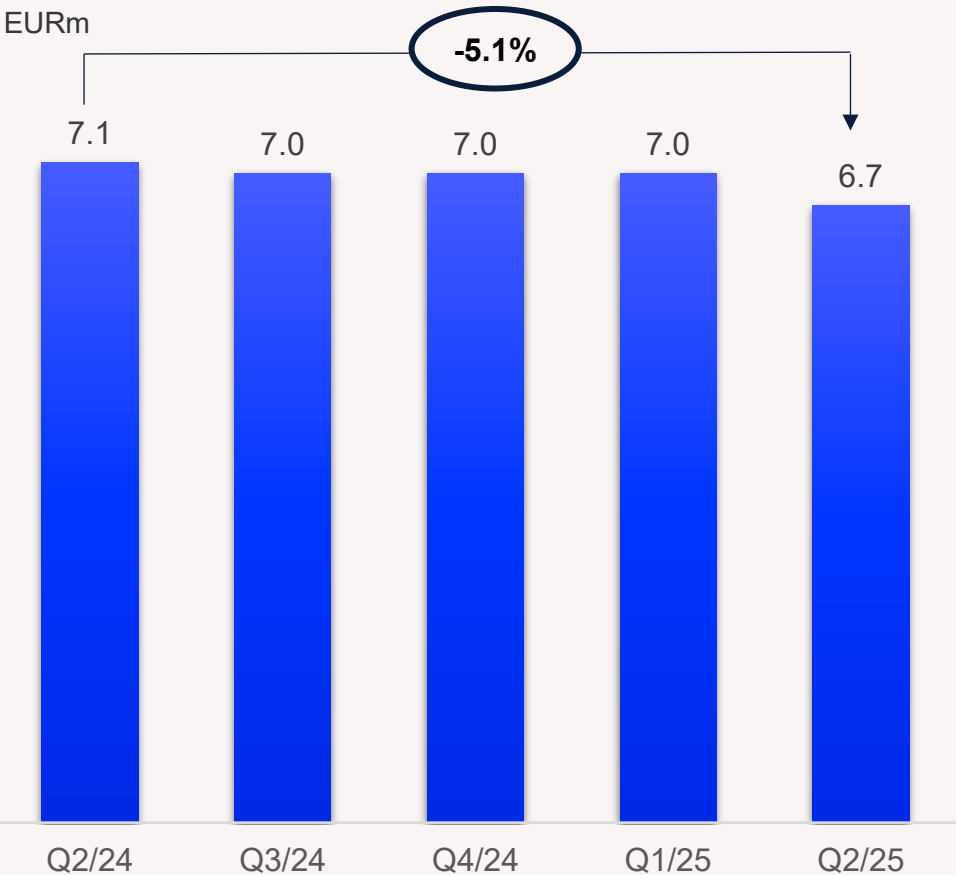


- Partner channel revenue in North America was negatively impacted by weak US dollar
- Revenue from **Security Suite** increased by 2.1% and was EUR 24.2 million (EUR 23.7 million)
 - Thanks to continued good progress with Total conversion, the average revenue per user (ARPU) increased
 - DACH region continued to perform well, except for Germany where revenue declined significantly due to ongoing challenges faced by a key partner in their core business.
 - In the Nordics, Sweden and Finland continued to show solid performance
- Revenue from **Embedded Services** grew by 4.6%, and was EUR 5.9 million (EUR 5.7 million)
 - Growth was driven by continued strong performance in Japan
 - In the US market, the majority of revenue is attributable to Embedded services. Therefore, the performance of Embedded was offset by the weakening of the US dollar.

Q2/2025: Revenue - Direct channel & geography

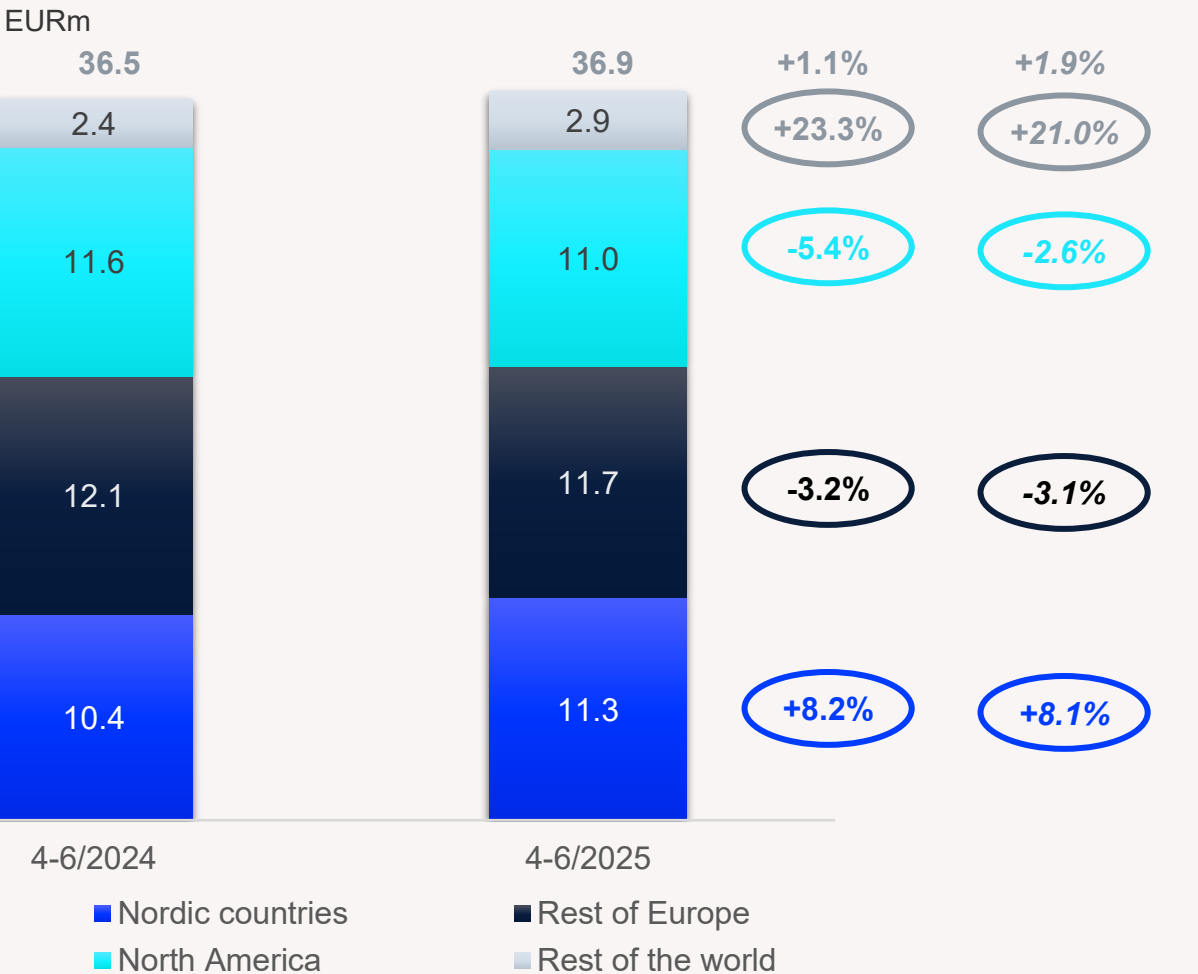
Renewal rate and ARPU developed well during the quarter

Direct channel revenue



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

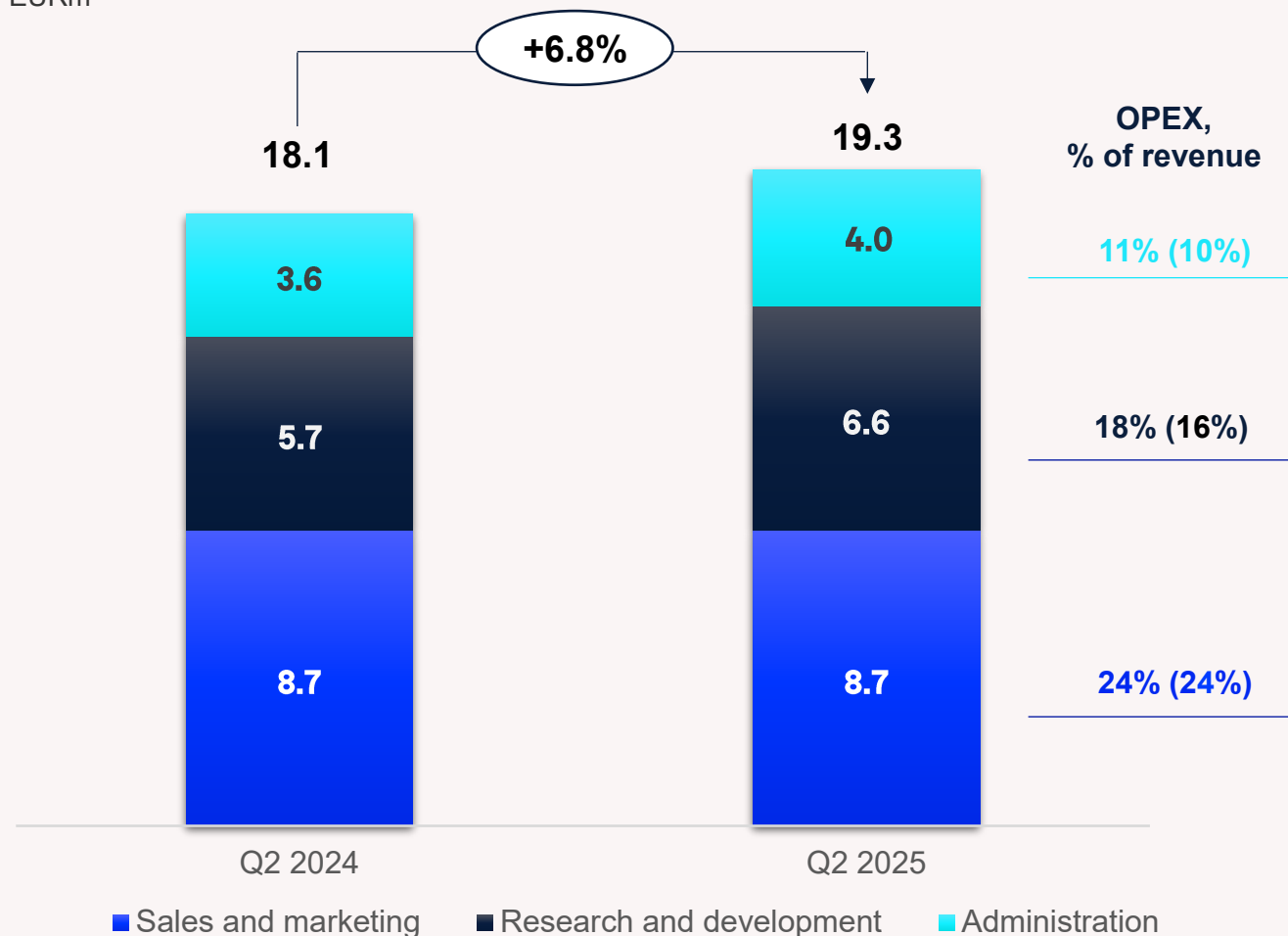
Revenue by geography



Q2/2025: Operating expenses growth was mainly driven by different timing of R&D capitalization projects

OPEX¹ development in Q2 2025

EURm

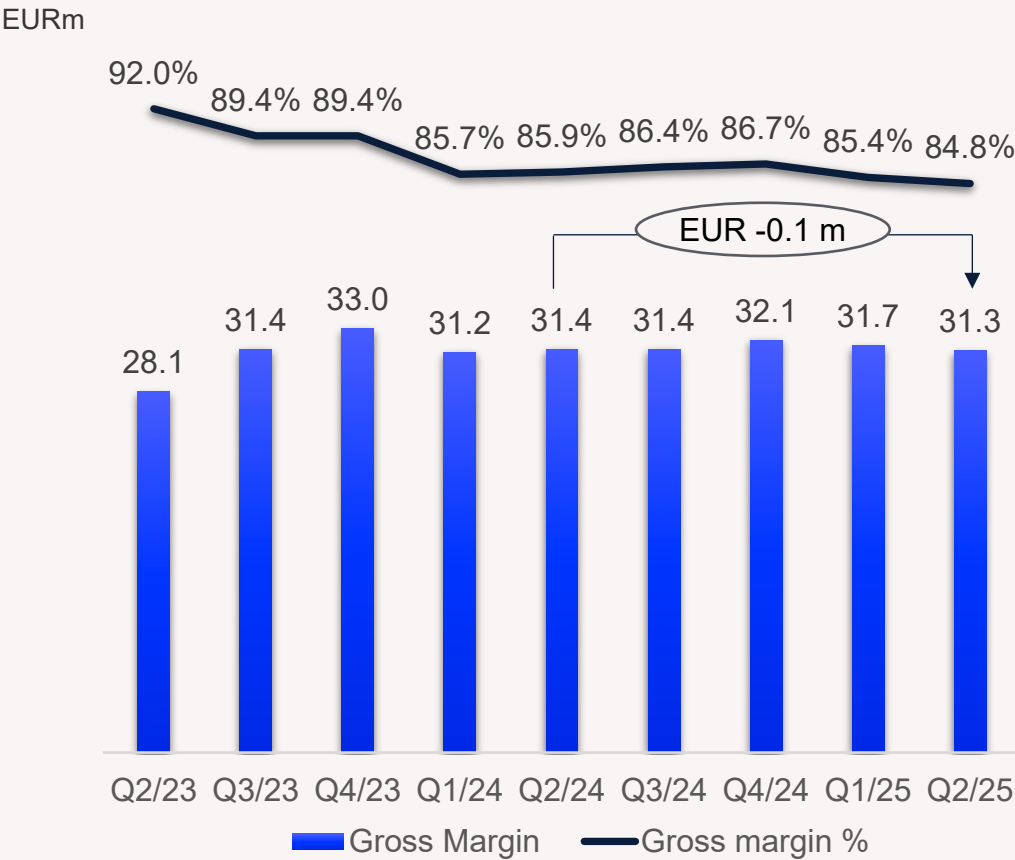


- Operating expenses increased by 6.8% and was EUR 19.3 million (EUR 18.1 million)
- Sales and Marketing costs were in line with comparison period
- Administration costs increased by 10.0% due to a few one-time items
- R&D costs increased by 14.8% due to different timing of R&D capitalization projects
 - Capital expenditures declined by 20.8% and totaled EUR 2.8 million (EUR 3.5 million)
- F-Secure maintains strict cost control

Gross margin and adjusted EBITA development

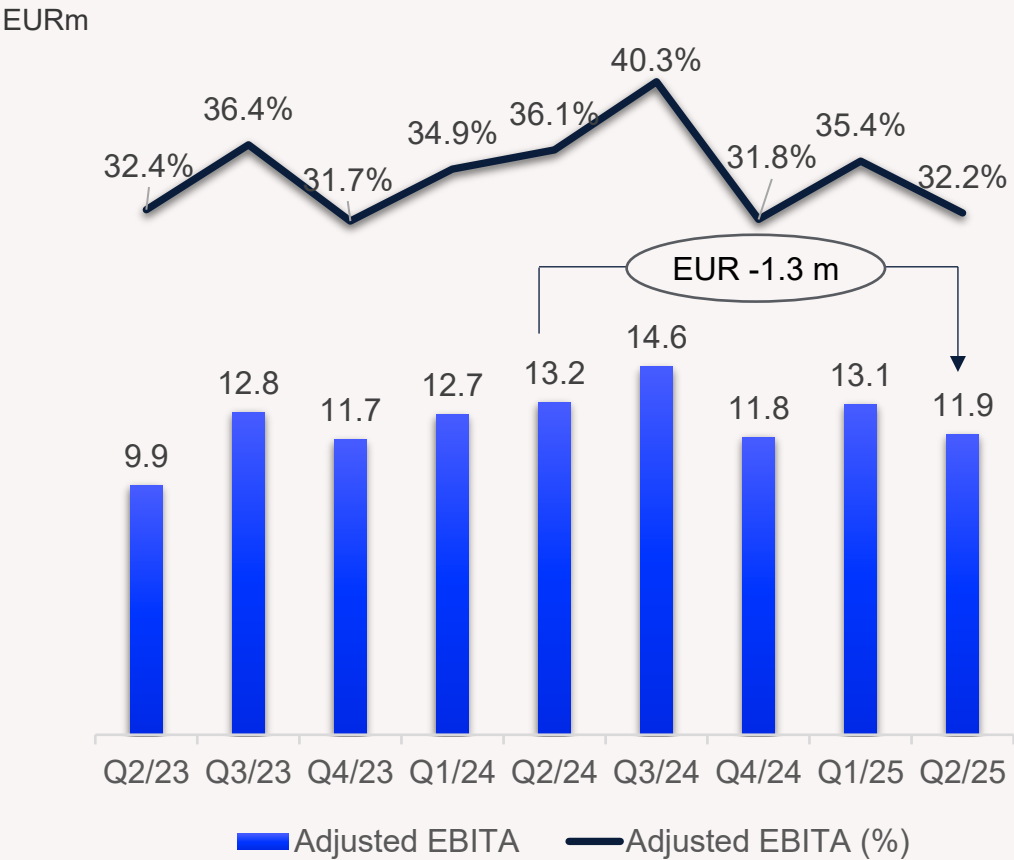
Gross margin was somewhat lower as expected due to higher growth of Embedded business

Gross margin



- Gross margin was somewhat lower as expected due to higher growth of embedded business

Adjusted EBITA and adjusted EBITA margin

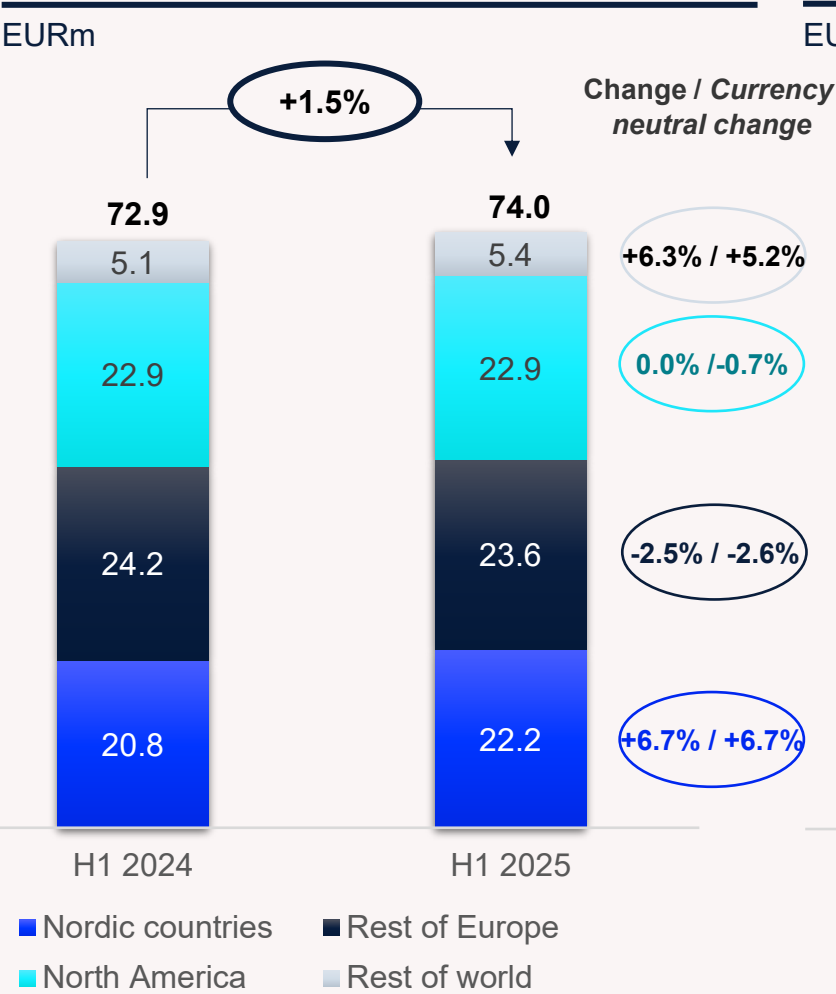


- Adjusted EBITA was EUR 11.9 million and 32.2% of revenue (EUR 13.2 million and 36.1%)
- EBITA was affected by different timing of capitalization of R&D projects

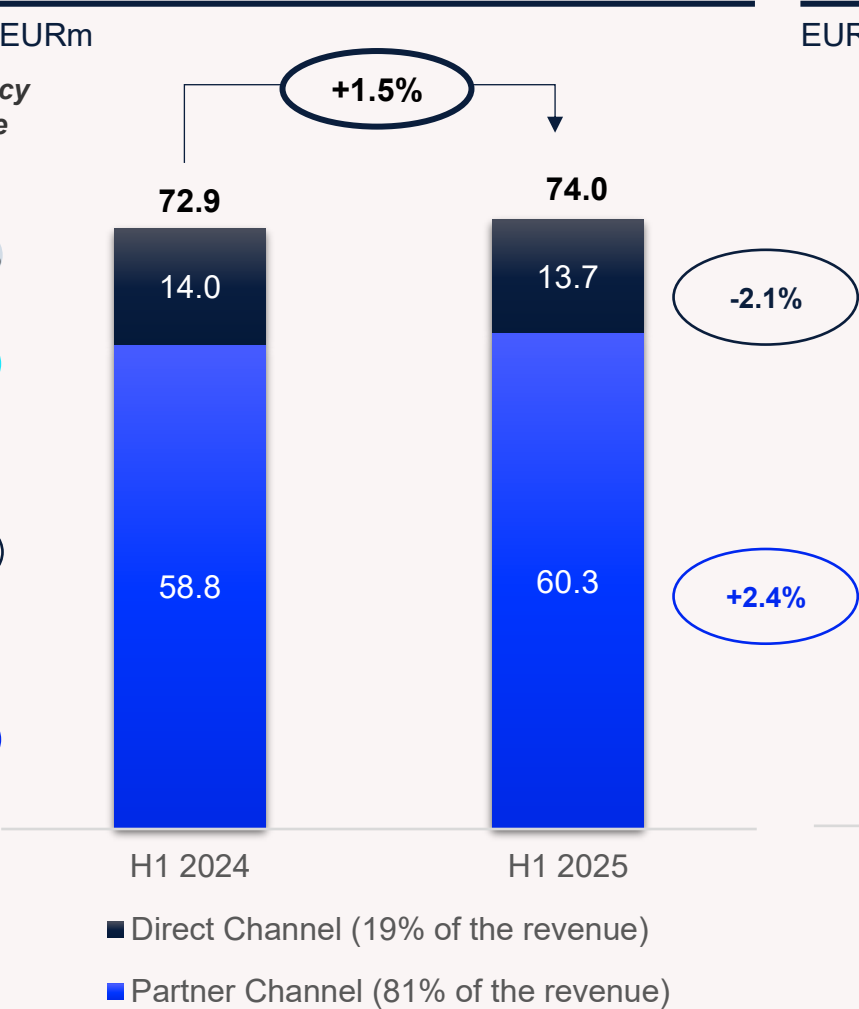
H1/2025 in brief: revenue increased +1.5%, currency neutral growth +1.2%

Good development was offset by Tier1 ramp-up delays

Revenue by geography



Revenue by channel



Adjusted EBITA



Operating cash flow EUR 10.8 million until the end of quarter

Operating cash flow and cash conversion (QTD)



- Q2 cash conversion rate was 89.4% (124.5%)
- During the quarter F-Secure signed and withdrew EUR 35 million loan, which is the first step of refinancing the company's loan portfolio.
- Equity ratio was 17.0% (12.6%)
- Cash at the end of June amounted to EUR 14.1 million (EUR 16.9 million)

Revised 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.

F-Secure's Disclosure Policy updated on 17 July 2025

The Disclosure Policy describes the principles and procedures applicable to the external communication of F-Secure to the financial capital market representatives

The update relates on how F-Secure discloses exceptionally large customer contracts:

- inside information is assessed case by case, based on qualitative and quantitative analysis, legal and regulatory requirements, and internal guidelines.
- As a rule, customer contracts are disclosed via stock exchange release if the discounted annual revenue exceeds 7% of current year revenue in any of the first three years, or 15% cumulatively over three years.
- Revenue estimates consider the time value and risk factors such as the estimated certainty of revenue realization and other similar factors.

The updated disclosure policy will enter into force immediately and is available on F-Secure's investors website at <https://investors.f-secure.com/en/>



Financial calendar

Interim Report for January–September 2025

28 October 2025

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





Q&A

