F-Secure

Half-year financial report
January – June 2026

Strong growth in the Embedded Security business

17 July 2026
Timo Laaksonen, CEO
Robin Pulkkinen, CFO

Strong second quarter both commercially and strategically

- Currency neutral revenue growth 9.9%, driven by good development in the Embedded Security business within Tier 1 partners
  - Reported revenue increased by 8.0% to EUR 39.8 million (EUR 36.9 million).
  - Moderate decline in Security Suite, which we are addressing by returning to more balanced commercial and product efforts
  - AI-native Project Halo to be launched at the end of Q3/26 to our Direct business mobile customers in the US
- Adjusted EBITA EUR 11.0 million (EUR 11.9 million), 27.7% of revenue (32.2%), reflecting planned investments in Embedded Security and Tier 1 service level capabilities
- With Tier 1 expansion underway, focus on driving service adoption growth and translating revenue growth into stronger profitability

Two major Tier 1 wins: Verizon agreement signed and NTT DOCOMO partnership expanded

Landmark Tier 1 deal with Verizon

- Agreement for Embedded Security signed in April 2026
- Minimum guaranteed revenue of USD 15 million for each full year of service
- Growth beyond the guaranteed level will be driven by service demand

Expanded partnership with NTT DOCOMO

- Two new scam protection plans launched in May 2026: AI powered scam and fake image detection
- Deepens one of our most significant partnerships in the Asia-Pacific region

Update on the agreement with an undisclosed Tier 1 CSP

- Initial Q2-Q3/26 launch delayed by 1-2 quarters

Undisclosed

Partner name not yet public

Scam protection is a competitive differentiator for digital service providers

56%

of consumers encounter scam attempts monthly

52%

of victims lose money – more than double the 2025 rate

~40m

U.S. scam victims in the past 12 months

93%

say cyber security matters when choosing a provider

51%

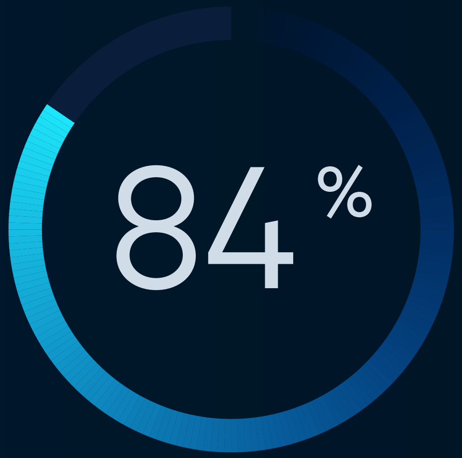
willing to pay for dedicated scam protection

Source: F-Secure Scam Intelligence & Impacts Report 2026, published May 11, 2026

F-Secure Trust announced – addressing the massive consumer trust gap in the age of AI

- Trust is becoming a premium for consumers – as AI anxiety grows, so does willingness to pay for visible, verifiable protection
- Two capabilities in development under **F-Secure Trust**:
  - **TrustPath** – secures entire digital lifestyle flows, such as online shopping, end-to-end
  - **TrustGuard** – protection layer for AI assistant interactions
- Expected to enter beta phase in Q4/2026 and production phase in Q1/2027
- Development supported by a strategic partnership with **Qutwo**, a leading European AI lab

The trust inflection point



don't trust AI to tell what's real

F-Secure consumer survey, Jan 2026, n=10,000.

Project Halo: Mobile-first scam protection, consumer-first experience

User-centric experience innovation

Addresses critical market gaps where traditional security products overwhelm users with complexity, making protection feel uncertain.

Consumer-first validation

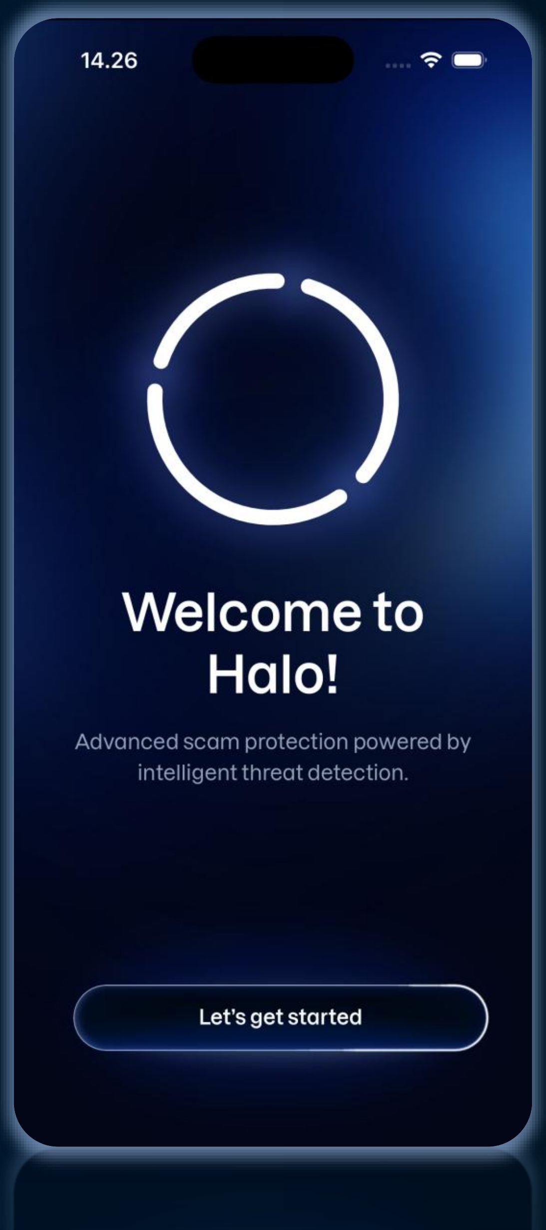
Built for direct-to-consumer business to rapidly test, learn, and incorporate insights into our broader portfolio offering. Public launch planned at the end of Q3 2026.

AI-first development approach

AI-native mobile security solution designed from the ground up to deliver effortless protection and genuine peace of mind

Where we are now

Alpha phase complete. Now in beta with new features added as development accelerates toward launch. Brand work is underway, shaping the experience ahead of the public release.



AI Powered
BY F-SECURE

2026 strategic priorities focus on growth and building scale

	Strategic objective	Development in Q2 2026
	**Successfully serve, scale and grow every strategic partner**	• Significant increase in number of subscribers • Successful launch with two strategic partners
	**Unlock full growth potential in every partner**	• New scam protection premium service launched • Public beta launch of passwordless login for Total – improving CSP end customer adoption • Total subscriber count back to growth
	**Data, AI and new ways of working driving innovation and growth**	• AI native software development practices in use across R&D improving speed and efficiency • AI transformation across company core processes • Enhanced data visibility for our CSP partners

Financials

Robin Pulkkinen, CFO

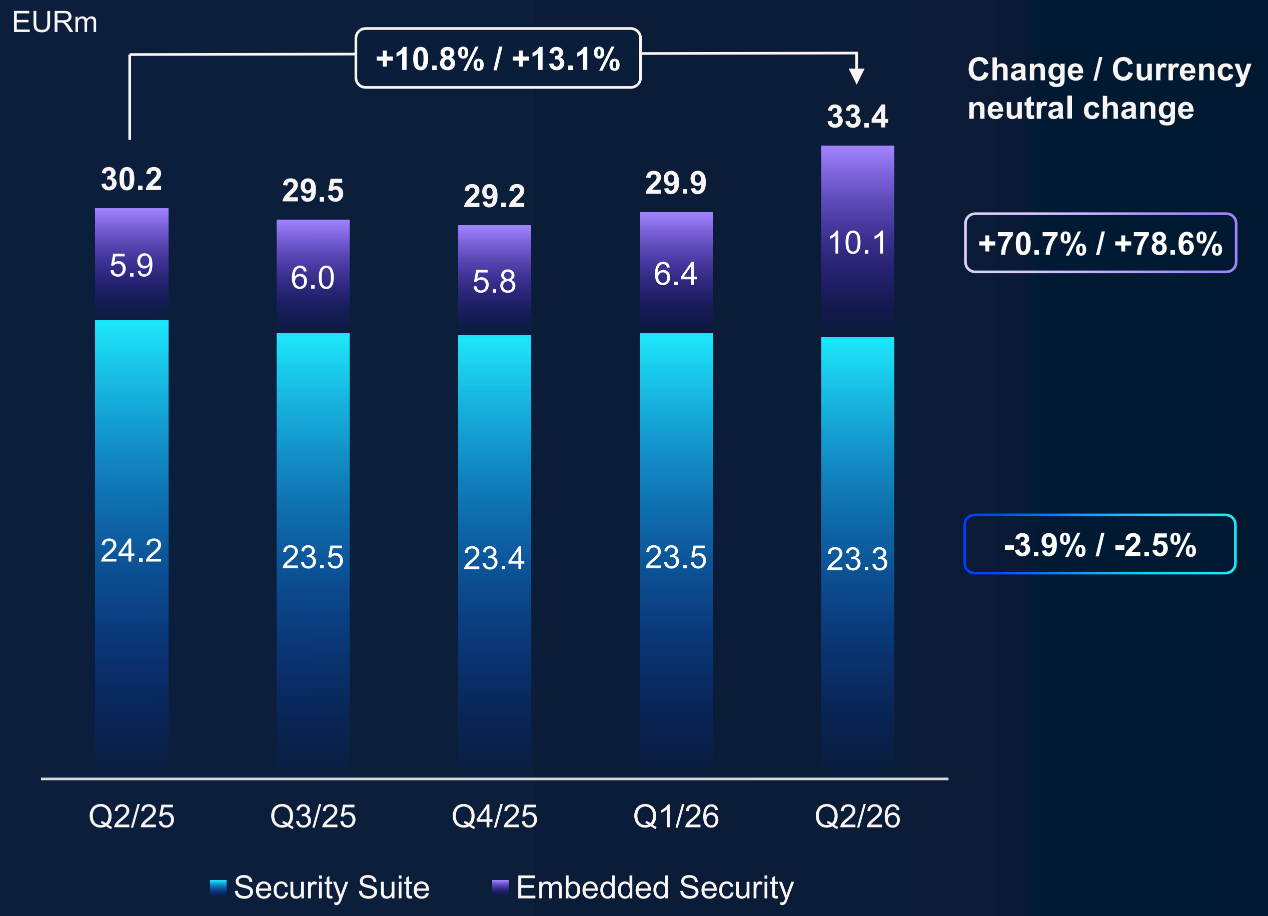
Key figures

EUR million	4-6/2026	4-6/2025	Change %	1-6/2026	1-6/2025	Change %
Revenue	**39.8**	36.9	8.0%	**76.2**	74.0	3.0%
Gross margin	**33.4**	31.3	6.8%	**63.7**	63.0	1.2%
% of revenue	**83.9%**	84.8%		**83.7%**	85.1%	
Adjusted EBITA	**11.0**	11.9	-7.1%	**22.6**	25.0	-9.7%
% of revenue	**27.7%**	32.2%		**29.6%**	33.8%	
EBIT	**7.0**	8.2	-15.0%	**12.8**	17.6	-27.5%
% of revenue	**17.6%**	22.3%		**16.8%**	23.8%	
Earnings per share (EUR)	**0.02**	0.03	-19.3%	**0.04**	0.06	-31.9%
Operating cash flow	**5.5**	10.8	-48.9%	**13.4**	20.4	-34.4%
Net debt/Adjusted EBITDA				**2.9**	2.9	

- Currency neutral revenue growth was 9.9% for Q2/26 and 6.0% for H1/26.
- EBIT declined due to planned investments in Embedded security portfolio and Tier 1 service level capabilities.
- Cash flow was impacted by growth in accounts receivables due to temporary delay in collection, which will be recovered later during the year.
- Our medium-term financial targets remain unchanged -> adjusted EBITA margin to approach 40% as revenue reaches EUR 200 million

Embedded Security and Tier 1 customers driving strong growth

Partner channel revenue



Embedded Security

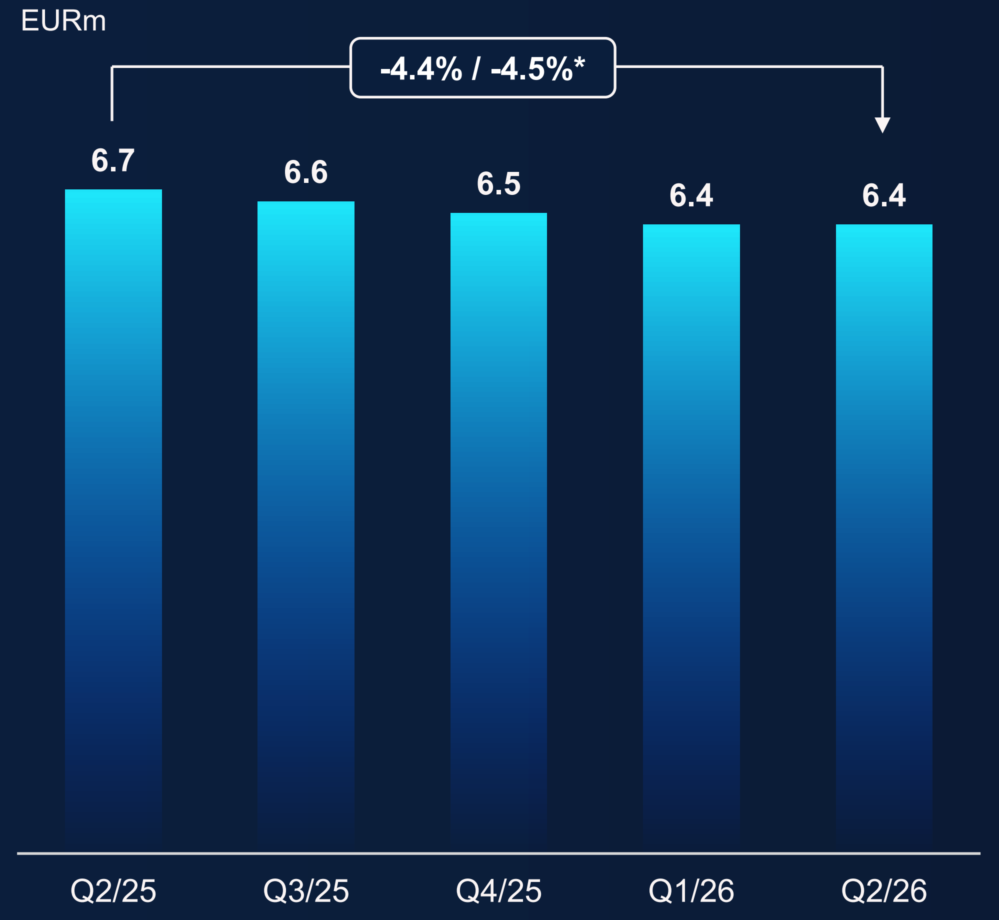
- Strong growth in the US supported by recent Tier 1 wins
- Decline in Japan reflects a service discontinuation by one partner earlier in the year, partly offset by expansion in other services with the same partner
- Weak USD and JPY had a negative impact on the reported revenue (USD/EUR approx. -9% and JPY/ EUR approx. -14%)

Security Suite

- A stronger focus on Embedded Security over the recent quarters contributed to a moderate decline. We are addressing this by returning to a more balanced commercial and product efforts.
- Continued decline in Germany due to ongoing challenges faced by a key partner in its core business
- Weaker progress in North America partly due to customers with legacy products

Direct channel revenue decreased less than expected

Direct channel revenue



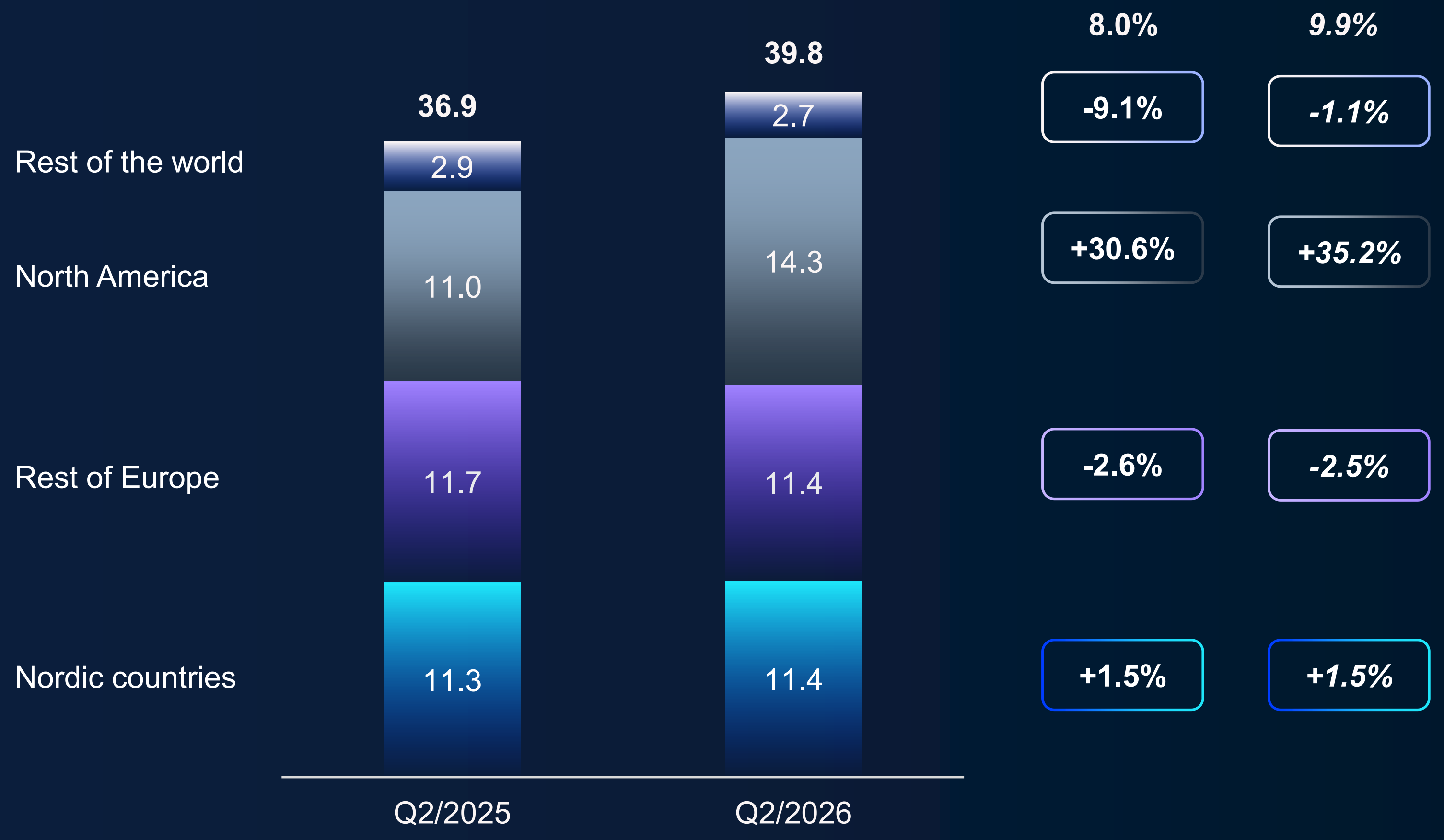
- Number of users declined as expected due to our current strategy to refrain from paid customer acquisition investments.
- The decline in revenue was especially due to weak performance in North America. The North American impact was 4.0% of the whole 4.5% currency neutral decline.
- We are addressing this specific challenge by launching Project Halo at the end of Q3/26 to our Direct business mobile customers in the US.
- Nordics and Germany developed well and service renewal rates and ARPU remained on a good level.

*Change / Currency neutral change

Group revenue by geography – strong growth in North America

Group revenue by geography | **Change** | ***Currency neutral change***

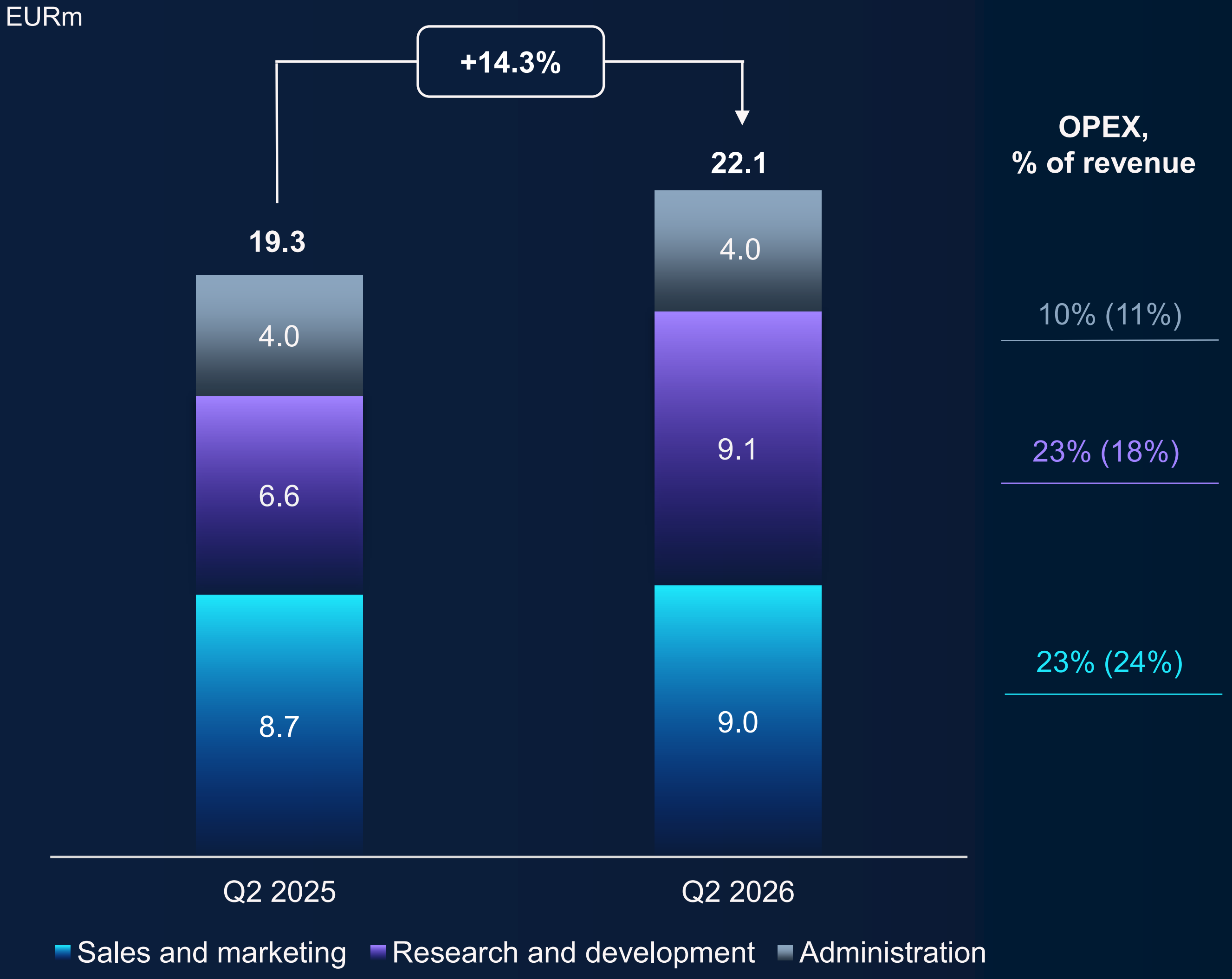
EURm



- Strong growth in North America driven by the Embedded business
- Nordic countries mostly stable
- Modest decline in rest of Europe driven by Germany, where our revenue continued to decline due to ongoing challenges faced by a key partner in its core business.
- Rest of the world declined mostly due to weak JPY

Operating expenses increased driven by R&D activity

OPEX[1] development in Q2 2026

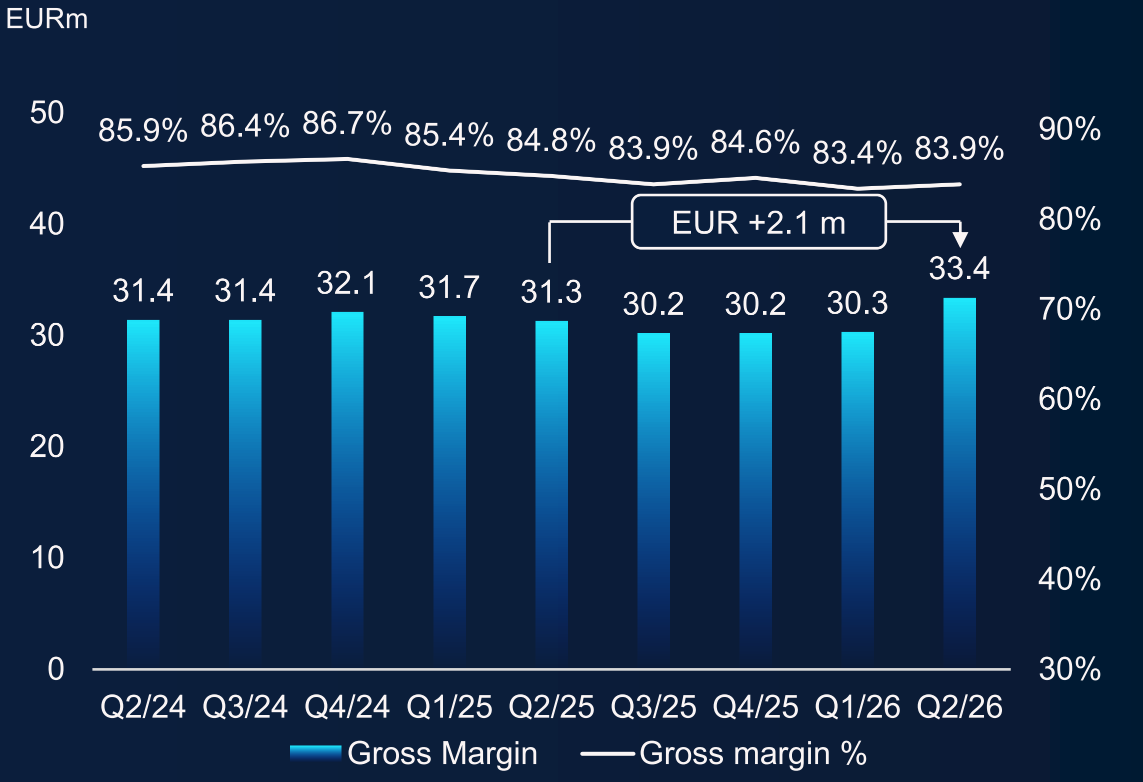


- Operating expenses totaled EUR -22.1 million (EUR -19.3 million).
- R&D activity increased, driven by investments in Embedded Security portfolio and Tier 1 service level capabilities.
- 75% of the operating expense increase was driven by increased number of employees and related salaries.
- Sales and marketing costs increased slightly while administration costs remained stable.

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

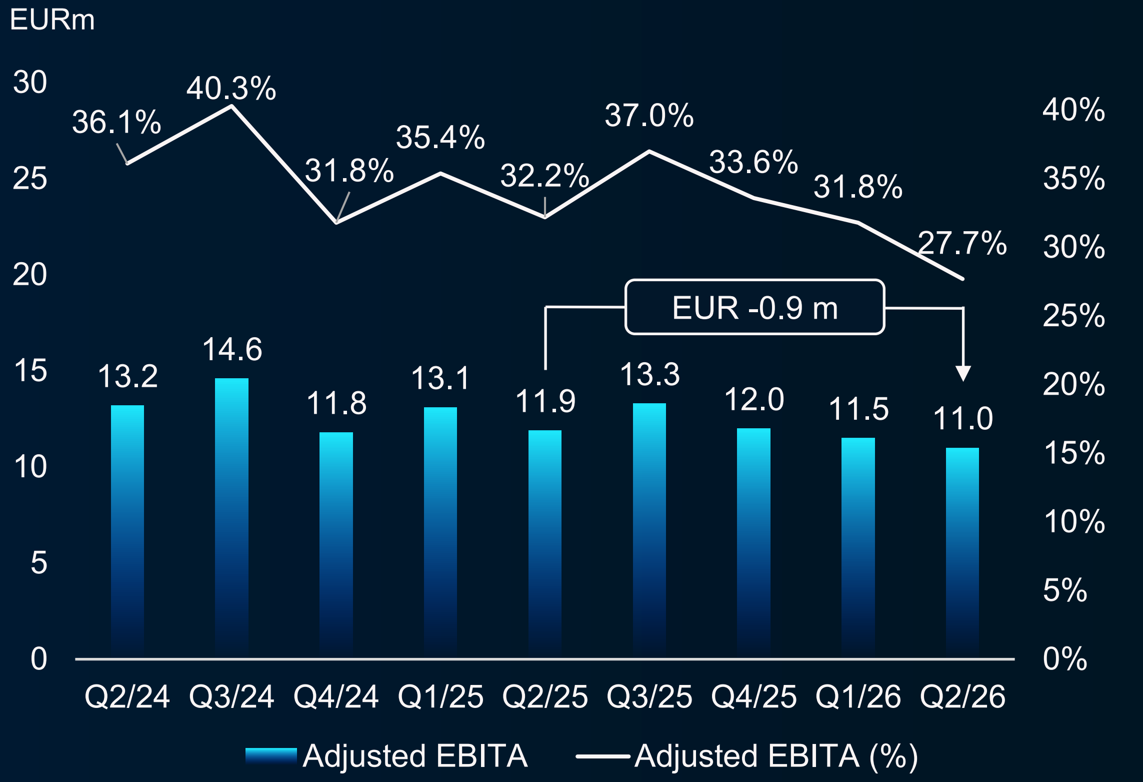
Gross margin and adjusted EBITA declined due to business mix shifts and investments in Embedded Security

Gross margin



- Gross margin % decline reflects a shift in business mix towards the lower-margin Embedded business, although scaling benefits are beginning to offset the negative margin impact.

Adjusted EBITA and adjusted EBITA margin



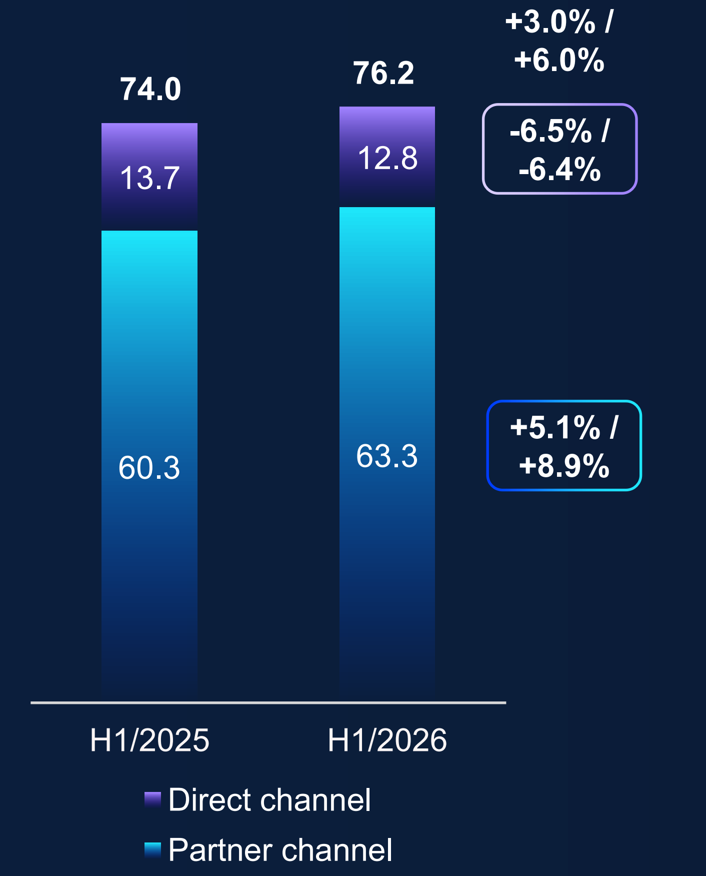
- Adjusted EBITA declined due to investments in Embedded security portfolio and Tier 1 service level capabilities. With Tier 1 expansion underway, focus on driving service adoption growth and translating revenue growth into stronger profitability in 2027

H1/2026 in brief: revenue increased and profitability declined due to Embedded Security ramp-up

Revenue by channel

Change/Currency neutral change

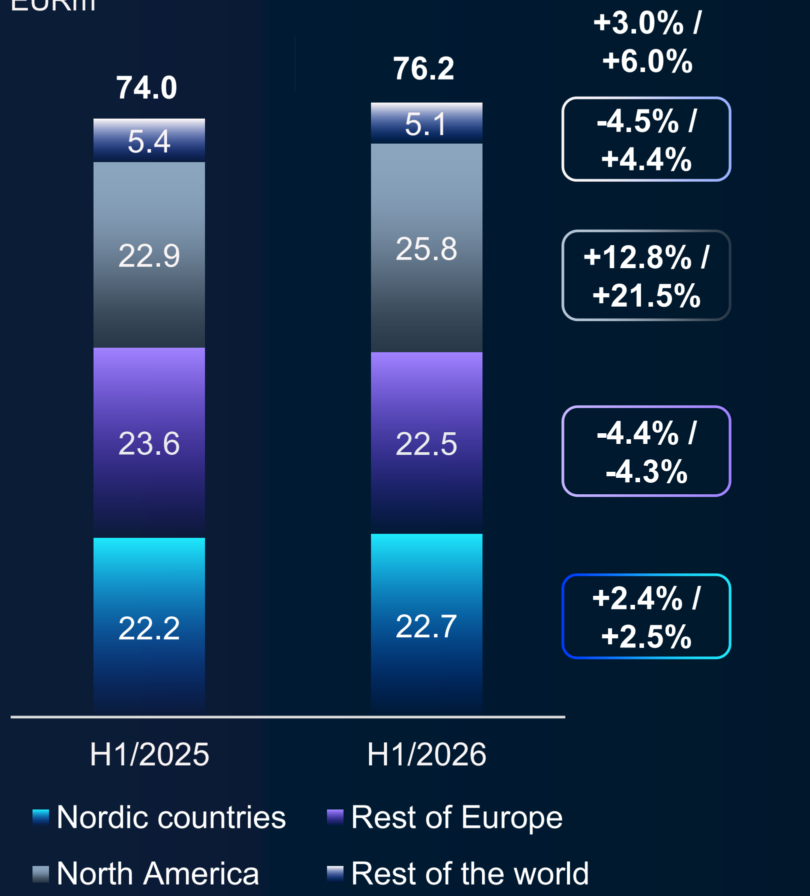
EURm



Revenue by geography

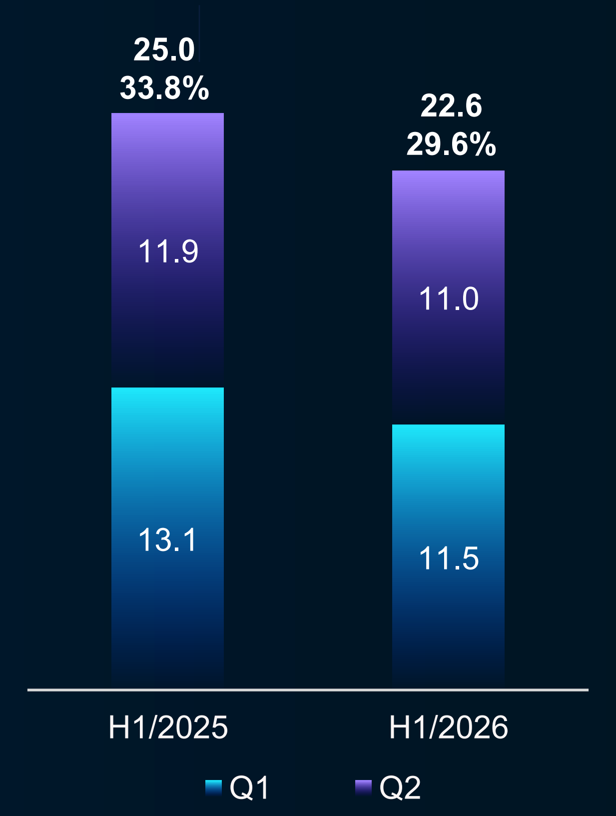
Change/Currency neutral change

EURm



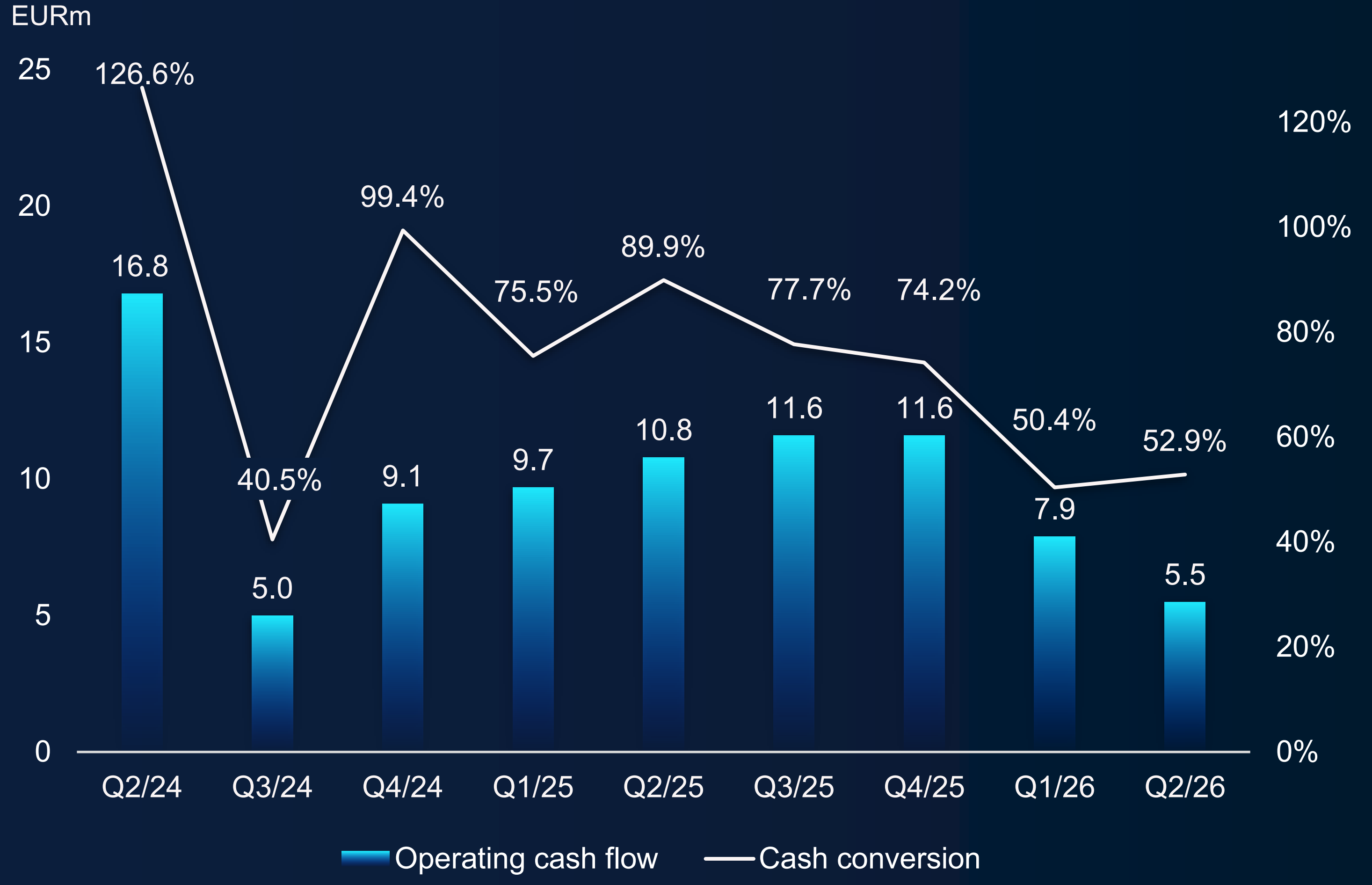
Adjusted EBITA

EURm / Adjusted EBITA margin %



Operating cash flow declined due to temporary delay in collection

Operating cash flow and cash conversion (QTD)



- Operating cash flow declined to EUR 5.5 million (EUR 10.8 million), impacted by growth in accounts receivables due to temporary delay in collection, which will be recovered later during the year.
- Cash conversion was 52.9% (89.9%).
- Equity ratio was 22.2% (17.0%).
- Cash at the end of June 2026 was EUR 5.7 million (EUR 14.1 million).

Shareholders on June 30, 2026

10 largest shareholders	Number of shares	Capital %
1. Risto Siilasmaa	60,035,288	34.36
2. Skandinaviska Enskilda Banken Ab (publ) Helsinki Branch	14,598,005	8.36
3. Nordea Nordic Small Cap Fund	11,614,976	6.65
4. Ilmarinen Mutual Pension Insurance Company	6,273,663	3.59
5. Varma Mutual Pension Insurance Company	3,970,660	2.27
6. State Pension Fund of Finland	3,900,000	2.23
8. Citibank Europe Plc	3,552,992	2.03
7. Aktia Capital Fund	3,425,164	1.96
9. Proprius Partners Micro Finland (Non-Ucits)	3,200,000	1.83
10. Säästöpankki Kotimaa Fund	2,762,499	1.58

Ownership distribution

*Includes foreign and nominee-registered owners

Outlook for 2026

Unchanged, last updated 10 March 2026

Growth

The group's currency neutral revenue growth is expected to be 7–12% in 2026.

Profitability

The group's adjusted EBITA is expected to be EUR 44–50 million in 2026 (2025: EUR 50.3 million).

Background for the outlook

- F-Secure expects the core consumer cybersecurity market to grow mid-single digit CAGR mid- to long-term[1]. 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 uncertainties around consumer sentiment in certain markets and general economic volatility.
- Partner business and especially Embedded Security solutions are expected to drive F-Secure growth during 2026. Growth is expected to accelerate throughout the year as the most significant Tier 1 services gradually start to generate revenue and support profitability.
- Direct business revenue development is expected to be negative due to continued strategy of refraining from paid customer acquisition. Focus is on improving retention rate and ARPU.
- Gross margin is expected to be slightly lower than in 2025 (84.7%) due to growth of strategic partners with Embedded Security 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 reflected in the higher cost base. As business scales up we expect to leverage continued service level investments across a wider partner base, leading to positive Adjusted EBITA % development along with business growth.
- Capex level is expected to remain on a similar or slightly higher level as in 2025 related to both product development as well as technology infrastructure improvements.

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

Q&A

F-Secure®

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