



F-Secure Corporation

# Half Year Financial Report

1 January–30 June 2024

# Taking strides in product, service and technology development

## Highlights of April–June (Q2 2024)

- Revenue increased by 19.6% to EUR 36.5 million (EUR 30.5 million). Organic growth was 1.9%.
  - Revenue from Partner Channel increased by 19.8% to EUR 29.4 million (EUR 24.5 million), organic growth was 2.4%.
  - Revenue from Direct Channel increased by 18.4% to EUR 7.1 million (EUR 6.0 million), organic growth was -0.1%.
- Adjusted EBITA was EUR 13.2 million (EUR 9.9 million), 36.1% of revenue (32.4%).
- Earnings per share (EPS) was EUR 0.03 (EUR 0.04). Earnings per share excluding PPA amortization was EUR 0.04 (EUR 0.04).<sup>1)</sup>
- Cash flow from operating activities before financial items and taxes was EUR 20.7 million (EUR -0.1 million).

## Highlights of January–June (H1 2024)

- Revenue increased by 24.9% to EUR 72.9 million (EUR 58.3 million). Organic growth was 2.6%.
  - Revenue from Partner Channel increased by 26.3% to EUR 58.8 million (EUR 46.6 million), organic growth was 3.5%.
  - Revenue from Direct Channel increased by 19.3% to EUR 14.0 million (EUR 11.8 million), organic growth was -1.2%.
- Adjusted EBITA was EUR 25.8 million (EUR 20.1 million), 35.5% of revenue (34.4%).
- Earnings per share (EPS) was EUR 0.06 (EUR 0.08). Earnings per share excluding PPA amortization was EUR 0.08 (EUR 0.08).<sup>1)</sup>
- Cash flow from operating activities before financial items and taxes was EUR 32.4 million (EUR 9.3 million).
- Net debt amounted to EUR 166.6 million (191.3) and leverage was 3.2x.<sup>2)</sup>

<sup>1)</sup> From the third quarter of 2023, F-Secure has reported also earnings per share excluding purchase price allocation amortization (PPA) due to amortization following the acquisition of Lookout Life.

<sup>2)</sup> Leverage (Net debt/Adjusted EBITDA) for the last 12 months 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.

Figures in brackets refer to the corresponding period in the previous year, unless otherwise stated. Percentages and figures presented herein may include rounding differences and therefore may not add up precisely to the totals presented. Figures in this half-year financial are unaudited.

As announced on 20 March 2024, F-Secure changed the calculation method for gross margin in its income statement. Some of the costs previously recorded in F-Secure income statement as Cost of revenue have been included in

Research and development and Sales and marketing costs. F-Secure applies the new calculation method for gross margin as of 1 January 2024. Comparative figures are also revised.

## Outlook for 2024 (unchanged)

**Growth:** F-Secure estimates that revenue for 2024 will be in the range of EUR 142–152 million.

**Profitability:** The group's adjusted EBITA is expected to be in the range of EUR 48–54 million.

### Background for the outlook:

- F-Secure expects the consumer cyber security market to grow mid-single digit CAGR between 2024-2026\*. The growth may be moderated due to uncertainties we see around consumer sentiment in certain markets resulting also Service Providers, especially Communication Service Providers being cautious in their investment priorities.
- Biggest organic growth driver is Total and Total conversion within the partner channel; within Direct Business focus will be on retention, and marketing investments for paid customer acquisition will be lower than previously.
- F-Secure continues investing (both OPEX and CAPEX) in Embedded Security capabilities including Tier 1 capabilities and - relationships, which are expected to boost growth in medium term.
- Lookout consumer BU is now included for the full year, compared to June to December (7 months) in 2023.
- Lookout consumer BU post-acquisition related deferred revenue is fair valued according to IFRS reporting and will be lower compared to revenue recognised by Lookout consumer BU for those advance payments. The negative revenue impact included in the outlook is estimated to be approximately EUR 1.5 million in 2024, and negative EBITA-level impact in the outlook approximately EUR 0.5 million, respectively.

\* Industry analyst views such as Gartner and IDC, and F-Secure management estimates.

## Financial targets

Medium term financial targets of F-Secure by 2026 are:

- **Growth:** Total revenue of more than EUR 200 million by 2026
- **Profitability:** After initial growth investments, adjusted EBITA margin of above 42%
- **Dividend Yield:** Around or above 50% of net profit on an annual basis
- **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%.

## Financial performance

| EUR million  | 4-6/2024 | 4-6/2023 | Change % | 1-6/2024 | 1-6/2023 | Change % | 2023  |
|--|----------|----------|----------|----------|----------|----------|-------|
| <b>Revenue</b>   | 36.5     | 30.5     | 19.6%    | 72.9     | 58.3     | 24.9%    | 130.4 |
| <b>Gross Margin<sup>1)</sup></b>   | 31.4     | 28.1     | 11.7%    | 62.5     | 54.1     | 15.5%    | 118.6 |
| % of revenue   | 85.9%    | 92.0%    |          | 85.8%    | 92.8%    |          | 90.9% |
| <b>Adjusted EBITDA<sup>2)</sup></b>                                      | 13.5     | 10.2     | 32.6%    | 26.4     | 20.6     | 28.2%    | 45.7  |
| % of revenue   | 36.9%    | 33.3%    |          | 36.3%    | 35.4%    |          | 35.0% |
| <b>Adjusted EBITA<sup>2)</sup></b>                                       | 13.2     | 9.9      | 33.1%    | 25.8     | 20.1     | 28.6%    | 44.6  |
| % of revenue   | 36.1%    | 32.4%    |          | 35.5%    | 34.4%    |          | 34.2% |
| <b>Items affecting comparability (IAC)<sup>3)</sup></b>                  | 0.1      | -4.6     |          | 0.2      | -5.9     | -104.0%  | -8.0  |
| <b>PPA amortization</b>  | -1.9     | -0.7     |          | -3.9     | -0.7     |          | -4.7  |
| <b>EBIT</b>  | 10.2     | 4.1      | 148.6%   | 20.2     | 12.4     | 62.2%    | 29.5  |
| % of revenue   | 28.0%    | 13.4%    |          | 27.7%    | 21.3%    |          | 22.6% |
| <b>Earnings per share (EUR)<sup>4)</sup></b>                             | 0.03     | 0.04     | -22.3%   | 0.06     | 0.08     | -20.3%   | 0.13  |
| <b>Earnings per share, excluding PPA amortization (EUR)<sup>4)</sup></b> | 0.04     | 0.04     | -0.1%    | 0.08     | 0.08     | -1.5%    | 0.15  |
| <b>Shareholders' equity per share, EUR</b>                               |          |          |          | 0.20     | 0.14     |          | 0.19  |
| <b>Operating cash flow</b>   | 16.8     | 3.6      | 364.8%   | 24.7     | 10.9     | 125.9%   | 30.1  |
| <b>Cash conversion, %</b>  | 124.5%   | 32.5%    |          | 94.5%    | 56.0%    |          | 81.2% |
| <b>Deferred revenue</b>  |          |          |          | 25.9     | 23.4     | 10.7%    | 25.6  |
| <b>Net debt (+) / Net cash (-)</b>                                       |          |          |          | 166.6    | 191.3    | -12.9%   | 177.4 |
| <b>Net debt/Adjusted EBITDA<sup>5)</sup></b>                             |          |          |          | 3.2      | 3.5      |          | 3.5   |
| <b>Gearing, %</b>  |          |          |          | 494%     | 774%     |          | 547%  |
| <b>Equity ratio, %</b>   |          |          |          | 12.6%    | 9.3%     |          | 12.0% |
| <b>Personnel at the end of the period</b>                                |          |          |          | 519      | 511      | 1.6%     | 524   |

<sup>1)</sup> As announced on 20 March 2024, F-Secure changed the calculation method for gross margin in its income statement. Some of the costs previously recorded in F-Secure income statement as Cost of revenue have been included in Research and development and Sales and marketing costs. F-Secure applies the new calculation method for gross margin as of 1 January 2024. Comparative figures are also revised.

<sup>2)</sup> Excluding Items Affecting Comparability (IAC) and depreciation and amortization.

<sup>3)</sup> A reconciliation of items affecting comparability is presented at the end of this report.

<sup>4)</sup> Based on the average number of shares during the reporting period.

<sup>5)</sup> Net debt/Adjusted EBITDA for the last 12 months 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.

## Timo Laaksonen, President and CEO

The second quarter of 2024 was still characterized by Lookout Life acquisition driven revenue growth. Profitability for the quarter was on a high level. However, organic growth remained modest. Operationally, our performance improved in many areas and we made substantial progress on core technology platform and product development front.

In the Partner Channel, partner satisfaction and multi-module Total subscriber numbers have exceeded our own expectations throughout the first half of 2024 contributing positively to Partner Business revenue development. In addition, the average revenue per user (ARPU) increase within multi-module Total partners was above our expectations. However, revenue of a handful of long-time F-Secure partners is declining. These partners have not yet upgraded their security offering to multi-module Total while mainly addressing challenges in their core business. Helping these partners defend their consumer security business continues to be a high priority for us. We continue to develop our capabilities and operations to serve Tier1 partners. We have taken major steps forward with our production operations, solution offering, partner care and overall service maturity to meet even the most demanding partner expectations. This prepares us for revenue growth from 2025 onwards in Tier1 segment.



Direct Business billings developed positively thanks to the Lookout Life acquisition and organic growth, which was driven by strong renewal performance and ARPU. However, organic revenue development remained flat.

At the end of June, we announced a new Total release that is now available for partners and consumers. This is a major milestone in terms of design, feature improvements and launch of entirely new features focused on scam protection. Highlights include, to name just a few, native Chrome Protection for Android, Shopping Protection for iOS and Android, new Device Protection features (integrated from Lookout Life) and multiple UX design improvements. As a result, Total is now more attractive than ever for 'mobile first' users.

Since the acquisition of Lookout Life consumer business in 2023, significant effort has gone into achieving technological independence from Lookout. This independence was fully achieved at the end of May. We now manage all technology backend services on our own platforms and production environments after the demerger from WithSecure in 2022 and the acquisition of Lookout Life in 2023.

Several leadership team changes were announced during the second quarter. Over the last year F-Secure has transformed in multiple ways to align fully with our strategic targets as well as drive efficiencies and streamline our organizational set-up. As we continue to pursue our future vision and strategy for F-Secure we appreciate the new capabilities and competencies we will gain in the Leadership Team to drive successful execution of the same.

The main focus for all of us at F-Secure is to deliver on our vision to become the #1 security experience company in the world, both from end user and partner point of view. In the second quarter we made substantial progress on the product and technology front in this respect, and as confirmed by SPECIES feedback, our global partner event held in Rome in April, we are successfully providing a truly unique experience to our partners. We look forward to launching a host of further deliverables on both of these fronts in the second half of 2024.

## Group performance

### Revenue by sales channel

| EUR million                            | 4-6/2024    | 4-6/2023    | Change %     | 1-6/2024    | 1-6/2023    | Change %     | 2023         |
|--|-------------|-------------|--------------|-------------|-------------|--------------|--------------|
| <b>Revenue from external customers</b> |             |             |              |             |             |              |              |
| Partner channel                        | 29.4        | 24.5        | 19.8%        | 58.9        | 46.6        | 26.3%        | 105.1        |
| Direct channel (E-commerce)            | 7.1         | 6.0         | 18.4%        | 14.0        | 11.8        | 19.3%        | 25.2         |
| <b>Total</b>                           | <b>36.5</b> | <b>30.5</b> | <b>19.6%</b> | <b>72.9</b> | <b>58.3</b> | <b>24.9%</b> | <b>130.4</b> |

### Revenue by geography

| EUR million                            | 4-6/2024    | 4-6/2023    | Change %     | Comparable change <sup>1)</sup> % | 1-6/2024 <sup>2)</sup> | 1-6/2023    | Change % <sup>2)</sup> | Comparable change <sup>1) 2)</sup> % | 2023 <sup>2)</sup> |
|--|-------------|-------------|--------------|-----------------------------------|------------------------|-------------|------------------------|--------------------------------------|--------------------|
| <b>Revenue from external customers</b> |             |             |              |                                   |                        |             |                        |                                      |                    |
| Nordic countries                       | 10.4        | 9.9         | 4.7%         | 4.7%                              | 20.8                   | 19.9        | 4.6%                   | 4.6%                                 | 40.0               |
| Rest of Europe                         | 12.1        | 12.1        | -0.1%        | -0.1%                             | 24.2                   | 24.1        | 0.3%                   | 0.3%                                 | 49.2               |
| North America                          | 11.6        | 6.6         | 77.2%        | 78.6%                             | 22.9                   | 10.9        | 110.0%                 | 112.1%                               | 32.8               |
| Rest of the world                      | 2.4         | 1.9         | 23.8%        | 27.5%                             | 5.1                    | 3.5         | 45.5%                  | 52.6%                                | 8.4                |
| <b>Total</b>                           | <b>36.5</b> | <b>30.5</b> | <b>19.6%</b> | <b>20.0%</b>                      | <b>72.9</b>            | <b>58.3</b> | <b>24.9%</b>           | <b>25.5%</b>                         | <b>130.4</b>       |

<sup>1)</sup> Comparable change excludes the impact of exchange rates.

<sup>2)</sup> F-Secure has adjusted the geographical split of revenues 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.

## April–June 2024

### Revenue

F-Secure revenue increased in April–June by 19.6% to EUR 36.5 million (EUR 30.5 million). Revenue growth was attributable mainly to the acquisition of Lookout Life consumer business in June 2023. Organic revenue growth in April–June was 1.9% and currency neutral organic growth was 2.3%, with negative impact especially from the JPY but also from the US dollar. Deferred revenue decreased from the previous quarter by 7.4% mainly due to the seasonal billings of some large partner contracts.

#### Partner Channel

Revenue from the partner channel increased by 19.8% to EUR 29.4 million (EUR 24.5 million). Organic revenue growth in the partner channel was 2.4%. Subscriber numbers and average revenue per user (ARPU) increased. The previously announced strategic collaboration with one of the world's leading Communication Service Providers (CSP) supported revenue growth in the partner channel. However, the business ramp-up will start in the fourth quarter of 2024. Nevertheless, revenue of some long-time F-Secure partners is declining as they are addressing challenges in their core business, which was reflected in the Partner Channel development.

Partner channel revenue in Japan increased organically as well as through the acquisition, despite the unfavorable currency impact. Revenue increased also in Sweden and Switzerland, where activity and partners' interest in F-Secure solutions is strong. Revenue decreased especially in Poland, due to continued headwinds. Revenue decreased also in the UK and Germany, due to continued weak business performance.

#### Direct Channel

Revenue from the direct channel increased by 18.4% to EUR 7.1 million (EUR 6.0 million). Organic revenue growth was flat in the direct channel. Direct channel deferred revenue was positively supported by growing F-Secure eCommerce billings in the second quarter. Renewals remained on a strong level throughout the quarter and average revenue per user (ARPU) increased. The decrease in paid customer acquisition investments continues to be reflected in Direct Business new sales as planned.

### Gross margin

Gross margin was 31.4 million (EUR 28.1 million) and 85.9% of revenue (92.0%). Lookout Life business has a lower gross margin level than F-Secure traditionally. The gross margin was also impacted by fair valuation adjustments of deferred revenue made in purchase price allocation. In addition, the gross margin was still burdened by some additional costs related to lost synergies post-TSA period. This impact materialized already in the first quarter of 2024, and this cost profile has gradually started to improve as we have made progress in consolidating our production operations and adapted our hosting infrastructure fully to the usage patterns of the independent consumer company.

The transitional services agreements ("TSA") entered between F-Secure and Lookout consumer security business amounted to EUR 1.1 million (EUR 0.4 million) in cost of revenue in April–June 2024. These TSAs in cost of revenue partially terminated during the second quarter of 2024, and rest of these TSAs are planned to last several years.

### Operating expenses

Operating expenses excluding depreciation and amortization and items affecting comparability (IAC) were EUR 18.1 million (EUR 18.2 million) in April–June. Sales and marketing costs were EUR 8.7 million (EUR 9.2 million), reflecting especially marketing strategy change in the Direct Channel. Research and development (R&D) costs were EUR 5.7 million (EUR 6.2 million). The continuation of technology investments is visible in increased capital expenditure for the review period. Capital expenditure level is expected to decrease towards the year end. Administration costs were EUR 3.6 million (EUR 2.7 million). The increase in administration costs is related to building maturity specific to Tier1 partner business.

The transitional services agreements ("TSA") entered between F-Secure and Lookout consumer security business amounted to EUR 0.6 million (EUR 0.3 million) in R&D and EUR 0.1 million (EUR 0.1 million) in administration in April–June 2024. Some of TSAs in R&D terminated during the second quarter of 2024, and the rest of TSAs in R&D are planned to last several years. The last TSAs in administration terminated during the second quarter of 2024.

Items affecting comparability (IAC) totaled EUR 0.1 million (EUR -4.6 million) due to the release of a restructuring provision booked in the fourth quarter of 2023. This final impact was visible in the second quarter of 2024. The comparison period included EUR -4.6 million of items affecting comparability attributable to the acquisition of Lookout Life consumer business.

Depreciation and amortization excluding purchase price allocation amortization (PPA) totaled EUR 1.4 million (EUR 1.5 million). PPA amortizations related to the Lookout consumer security business acquisition totaled EUR 1.9 million (EUR 0.7 million) in April–June 2024.

### **Profitability**

Adjusted EBITA in April–June 2024 was EUR 13.2 million and 36.1% of revenue (EUR 9.9 million, 32.4%). Items affecting comparability (IAC) were EUR 0.1 million (EUR -4.6 million). EBIT was EUR 10.2 million and 28.0% of revenue (EUR 4.1 million, 13.4%). Profitability improvement was driven by lower marketing costs and the recording of more long-term technology investments as capital expenditure.

## **January–June 2024**

### **Revenue**

F-Secure revenue increased in January–June by 24.9% to EUR 72.9 million (EUR 58.3 million). Revenue growth was attributable to the acquisition of Lookout Life consumer business in June 2023. Organic revenue growth in January–June was 2.6% and currency neutral organic growth was 3.1%, with negative impact especially from the JPY but also from the US dollar. Deferred revenue remained flat from year-end.

#### Partner Channel

Revenue from the partner channel increased by 26.3% to EUR 58.8 million (EUR 46.6 million). Organic revenue growth in the partner channel was 3.5%. The strategic collaboration with one of the world's leading Communication Service Providers (CSP), announced in the first quarter, supported revenue growth in the partner channel. However, the business ramp-up will start in the fourth quarter of 2024. Nevertheless, revenue of some long-time F-Secure partners is declining as they are addressing challenges in their core business, which was reflected in the Partner Channel development.

Partner channel revenue increased in the Asia-Pacific (APAC) area, especially in Japan and Singapore. Revenue increased also in Sweden and Switzerland. Revenue decreased especially in Poland, due to continued headwinds throughout the period. Revenue decreased also in Germany and in the UK, due to a weak business performance.

#### Direct Channel

Revenue from the direct channel increased by 19.3% to EUR 14.0 million (EUR 11.8 million). Organically revenue declined in the direct channel by 1.2%. F-Secure eCommerce billings supported deferred revenue growth, and also Lookout Life had a positive impact. Renewals remained on a strong level throughout the first half of the year. The decrease in paid customer acquisition investments was reflected in Direct Business new sales throughout the period.

### **Gross margin**

Gross margin was 62.5 million (EUR 54.1 million) and 85.8% of revenue (92.8%). Lookout Life business has a lower gross margin level than F-Secure traditionally. The gross margin was also impacted by fair valuation adjustments of deferred revenue made in purchase price allocation. In addition, the gross margin was burdened by some additional costs related to lost synergies post-TSA period. This impact materialized already in the first quarter as full technical autonomy was achieved at the end of 2023 when the TSAs ended. This cost profile has gradually started to improve towards the period end as we have made progress in consolidating our production operations and adapted our hosting infrastructure fully to the usage patterns of the independent consumer company.

The transitional services agreements (“TSA”) entered between F-Secure and Lookout consumer security business amounted to EUR 2.3 million (EUR 0.4 million) in cost of revenue in January–June 2024. Some of



these TSAs in cost of revenue terminated during the second quarter of 2024, and rest of these are planned to last several years.

### **Operating expenses**

Operating expenses excluding depreciation and amortization and items affecting comparability (IAC) were EUR 36.6 million (EUR 34.0 million) in January–June. Sales and marketing costs were EUR 17.2 million (EUR 17.1 million). Research and development (R&D) costs were EUR 11.9 million (EUR 11.0 million) and administration costs were EUR 7.5 million (EUR 5.9 million). The increase in administration costs is related to building maturity specific to Tier1 partner business.

The transitional services agreements (“TSA”) entered between F-Secure and Lookout consumer security business amounted to EUR 1.3 million (EUR 0.3 million) in R&D and EUR 0.2 million (EUR 0.1 million) in administration in January–June 2024. Some of TSAs in R&D terminated during the second quarter of 2024, and the rest of TSAs in R&D are planned to last several years. The last TSAs in administration terminated during the second quarter of 2024.

Items affecting comparability (IAC) totaled EUR 0.2 million (EUR -5.9 million), due to a release of a restructuring provision booked in the fourth quarter of 2023. This final impact was visible in the second quarter of 2024. The comparison period included EUR -5.9 million of items affecting comparability attributable to the acquisition of Lookout Life consumer business.

Depreciation and amortization excluding purchase price allocation amortization (PPA) totaled EUR 2.6 million (EUR 2.3 million). PPA amortizations related to the Lookout consumer security business acquisition totaled EUR 3.9 million (EUR 0.7 million) in January–June 2024.

### **Profitability**

Adjusted EBITA in January–June 2024 was EUR 25.8 million and 35.5% of revenue (EUR 20.1 million, 34.4%). Items affecting comparability (IAC) were EUR 0.2 million (EUR -5.9 million). EBIT was EUR 20.2 million and 27.7% of revenue (EUR 12.4 million, 21.3%). The lower gross margin in the first quarter burdened profitability, but was compensated by lower marketing costs and the recording of more long-term technology investments as capital expenditure in the second quarter.

## Cash flow, financial position and financing

| EUR million                           | 4-6/2024 | 4-6/2023 | Change<br>% | 1-6/2024 | 1-6/2023 | Change<br>% | 2023  |
|---------------------------------------|----------|----------|-------------|----------|----------|-------------|-------|
| Cash and cash equivalents             |          |          |             | 16.9     | 11.9     | 41.8%       | 15.9  |
| Bank loans, non-current               |          |          |             | 145.7    | 175.1    | -16.8%      | 160.4 |
| Bank loans, current                   |          |          |             | 35.0     | 25.0     | 40.0%       | 30.0  |
| Interest-bearing receivables          |          |          |             | 3.7      | 3.7      | -1.3%       | 3.7   |
| Lease liabilities, non-current        |          |          |             | 0.5      | 0.5      | 3.9%        | 0.6   |
| Lease liabilities, current            |          |          |             | 0.7      | 1.0      | -27.8%      | 1.0   |
| Other interest-bearing liabilities    |          |          |             | 5.2      | 5.3      |             | 5.3   |
| Financial income                      | 0.4      | 5.7      | -92.7%      | 0.8      | 6.3      | -87.9%      | 7.0   |
| Financial expense                     | -3.7     | -1.4     | 167.9%      | -6.9     | -1.8     | 278.2%      | -8.8  |
| Capital Expenditure excl. acquisition | 3.5      | 2.0      | 80.5%       | 6.9      | 4.2      | 63.0%       | 7.9   |
| % of revenue                          | 9.7%     | 6.4%     |             | 9.4%     | 7.2%     |             | 6.1%  |
| Capital expenditure                   | 3.5      | 208.9    | -98.3%      | 7.0      | 211.1    |             | 215.7 |

In January–June 2024, cash flow from operating activities before financial items and taxes amounted to EUR 32.4 million (EUR 9.3 million). Cash flow from operations was EUR 24.7 million (EUR 10.9 million). Cash generation during the second quarter was exceptionally strong against the weak comparison period burdened by temporary invoicing challenges. Cash conversion rate was 94.5% (56.0%), especially thanks to strong collections in the second quarter of 2024. Cash at the end of June 2024 amounted to EUR 16.9 million (EUR 11.9 million).

At the end of June 2024, F-Secure net debt amounted to EUR 166.6 million (EUR 191.3 million) and net debt to adjusted EBITDA ratio<sup>1)</sup> was 3.2x, being above of the medium-term target of below 2.5x, due to Lookout Life acquisition. Subsequently, equity ratio was 12.6% (9.3%).

The acquisition of Lookout Life consumer business in the second quarter of 2023 was financed with debt for which a new facilities agreement was entered into with Danske Bank A/S and OP Corporate Bank plc. The financing package consists of two facilities, (i) a EUR 202 million amortizing term loan to finance the acquisition, and (ii) a EUR 20 million revolving loan facility to be used for general corporate purposes of the combined group. Both facilities originally held a maturity of 3 years with two 1-year extension options. The first extension option was exercised in April 2024, thus the remaining maturity is 3 years with one 1-year extension option. In the second quarter, F-Secure has drawn down EUR 5 million revolving credit facility for general cash management purposes. The Group's loan agreement includes a quarterly measured financial covenant based on the ratio between net debt and adjusted EBITDA. The group has met these covenant terms and conditions on the reporting date. In the second quarter of 2024, the term loan was repaid by EUR 15 million. Financial expenses in the second quarter of 2024 increased to EUR 3.7 million (EUR 1.4 million), mainly due to the interest for the loan. Financial income for the second quarter amounted to EUR 0.4 million (EUR 5.7 million). Financial income for the comparison period was mainly related to the hedging arrangement done for the Lookout Life consumer business acquisition.

Total assets were EUR 274.7 million (EUR 270.4 million) at the end of June 2024.

As at 30 June 2024, current lease liabilities were EUR 0.7 million (EUR 1.0 million) and non-current lease liabilities were EUR 0.5 million (EUR 0.5 million). The lease liabilities relate to leases for office premises and

cars. In the second quarter of 2024, F-Secure signed a new lease agreement for headquarter office premises. This will be recorded in the balance sheet as right-of-use asset and lease liability during summer 2025 when the lease term starts, but the lease commitment already exists following the agreement.

F-Secure payables to WithSecure totaled EUR 5.2 million and the receivables from WithSecure totaled EUR 3.7 million, presented in the table above as Other interest-bearing liabilities and interest-bearing receivables, respectively. These balances are now short-term and due for payment in the second quarter of 2025.

In January–June 2024, capital expenditure including the Lookout Life final purchase price payment was EUR 7.0 million (EUR 211.1 million) and was mainly related to technology.

<sup>1)</sup> Net debt/Adjusted EBITDA for the last 12 months 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.

## Organization and leadership

At the end of June 2024, F-Secure had 519 (511) employees. At the end of June 2024, the composition of the Leadership Team was the following:

|                  |  |
|------------------|--|
| Timo Laaksonen   | President & Chief Executive Officer          |
| Mikko Kestilä    | Senior Vice President, Services              |
| Richard Larcombe | Chief Marketing Officer                      |
| Antero Norkio    | Senior Vice President, Corporate Development |
| Sari Somerkallio | Chief Financial Officer                      |
| TL Viswanathan   | Chief Product Business Officer               |
| Toby White       | Chief Technology Officer                     |

Following leadership team changes were announced during the second quarter:

F-Secure Chief Commercial Officer Firas Azmeh decided to leave F-Secure to pursue other career opportunities outside the company. Azmeh continued in his role until 30 June 2024.

Kaisa Tikka-Mustonen was appointed as Chief People Officer and as a member of the Leadership Team of F-Secure Corporation as of 2 September 2024. Kitta Virtavuo, previously Chief People Officer at F-Secure left the company in April 2024.

Nina Lehto was appointed as Senior Vice President, Services and a member of the Leadership Team of F-Secure Corporation as of 26 August 2024. Following this appointment, Mikko Kestilä, currently Senior Vice President, Services, will step down from the F-Secure Leadership Team and will transfer to a new role inside the company during the fourth quarter of 2024.

## Shares and shareholders

At the end of June 2024, the registered share capital of F-Secure was 80,000 and the company had 174,673,165 fully paid shares.

F-Secure has one share class and the company's shares are included in a book-entry system. The closing price of the share at the end of June 2024 was EUR 1.94. In January–June, the highest price paid was EUR 2.33 and the lowest EUR 1.67. In January–June, the share's volume weighted average price was EUR 1.94. The share trading volume in January–June was EUR 26.9 million and 13.8 million shares. On 30 June 2024, the company's market capitalization was EUR 339 million.

The number of registered shareholders at the end of June 2024 was 33,659, including nominee registers. The list of the shareholders of F-Secure Corporation is based on the information given by the Euroclear Finland Ltd.

F-Secure did not hold any treasury shares at the end of the review period.

## Governance

### Annual General Meeting 2024

The Annual General Meeting of F-Secure Corporation held on 13 March 2024 adopted the annual accounts and the consolidated annual accounts for the financial year ended 31 December 2023, discharged the members of the Company's Board of Directors and the CEO from liability, and approved all proposals made to the Annual General Meeting by the Board of Directors. The Annual General Meeting also approved the 2023 remuneration report for governing bodies. The resolution was of an advisory nature according to the Finnish Companies Act.

#### *Resolution on the use of the profit shown on the balance sheet and the payment of dividend*

The Annual General Meeting resolved that based on the balance sheet for the financial year that ended on 31 December 2023, a dividend of EUR 0.07 per share be paid. The dividend will be paid in two instalments as follows; The first dividend instalment of EUR 0.035 per share to be paid to shareholders who are registered in the Company's shareholders' register, maintained by Euroclear Finland Oy, on the record date of the first dividend instalment on 15 March 2024. The first dividend instalment was paid on 22 March 2024.

The second dividend instalment of EUR 0.035 per share will be paid to shareholders who are registered in the Company's shareholders' register, maintained by Euroclear Finland Oy, on the record date of the second dividend instalment on 27 September 2024. The second dividend instalment will be paid on 4 October 2024. In addition, the Annual General Meeting authorised the Board of Directors to resolve, if necessary, on a new record date and date of payment for the second dividend instalment, should the rules of Euroclear Finland Oy or statutes applicable to the Finnish book-entry system be amended or should other rules or obligations binding on the Company so require.

#### *Composition and remuneration of the Board of Directors*

The Annual General Meeting resolved that the number of the members of the Board of Directors shall be six (6). The current board members Pertti Ervi, Risto Siilasmaa, Thomas Jul and Petra Teräsaho were re-elected to the Board of Directors. Tommi Uitto was elected as a new member. Katja Kuusikumpu, who belongs to the personnel of the corporation, was also elected as a new member of the Board of Directors.

It was resolved that the remuneration of the members of the Board shall remain unchanged. The remuneration is as follows: EUR 80,000 annually for the Chair of the Board of Directors, EUR 48,000 annually for the Committee Chairs, EUR 38,000 annually for the members of the Board of Directors, and EUR 12,667 for members employed by F-Secure. It was resolved that approximately 40% of the remuneration be paid as shares in the Company repurchased from the market or as treasury shares held by the Company. The Company will pay any transfer tax levied on the repurchase of shares. The Company will repurchase the shares or transfer shares held by the Company as treasury shares in the name and on behalf of the members of the Board of Directors.

Furthermore, the travel expenses and other costs of the members of the Board of Directors directly related to board work are paid in accordance with the Company's policy in force from time to time and that each member of the Board of Directors of F-Secure is paid a predetermined travel fee in addition to travel expenses for meetings held outside their country of residence as follows: A separate meeting fee of EUR 1,000 is paid to the Board members travelling from another European country to an on-site meeting in Europe. If inter-continental travel is required, the fee is EUR 2,000. No separate travel fee will be paid to members of the Board of Directors employed by the Company.

#### *Election and remuneration of the Auditor*

The Annual General Meeting re-elected the audit firm PricewaterhouseCoopers Oy as Auditor of the Company. Mr Samuli Perälä, APA, will continue as the Company's Responsible Auditor. The same audit firm was elected to audit the sustainability report from the financial year 2024.

The Auditor will be remunerated in accordance with the invoice approved by the Company and the same applies to the auditor's fees relating to the audit of the Company's sustainability report from the financial year 2024.

*Authorising the Board of Directors to decide on the repurchase of the Company's own shares*

The Annual General Meeting authorised the Board of Directors to resolve on the repurchase of a maximum of 10,000,000 of the Company's own shares in one or more instalments with funds belonging to the Company's unrestricted equity. This number of shares corresponds to approximately 5.72% of the Company's total number of shares on the date of the notice to the Annual General Meeting

The authorisation entitles the Board of Directors to decide on the repurchase also in deviation from the proportional holdings of the shareholders (directed repurchase). The authorisation comprises the repurchase of shares either in public trading or otherwise based on the market price on the date of purchase, or with a bid to the shareholders in which case the repurchase price must be the same for all shareholders. The Company's own shares shall be repurchased to be used for carrying out acquisitions or implementing other arrangements related to the Company's business, for optimising the Company's capital structure, as part of the implementation of the Company's incentive scheme or otherwise to be transferred further or cancelled. The authorisation includes the right of the Board of Directors to decide on all other terms related to the repurchase of the Company's own shares. The authorisation is valid until the conclusion of the next Annual General Meeting, but no later than 30 June 2025. The authorisation cancels the Company's prior authorisations concerning the repurchase of the Company's own shares.

*Authorising the Board of Directors to decide on the issuance of shares and special rights entitling to shares*

The Annual General Meeting authorised the Board of Directors to decide on issuance, in one or more instalments, of new shares or shares possibly held by the Company through share issue and/or issuance of option rights or other special rights entitling to shares, referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act, so that by virtue of the authorisation altogether 17,000,000 shares may be issued and/or transferred at the maximum. This number of shares corresponds to approximately 9.73% of the Company's total number of shares on the date of the notice to the Annual General Meeting.

The authorisation can be used for the financing or execution of potential acquisitions or other arrangements or investments relating to the Company's business, for the implementation of the Company's incentive scheme or for other purposes subject to the Board of Directors' decision.

The authorisation entitles the Board of Directors to decide on all terms and conditions of the share issue and the issuance of special rights referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act. The authorisation thus includes the right to issue shares also in a proportion other than that of the shareholders' current shareholdings in the Company under the conditions provided in law, the right to issue shares against payment or without charge, as well as the right to decide on a share issue without payment to the Company itself, subject to the provisions of the Finnish Limited Liability Companies Act on the maximum amount of treasury shares.

The authorisation will remain valid until the conclusion of the following Annual General Meeting, but no later than 30 June 2025. The authorisation cancels the Company's prior authorisations concerning the issuance of shares and special rights entitling to shares.

**Organisational meeting of the Board of Directors**

In its organisational meeting the Board of Directors of F-Secure re-elected Pertti Ervi as Chairman of the Board of Directors. From among its members, the Board elected Petra Teräsaho (Chair of the committee), Pertti Ervi and Risto Siilasmaa as members of the Audit Committee.

## Establishment of the Personnel and Nomination Committee

In its organisational meeting, the Board of Directors resolved to establish a Personnel and Nomination Committee. The Personnel and Nomination Committee prepares material and instructs with issues related to the composition and compensation of the Board of Directors and remuneration of the other members of the top management of the company. The Committee assists in the preparation of Board proposals to the shareholders related to these matters, as governed by the Finnish Limited Liability Companies Act. The Personnel and Nomination Committee is neither a decision-making nor an executive body. The Personnel and Nomination Committee calls in experts to its meetings when necessary for the issues to be discussed. Materials of Committee meetings are made available for all members of the Board of Directors. The Personnel and Nomination Committee convenes at least two times a year as notified by the Chair of the Committee.

From among its members, the Board elected Pertti Ervi (chair of the committee) and Risto Siilasmaa as members of the Personnel and Nomination Committee. Following the announcement on 3 April 2024, F-Secure Corporation's Board of Directors appointed Thomas Jul, F-Secure Board member as the third member of the Personnel and Nomination Committee.

## Risks and uncertainties

### Risks related to the integration of Lookout consumer business

Following the completion of the transitional services agreements (TSA) and carve-out with Lookout, F-Secure faces an elevated risk level due to the new operational landscape. Despite gaining full control, the integration of acquired systems, processes, and personnel has introduced complexities and potential operational challenges that may expose F-Secure to claims related to Service Level Agreements ("support penalties"), and/or negatively impacting partner relationships and future revenue outlook. This heightened risk is expected to persist in the short-term as we adapt to and optimise our expanded operations. F-Secure is actively monitoring and implementing mitigation strategies to reduce the risk exposure over time.

### Risks related to F-Secure's operating environment

Intensifying competition in the consumer security market could lead to a general decline of the price level and affect F-Secure's ability to maintain or increase its market share, and the intensifying competition could thus have an adverse effect on F-Secure revenue, profitability and market share.

F-Secure may not be able to keep up with rapid changes in customer demand, distribution channels, technologies and the evolution of malware and cyber security threats, which could have an adverse effect on F-Secure reputation, competitiveness, results of operations and financial position.

Uncertainty on F-Secure's key markets, financial markets and general economic situation could have an adverse effect on F-Secure's business and growth opportunities and reduce the demand or increase cost for the products and services offered by F-Secure. Geopolitical instability has increased the uncertainty in the world and the risk of unexpected disruptions of the world economy. The war in Ukraine has caused some exceptional consequences to the cyber security landscape, such as highly visible governmental activities, as well as organized civilian response to the war efforts.

### Risks related to F-Secure's business operations and strategy

The loss of key persons and skilled employees, the possible delay of new hires or the increase in personnel expenses could weaken F-Secure's profitability and the standard of its services or solutions, hinder operations and prevent F-Secure from successfully developing and growing its business.

Actual, possible or perceived defects, disruptions or vulnerabilities in F-Secure products or services, including risks from cyber security attacks and errors or abuses by F-Secure employees and business partners, could harm F-Secure or its customers reputation, decrease sales, hinder operations, tie up personnel resources and give rise to claims for damages and increase other costs.

Integration of F-Secure and Lookout consumer security product portfolios over time may prove to be more costly than estimated or take longer than planned. These may increase F-Secure costs or negatively impact

planned future product releases, their scope, availability and/or competitiveness and thereby revenue growth.

If F-Secure's agreement with a significant business partner or Channel Partner ends or is terminated, or if F-Secure is unable to continue cooperating with a business partner or Channel Partner under acceptable terms, or if there is a failure by a Channel Partner to fulfil its duties, this could significantly decrease F-Secure revenue, increase its costs, hinder its operative business and weaken its ability to offer services or solutions to its customers. Furthermore, some Channel Partners may be slow in adopting new solutions that may delay F-Secure revenue growth or increase maintenance related costs.

F-Secure provides consumer cyber security solutions to some of the largest Service Providers in the world ("Tier 1 Channel Partners") and aims to win new Tier 1 Channel Partner contracts. Tier 1 Channel Partners may require solutions that F-Secure is unable to create, deliver and maintain with sufficient profitability over time. These contracts may also expose F-Secure to claims related to Service Level Agreements (support penalties) or other similar contractual liabilities. F-Secure may have to invest up-front to create and deliver said solutions, which in turn may have a negative impact on F-Secure product roadmaps, Company revenue and profitability.

F-Secure is in the process of transforming the Company and its operating model with its growth strategy. Changes in the Company strategic priorities, structure and processes may take time to become effective. Additionally, these changes may at least initially have a negatively impact on Company product roadmap and its operations. New strategy and implemented changes may also lead to higher attrition rate. These combined can have a negative impact on Company financial outlook.

**Risks related to the technology used by F-Secure, intellectual property rights and other regulations**

Any malfunctions in technologies, IT systems or network connections used by F-Secure or any security breaches could engender disruptions to F-Secure's service offering. F-Secure may not succeed in registering, protecting, managing, maintaining and enforcing its intellectual property rights, and F-Secure may be targeted by intellectual property right infringement claims which can cause significant costs. Leakage of personal data collected by F-Secure may have a material adverse effect on F-Secure's business and reputation and result in claims for damages as well as fines and orders imposed by the authorities. F-Secure continues to have a relationship with Lookout and WithSecure, related to certain protection capabilities after the carve-out and demerger and having completed the TSAs with both companies. Either Lookout's or WithSecure's inability to provide these protection capabilities could have a material adverse effect on F-Secure's business operations and its customers.

**Risks related to F-Secure's financial position and financing**

The number of operations and sites outside the Eurozone in different currencies exposes F-Secure to a risk related to currency fluctuations. Changes in the exchange rates between currencies could have an adverse effect on F-Secure's revenue, results and financial position. F-Secure is exposed to transaction risks caused by purchasing and selling products and goods in currencies that are not F-Secure's home currencies, especially USD after Lookout consumer security business acquisition. In addition, F-Secure is exposed to investment risks in units abroad and translation risks that arise when investments in subsidiaries in different currencies are converted into F-Secure's operational currency, i.e., the euro. Furthermore, F-Secure financed the acquisition of Lookout's consumer security business with bank debt subject to leverage covenants. Failure to comply with the covenants would lead to early expiry of the debt. Changes in interest rates have an impact on interest costs.

## Significant events after the review period

No significant events have occurred after the review period.

## Financial calendar in 2024

In 2024, F-Secure Corporation will publish financial information as follows:

- Interim Report for January–September 2024 on Thursday 24 October 2024

Helsinki, July 18, 2024

F-Secure Corporation

Board of Directors



# Financial information

## Income Statement

| EUR thousand   | 4-6/2024      | 4-6/2023      | Change<br>%   | 1-6/2024      | 1-6/2023      | Change<br>%   | 1-12/2023      |
|--|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Revenue  | 36,492        | 30,524        | 19.6%         | 72,869        | 58,330        | 24.9%         | 130,371        |
| Cost of revenue <sup>1)</sup>                            | -5,129        | -2,435        | 110.7%        | -10,340       | -4,207        | 145.8%        | -11,814        |
| <b>Gross margin<sup>1)</sup></b>                         | <b>31,363</b> | <b>28,090</b> | <b>11.7%</b>  | <b>62,529</b> | <b>54,123</b> | <b>15.5%</b>  | <b>118,557</b> |
| Other operating income                                   | 192           | 228           | -15.4%        | 481           | 459           | 4.7%          | 830            |
| Sales and marketing <sup>1)</sup>                        | -9,027        | -9,497        | -5.0%         | -17,798       | -17,664       | 0.8%          | -36,996        |
| Research and development <sup>1)</sup>                   | -6,642        | -6,745        | -1.5%         | -13,607       | -12,044       | 13.0%         | -27,496        |
| Administration <sup>2)</sup>                             | -5,683        | -7,970        | -28.7%        | -11,419       | -12,427       | -8.1%         | -25,398        |
| <b>EBIT</b>  | <b>10,204</b> | <b>4,105</b>  | <b>148.6%</b> | <b>20,186</b> | <b>12,447</b> | <b>62.2%</b>  | <b>29,497</b>  |
| Financial income   | 417           | 5,737         | -92.7%        | 759           | 6,271         | -87.9%        | 6,995          |
| Financial expenses                                       | -3,700        | -1,381        | 167.9%        | -6,930        | -1,832        | 278.2%        | -8,815         |
| <b>Profit before taxes</b>                               | <b>6,921</b>  | <b>8,461</b>  | <b>-18.2%</b> | <b>14,016</b> | <b>16,886</b> | <b>-17.0%</b> | <b>27,677</b>  |
| Income tax   | -1,501        | -1,483        | 1.2%          | -3,065        | -3,140        | -2.4%         | -5,316         |
| <b>Result for the period</b>                             | <b>5,420</b>  | <b>6,978</b>  | <b>-22.3%</b> | <b>10,951</b> | <b>13,746</b> | <b>-20.3%</b> | <b>22,360</b>  |
| <b>Other comprehensive income</b>                        |               |               |               |               |               |               |                |
| Exchange difference on translation of foreign operations | 792           | -868          | -191.2%       | 2,231         | -898          | -348.4%       | -1,990         |
| <b>Comprehensive income for the period</b>               | <b>6,212</b>  | <b>6,111</b>  | <b>1.7 %</b>  | <b>13,182</b> | <b>12,848</b> | <b>2.6 %</b>  | <b>20,370</b>  |
| <b>Earnings per share</b>                                |               |               |               |               |               |               |                |
| Earnings per share, basic and diluted, EUR               | 0.03          | 0.04          | -22.3%        | 0.06          | 0.08          | -20.3%        | 0.13           |

<sup>1)</sup> As announced on 20 March 2024, F-Secure changed the calculation method for gross margin in its income statement. Some of the costs previously recorded in F-Secure income statement as Cost of revenue have been included in Research and development and Sales and marketing costs. F-Secure applies the new calculation method for gross margin as of 1 January 2024. Comparative figures are also revised.

<sup>2)</sup> Costs related to restructuring decrease administration expense by EUR 0.1 million in Q2/2024 and by EUR 0.2 million in H1/2024. Restructuring costs increase administration expense by EUR 1.8 million in Q4/2023 and 1-12/2023. Costs related to acquisition increase administration expense by EUR 4.6 million in Q2/2023 and EUR 6.2 million in 1-12/2023.

## Statement of financial position

| <b>Assets</b>                               | <b>30 Jun 2024</b> | <b>30 Jun 2023</b> | <b>31 Dec 2023</b> |
|---|--------------------|--------------------|--------------------|
| Tangible assets                             | 374                | 175                | 360                |
| Right-of-use assets                         | 1,231              | 1,496              | 1,257              |
| Intangible assets                           | 127,104            | 127,513            | 125,179            |
| Goodwill                                    | 89,081             | 87,873             | 88,361             |
| Deferred tax assets                         | 236                | 1,288              | 883                |
| Interest-bearing receivables                |                    | 3,707              | 3,658              |
| Other long-term receivables                 | 177                |                    |                    |
| <b>Total non-current assets</b>             | <b>218,204</b>     | <b>222,052</b>     | <b>219,698</b>     |
| Inventories                                 | 33                 | 30                 | 35                 |
| Accrued income                              | 3,589              | 3,693              | 1,953              |
| Trade and other receivables                 | 30,888             | 32,602             | 35,604             |
| Interest-bearing receivables                | 3,661              |                    |                    |
| Income tax receivables                      | 1,499              | 138                | 2,108              |
| Cash and cash equivalents                   | 16,864             | 11,891             | 15,867             |
| <b>Total current assets</b>                 | <b>56,534</b>      | <b>48,354</b>      | <b>55,568</b>      |
| <b>Total assets</b>                         | <b>274,737</b>     | <b>270,406</b>     | <b>275,266</b>     |
| <b>Shareholders' equity and liabilities</b> | <b>30 Jun 2024</b> | <b>30 Jun 2023</b> | <b>31 Dec 2023</b> |
| <b>Total Equity</b>                         | <b>34,494</b>      | <b>25,188</b>      | <b>33,086</b>      |
| Interest bearing liabilities, non-current   | 146,185            | 180,860            | 165,963            |
| Deferred tax liabilities                    | 2,576              | 1,484              | 2,064              |
| Deferred revenue, non-current               | 7,088              | 6,437              | 5,837              |
| Other non-current liabilities               | 66                 | 96                 | 51                 |
| <b>Total non-current liabilities</b>        | <b>155,915</b>     | <b>188,876</b>     | <b>173,915</b>     |
| Interest-bearing liabilities, current       | 40,906             | 25,991             | 30,965             |
| Trade and other payables                    | 23,256             | 12,521             | 14,182             |
| Provisions                                  |                    |                    | 1,739              |
| Income tax liabilities                      | 1,398              | 916                | 1,592              |
| Deferred revenue, current                   | 18,767             | 16,913             | 19,788             |
| <b>Total current liabilities</b>            | <b>84,328</b>      | <b>56,341</b>      | <b>68,265</b>      |
| <b>Total equity and liabilities</b>         | <b>274,737</b>     | <b>270,406</b>     | <b>275,266</b>     |

## Cash flow statement

| EUR thousand  | 4-6/2024       | 4-6/2023        | 1-6/2024       | 1-6/2023        | 1-12/2023       |
|---|----------------|-----------------|----------------|-----------------|-----------------|
| <b>Cash flow from operations</b>                                  |                |                 |                |                 |                 |
| Result for the financial year                                     | 5,420          | 6,978           | 10,951         | 13,746          | 22,360          |
| Adjustments   | 8,409          | -2,137          | 16,071         | 392             | 15,872          |
| <b>Cash flow from operations before change in working capital</b> | <b>13,829</b>  | <b>4,842</b>    | <b>27,022</b>  | <b>14,138</b>   | <b>38,232</b>   |
| Change in net working capital                                     | 6,842          | -4,895          | 5,414          | -4,867          | -661            |
| <b>Cash flow from operations before financial items and taxes</b> | <b>20,671</b>  | <b>-54</b>      | <b>32,436</b>  | <b>9,271</b>    | <b>37,572</b>   |
| Net financial items and taxes                                     | -3,840         | 3,675           | -7,716         | 1,671           | -7,462          |
| <b>Cash flow from operations</b>                                  | <b>16,831</b>  | <b>3,621</b>    | <b>24,720</b>  | <b>10,942</b>   | <b>30,109</b>   |
| <b>Cash flow from investments</b>                                 |                |                 |                |                 |                 |
| Net Investments in tangible and intangible assets                 | -3,544         | -1,963          | -6,867         | -4,213          | -7,920          |
| Acquisition, net of cash acquired                                 |                | -206,887        | -132           | -206,887        | -207,764        |
| Proceeds from sale of intangible and tangible assets              |                |                 | 0              | 0               | 0               |
| <b>Cash flow from investments</b>                                 | <b>-3,544</b>  | <b>-208,850</b> | <b>-6,999</b>  | <b>-211,100</b> | <b>-215,684</b> |
| <b>Cash flow from financing activities</b>                        |                |                 |                |                 |                 |
| Repayments of lease liabilities                                   | -297           | -263            | -566           | -520            | -1,070          |
| Repayments of interest-bearing liabilities                        | -15,000        |                 | -15,000        |                 | -10,000         |
| Increase in interest-bearing liabilities                          | 5,000          | 202,000         | 5,000          | 202,000         | 202,000         |
| Dividends paid  |                | -12,227         | -6,114         | -12,227         | -12,227         |
| <b>Cash flow from financing activities</b>                        | <b>-10,297</b> | <b>189,509</b>  | <b>-16,679</b> | <b>189,252</b>  | <b>178,703</b>  |
| <b>Change in cash</b>   | <b>2,990</b>   | <b>-15,720</b>  | <b>1,041</b>   | <b>-10,906</b>  | <b>-6,872</b>   |
| Cash and cash equivalents at the beginning of the period          | 13,894         | 27,675          | 15,867         | 22,953          | 22,953          |
| Effect of exchange rate changes on cash                           | -20            | -64             | -45            | -157            | -214            |
| <b>Cash and cash equivalents at period end</b>                    | <b>16,864</b>  | <b>11,891</b>   | <b>16,864</b>  | <b>11,891</b>   | <b>15,867</b>   |



## 1. Basis of preparation

This half year financial report has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting principles applied are consistent with those followed in the annual report 2023, note 1 Basis of preparation, accounting principles and carve-out principles.

F-Secure changed the calculation method for gross margin in its income statement (stock exchange release 20 March 2024). Some of the costs previously recorded in F-Secure income statement as Cost of revenue have been included in Research and development and Sales and marketing costs. F-Secure applies the new calculation method for gross margin as of 1 January 2024. Comparative figures are also revised.

The information of this half year financial report is unaudited. Percentages and figures presented herein may include rounding differences and therefore may not add up precisely to the totals presented. All figures are presented as EUR thousand unless otherwise stated.

## Segment information

F-Secure has only one segment (consumer security). Revenue per sales channel and geographical information about revenue are presented in Note 2 Revenue.

## Significant exchange rates and sensitivity to exchange rate changes

| One euro is | Closing rate |             |             | Average rate |          |           |
|-------------|--------------|-------------|-------------|--------------|----------|-----------|
|             | 30 Jun 2024  | 30 Jun 2023 | 31 Dec 2023 | 1-6/2024     | 1-6/2023 | 1-12/2023 |
| USD         | 1.0705       | 1.0866      | 1.1050      | 1.0849       | 1.0814   | 1.0797    |
| GBP         | 0.8464       | 0.8583      | 0.8691      | 0.8573       | 0.8785   | 0.8703    |
| JPY         | 171.94       | 157.16      | 156.33      | 163.55       | 145.58   | 151.87    |

### FX Sensitivity

The sensitivity of F-Secure's profit before taxes to foreign exchange rate fluctuations when all other variables are held constant is as follows:

| +/- 10% FX rate change (EUR million) | 30 Jun 2024 | 30 Jun 2023 | 31 Dec 2023 |
|--------------------------------------|-------------|-------------|-------------|
| USD                                  | -0.8/+1.0   | -1.0/+1.3   | -1.0/+1.2   |

## 2. Revenue

### Disaggregation of revenue

| Sales channels                                   | 4-6/2024      | 4-6/2023      | 1-6/2024      | 1-6/2023      | 1-12/2023      |
|--|---------------|---------------|---------------|---------------|----------------|
| <b>Revenue from external customers</b>           |               |               |               |               |                |
| Partner channel                                  | 29,404        | 24,539        | 58,847        | 46,579        | 105,122        |
| of which Lookout consumer business <sup>1)</sup> | 6,452         | 2,117         | 12,822        | 2,117         | 14,769         |
| Direct channel (E-commerce)                      | 7,088         | 5,986         | 14,022        | 11,751        | 25,249         |
| of which Lookout consumer business <sup>1)</sup> | 1,459         | 351           | 2,759         | 351           | 2,662          |
| <b>Total</b>                                     | <b>36,492</b> | <b>30,524</b> | <b>72,869</b> | <b>58,330</b> | <b>130,371</b> |

<sup>1)</sup> Revenue from acquired Lookout consumer business after acquisition 1 June 2023.

| Geographical information               | 4-6/2024      | 4-6/2023      | 1-6/2024 <sup>1)</sup> | 1-6/2023      | 1-12/2023 <sup>1)</sup> |
|--|---------------|---------------|------------------------|---------------|-------------------------|
| <b>Revenue from external customers</b> |               |               |                        |               |                         |
| Nordic countries                       | 10,415        | 9,948         | 20,783                 | 19,868        | 39,989                  |
| Rest of Europe                         | 12,077        | 12,092        | 24,173                 | 24,101        | 49,221                  |
| North America                          | 11,609        | 6,553         | 22,852                 | 10,882        | 32,792                  |
| Rest of world                          | 2,391         | 1,931         | 5,061                  | 3,479         | 8,369                   |
| <b>Total</b>                           | <b>36,492</b> | <b>30,524</b> | <b>72,869</b>          | <b>58,330</b> | <b>130,371</b>          |

<sup>1)</sup> F-Secure has adjusted the geographical split of revenues between Rest of Europe and North America. The adjustment did not have a material impact to the reported figures. Comparative periods have been adjusted accordingly.

## 3. Acquisitions

On 1 June 2023 F-Secure completed the acquisition of the mobile consumer security business unit from Lookout Inc. Purchased mobile consumer security business unit consists of shares of Lookout LLC in the US and Saferpass s.r.o. in Slovakia as well as certain IP and related know-how transferred to Finland. In the transaction 65 employees were transferred to F-Secure.

The acquisition strengthens F-Secure's position as a leading consumer security company. F-Secure has significantly increased scale, strengthened footprint in the US and in the communication service provider channel as well as a complementary mobile optimized software product portfolio reaching tens of millions of subscribers worldwide.

### Purchase consideration

The purchase consideration comprises of cash payment of EUR 207.9 million which was financed with external debt. The initial consideration EUR 206.9 million was paid in USD in June. EUR 0.9 million was settled during Q4/2023 and final purchase price adjustment EUR 0.1 million was settled in Q1/2024. Adjustments relate to net working capital. The company hedged the purchase price between signing and

closing which resulted in profit of EUR 5.5 million booked in financial income. The company did not apply hedge accounting for the arrangement.

| EUR thousand                                       |                 |
|--|-----------------|
| <b>Cash flow from the acquisition</b>              |                 |
| Consideration paid in cash                         | -207,900        |
| Cash and cash equivalents of the acquired business | 9               |
| <b>Total cash flow from the acquisition</b>        | <b>-207,891</b> |

### Recognized amounts of identifiable assets required and liabilities assumed

Lookout's net assets were identified and recognized at fair value as of the acquisition date on 1 June 2023. The following table summarizes the fair values of assets acquired and liabilities assumed.

#### Provisional fair values of the assets and liabilities recognized as a result of the acquisition

| EUR thousand                                    |                |
|---|----------------|
| Tangible assets                                 | 1              |
| Technology related intangibles                  | 83,013         |
| Customer-related intangibles (Partner Business) | 31,717         |
| Customer-related intangibles (Direct Business)  | 1,829          |
| Deferred tax assets                             | 647            |
| Trade and other receivables                     | 5,583          |
| Cash and cash equivalents                       | 9              |
| <b>Total assets</b>                             | <b>122,800</b> |
| Other non-current liabilities                   | 473            |
| Trade and other liabilities                     | 2,979          |
| Deferred tax liabilities                        | 546            |
| <b>Total liabilities</b>                        | <b>3,998</b>   |
| <b>Total net assets</b>                         | <b>118,802</b> |
| <b>Goodwill</b>                                 | <b>89,099</b>  |

The identified intangible assets relate to technology and customer relationships. Fair values for the intangible assets have been determined using appropriate valuation methods including multi-period excess earnings method (MEEM) for customer relationships and Relief from royalty method (RfR) for technology. The amortization period for these varies from 5 years to 15 years. Goodwill reflects the value of buyer specific synergies, geographic presence, assembled workforce, future technology and customers. The total amount of goodwill that is expected to be deductible for tax purposes is EUR 83.5 million.

Acquisition related costs of EUR 6.2 million are expensed and included in administration expenses in consolidated income statement and in operating cash flow in the consolidated statement of cash flows.

### Impact on F-Secure's comprehensive income statement

The acquired business contributed revenues of EUR 17.4 million and net profit of EUR -0.1 million to F-Secure for the period from 1 June to 31 December 2023 including amortization of the fair valued assets acquired for the period EUR -4.7 million and fair valuation of deferred revenue EUR -3.2 million.

Had the acquisition occurred on 1 January 2023, management estimates that combined illustrative revenue would have been EUR 142.7 million for Jan-Dec 2023 and combined illustrative net profit would have been EUR 18.4 million including amortization of fair valued assets EUR -8.0 million, interest expenses for the loan EUR -12.0 million and fair valuation of deferred revenue EUR -4.1 million.

Financial information of Lookout consumer business unit for the 5-month period ended May 30, 2023 has been carved out and combined from Lookout Inc's management reporting, accounting records and other sources of financial information. Lookout consumer business carve-out financial data for the above period includes cost allocations, management assumptions, judgements and estimates as Lookout consumer business unit has not formed a legal sub-group within Lookout, and it has not prepared consolidated group financial information prior to the transaction. Pro forma adjustments are attributable to accounting policy alignments between F-Secure's accounting policies and US GAAP accounting principles applied by Lookout and impact of the fair value adjustments.

## 4. Goodwill, right-of-use, intangible and tangible assets

|  | 30 Jun 2024    | 30 Jun 2023    | 31 Dec 2023    |
|--|----------------|----------------|----------------|
| <b>Book value at beginning of period</b> | <b>215,157</b> | <b>11,052</b>  | <b>11,052</b>  |
| Acquisition                              |                | 204,779        | 205,648        |
| Additions                                | 7,434          | 4,403          | 8,454          |
| Disposals                                | -2             | -1             | -34            |
| Depreciation and amortization            | -6,500         | -2,304         | -8,195         |
| Translation differences                  | 1,701          | -872           | -1,767         |
| <b>Book value at end of period</b>       | <b>217,791</b> | <b>217,057</b> | <b>215,157</b> |

|  | 4-6/2024     | 4-6/2023     | 1-6/2024     | 1-6/2023     | 1-12/2023    |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Depreciation and amortization by function</b> |              |              |              |              |              |
| Sales and marketing                              | 314          | 283          | 606          | 556          | 1,115        |
| Research and development                         | 918          | 548          | 1,687        | 1,082        | 2,339        |
| Administration                                   | 2,091        | 667          | 4,192        | 670          | 4,745        |
| <b>Total depreciation and amortization</b>       | <b>3,323</b> | <b>1,499</b> | <b>6,485</b> | <b>2,309</b> | <b>8,199</b> |

|  | 4-6/2024     | 4-6/2023     | 1-6/2024     | 1-6/2023     | 1-12/2023    |
|--|--------------|--------------|--------------|--------------|--------------|
| Amortization                               | 3,010        | 1,227        | 5,886        | 1,774        | 7,123        |
| Depreciation                               | 313          | 271          | 599          | 535          | 1,076        |
| <b>Total depreciation and amortization</b> | <b>3,323</b> | <b>1,499</b> | <b>6,485</b> | <b>2,309</b> | <b>8,199</b> |



## 5. Financial assets and liabilities

The fair value hierarchy levels are not applied in the interim report given the nature of financial assets and liabilities. F-Secure's financial assets and liabilities are presented in the following tables.

|                                    | Carrying value   |                       | Total   |
|------------------------------------|------------------|-----------------------|---------|
|                                    | Financial assets | Financial liabilities |         |
|                                    | Amortized cost   | Amortized cost        |         |
| <b>30 Jun 2024</b>                 |                  |                       |         |
| Cash and cash equivalents          | 16,864           |                       | 16,864  |
| Interest-bearing receivables       | 3,661            |                       | 3,661   |
| Trade receivables                  | 22,524           |                       | 22,524  |
| Bank loans                         |                  | 180,653               | 180,653 |
| Trade payables                     |                  | 4,790                 | 4,790   |
| Lease liabilities                  |                  | 1,247                 | 1,247   |
| Other interest-bearing liabilities |                  | 5,191                 | 5,191   |
| <b>30 Jun 2023</b>                 |                  |                       |         |
| Cash and cash equivalents          | 11,891           |                       | 11,891  |
| Interest-bearing receivables       | 3,707            |                       | 3,707   |
| Trade receivables                  | 25,523           |                       | 25,523  |
| Bank loans                         |                  | 200,060               | 200,060 |
| Trade payables                     |                  | 1,562                 | 1,562   |
| Lease liabilities                  |                  | 1,503                 | 1,503   |
| Other interest-bearing liabilities |                  | 5,288                 | 5,288   |
| <b>31 Dec 2023</b>                 |                  |                       |         |
| Cash and cash equivalents          | 15,867           |                       | 15,867  |
| Interest-bearing receivables       | 3,658            |                       | 3,658   |
| Trade receivables                  | 28,558           |                       | 28,558  |
| Bank loans                         |                  | 190,357               | 190,357 |
| Trade payables                     |                  | 3,911                 | 3,911   |
| Lease liabilities                  |                  | 1,263                 | 1,263   |
| Other interest-bearing liabilities |                  | 5,307                 | 5,307   |

The Lookout consumer business unit acquisition was financed with debt for which facilities agreement was entered into with Danske Bank A/S and OP Corporate Bank plc. The financing package consisted of two facilities, (i) a EUR 202 million amortising term loan to finance the acquisition, and (ii) a EUR 20 million revolving loan facility to be used for general corporate purposes of the combined group. Both facilities originally held a maturity of 3 years with two 1-year extension options. The first extension option has been exercised in April, thus the remaining maturity is currently 3 years with one 1-year extension option. The interest rate for credit facility is variable. In the second quarter, the term loan was repaid by EUR 15 million.

In addition, F-Secure has drawn down EUR 5 million revolving credit facility for general cash management purposes.

The Group's loan agreement includes a financial covenant, measured on quarterly basis. The covenant relates to the ratio between net debt and adjusted EBITDA, as defined under the terms of the loan agreement. Group has met covenant terms and conditions on the reporting date.

Prior to completion of the demerger, WithSecure's consumer business conducted by its foreign subsidiaries was separated from the rest of the business into separate companies through business acquisitions or similar transactions in each relevant country. The transaction prices vary between approximately EUR 70 thousand and EUR 3.0 million. The payback time for the resulting payables and receivables is primarily three years from the effective date of each local transaction, and prepayment is allowed. Therefore, these balances are now short-term and due for payment in the second quarter of 2025. The interest rate for the unpaid transaction price varies by country. F-Secure's payables totaled EUR 5.2 million and the receivables totaled EUR 3.7 million, presented in the table above as Other interest-bearing liabilities and interest-bearing receivables, respectively.

As at 30 June 2024, F-Secure's lease liabilities relate to leases for office premises and cars. In the second quarter of 2024, F-Secure signed a new lease agreement for headquarter office premises. This will be recorded in the balance sheet as right-of-use asset and lease liability during summer 2025 when the lease term starts, but the lease commitment already exists following the agreement.

## Financial liabilities

### Contractual maturities of financial liabilities:

|                                       | Amount due for settlement<br>within 12 months | Amount due for<br>settlement after 12<br>months | Total          | Nominal value  |
|---------------------------------------|---|---|----------------|----------------|
| Bank loans                            | 35,000  | 147,000   | 182,000        | 180,653        |
| Lease liabilities                     | 716   | 532   | 1,247          | 1,247          |
| Other interest-bearing<br>liabilities | 5,191   |   | 5,191          | 5,191          |
| <b>Total</b>                          | <b>40,906</b>                                 | <b>147,532</b>                                  | <b>188,438</b> | <b>187,091</b> |

Bank loans are recorded at amortized cost and the transaction costs are recognized as part of interest expense using the effective interest method.

## Quarterly figures and alternative performance measures

### Income statement quarterly

|  | 4-6/2024      | 1-3/2024      | 10-12/2023    | 7-9/2023      | 4-6/2023      |
|--|---------------|---------------|---------------|---------------|---------------|
| Revenue                                | 36,492        | 36,377        | 36,907        | 35,134        | 30,524        |
| Cost of revenue <sup>1)</sup>          | -5,129        | -5,211        | -3,896        | -3,710        | -2,435        |
| <b>Gross margin<sup>1)</sup></b>       | <b>31,363</b> | <b>31,166</b> | <b>33,010</b> | <b>31,424</b> | <b>28,090</b> |
| Other operating income                 | 192           | 288           | 131           | 239           | 228           |
| Sales and marketing <sup>1)</sup>      | -9,027        | -8,771        | -10,242       | -9,090        | -9,497        |
| Research and development <sup>1)</sup> | -6,642        | -6,965        | -8,381        | -7,071        | -6,745        |
| Administration                         | -5,683        | -5,736        | -7,458        | -5,514        | -7,970        |
| <b>EBIT</b>                            | <b>10,204</b> | <b>9,982</b>  | <b>7,061</b>  | <b>9,988</b>  | <b>4,105</b>  |
| Financial net                          | -3,283        | -2,888        | -3,432        | -2,827        | 4,356         |
| <b>Profit before taxes</b>             | <b>6,921</b>  | <b>7,095</b>  | <b>3,630</b>  | <b>7,161</b>  | <b>8,461</b>  |
| Income tax                             | -1,501        | -1,564        | -423          | -1,754        | -1,483        |
| <b>Profit for the period</b>           | <b>5,420</b>  | <b>5,531</b>  | <b>3,207</b>  | <b>5,408</b>  | <b>6,978</b>  |

<sup>1)</sup> As announced on 20 March 2024, F-Secure changed the calculation method for gross margin in its income statement. Some of the costs previously recorded in F-Secure income statement as Cost of revenue have been included in Research and development and Sales and marketing costs. F-Secure applies the new calculation method for gross margin as of 1 January 2024. Comparative figures are also revised.

## Key figures

| EUR thousand  | 4-6/2024 | 1-3/2024 | 10-12/2023 | 7-9/2023 | 4-6/2023 |
|---|----------|----------|------------|----------|----------|
| Revenue   | 36,492   | 36,377   | 36,907     | 35,134   | 30,524   |
| Revenue growth %  | 19.6%    | 30.8%    | 30.6%      | 25.8%    | 11.1%    |
| Adjusted EBITDA   | 13,472   | 12,964   | 11,962     | 13,065   | 10,157   |
| % of revenue  | 36.9%    | 35.6%    | 32.4%      | 37.2%    | 33.3%    |
| EBITA   | 13,214   | 12,858   | 9,832      | 12,567   | 5,332    |
| % of revenue  | 36.2%    | 35.3%    | 26.6%      | 35.8%    | 17.5%    |
| Adjusted EBITA  | 13,160   | 12,677   | 11,691     | 12,795   | 9,885    |
| % of revenue  | 36.1%    | 34.9%    | 31.7%      | 36.4%    | 32.4%    |
| EBIT  | 10,204   | 9,982    | 7,061      | 9,988    | 4,105    |
| % of revenue  | 28.0%    | 27.4%    | 19.1%      | 28.4%    | 13.4%    |
| Profit for the period   | 5,420    | 5,531    | 3,207      | 5,408    | 6,978    |
| % of revenue  | 14.9%    | 15.2%    | 8.7%       | 15.4%    | 22.9%    |
| Earnings per share, basic and diluted, EUR <sup>1)</sup>                | 0.03     | 0.03     | 0.02       | 0.03     | 0.04     |
| Earnings per share, basic and diluted, excluding PPA, EUR <sup>1)</sup> | 0.04     | 0.04     | 0.03       | 0.04     | 0.04     |
| R&D costs   | 6,642    | 6,965    | 8,381      | 7,071    | 6,745    |
| % of revenue  | 18.2%    | 19.1%    | 22.7%      | 20.1%    | 22.1%    |
| Capital expenditure, excl. acquisition                                  | 3,544    | 3,323    | 1,401      | 2,307    | 1,963    |
| % of revenue  | 9.7%     | 9.1%     | 3.8%       | 6.6%     | 6.4%     |
| Capital expenditure   | 3,544    | 3,455    | 2,278      | 2,307    | 208,850  |
| Deferred revenue  | 25,856   | 27,912   | 25,626     | 22,760   | 23,350   |
| Operating cash flow   | 16,831   | 7,889    | 13,162     | 6,006    | 3,621    |
| Net debt (+) / Net cash (-)   | 166,567  | 179,576  | 177,402    | 187,748  | 191,253  |
| Net debt/Adjusted EBITDA <sup>2)</sup>                                  | 3.2      | 3.5      | 3.5        | 3.6      | 3.5      |
| Equity ratio %  | 12.6%    | 10.0%    | 12.0%      | 11.7%    | 9.3%     |
| Shareholder's equity per share, EUR                                     | 0.20     | 0.16     | 0.19       | 0.19     | 0.14     |
| P/E ratio   | 15.6     | 14.8     | 27.7       | 14.1     | 14.6     |
| Gearing, %  | 493.5%   | 654.3%   | 547.2%     | 590.8%   | 774.0%   |
| Cash conversion, %  | 124.5%   | 63.3%    | 141.2%     | 66.1%    | 32.5%    |
| Personnel at the end of the period                                      | 519      | 497      | 524        | 516      | 511      |

<sup>1)</sup> Based on the average number of shares during the reporting period.

<sup>2)</sup> Net debt/Adjusted EBITDA for the last 12 months 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.

## Alternative Performance Measures

In addition to EBIT, F-Secure uses Adjusted EBITA and Adjusted EBITDA as key performance indicators when measuring performance between periods. Adjusted EBITA and Adjusted EBITDA exclude items that affect comparability. Items affecting comparability are associated with acquisition and restructuring. Adjusted EBITA and Adjusted EBITDA are presented in addition to EBIT to reflect the underlying business performance and to enhance comparability between periods. F-Secure believes that these comparable alternative performance measures provide meaningful supplemental information by excluding items outside normal business operations, which reduce comparability between the periods.

## Reconciliation between adjusted EBITDA, EBITDA, adjusted EBITA, EBITA and EBIT

|                                | 4-6/2024      | 4-6/2023      | 1-6/2024      | 1-6/2023      | 1-12/2023     |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Adjusted EBITDA</b>         | <b>13,472</b> | <b>10,157</b> | <b>26,436</b> | <b>20,624</b> | <b>45,651</b> |
| Adjustments to EBITDA          |               |               |               |               |               |
| Costs related to acquisition   |               | -4,553        |               | -5,868        | -6,150        |
| Costs related to restructuring | 54            |               | 235           |               | -1,805        |
| <b>EBITDA</b>                  | <b>13,527</b> | <b>5,604</b>  | <b>26,672</b> | <b>14,756</b> | <b>37,696</b> |
| Depreciation and amortization  | -3,323        | -1,499        | -6,485        | -2,309        | -8,199        |
| <b>EBIT</b>                    | <b>10,204</b> | <b>4,105</b>  | <b>20,186</b> | <b>12,447</b> | <b>29,497</b> |
| <br>                           |               |               |               |               |               |
| <b>Adjusted EBITA</b>          | <b>13,160</b> | <b>9,885</b>  | <b>25,837</b> | <b>20,089</b> | <b>44,575</b> |
| Adjustments to EBITA           |               |               |               |               |               |
| Costs related to acquisition   |               | -4,553        |               | -5,868        | -6,150        |
| Costs related to restructuring | 54            |               | 235           |               | -1,805        |
| <b>EBITA</b>                   | <b>13,214</b> | <b>5,332</b>  | <b>26,072</b> | <b>14,221</b> | <b>36,620</b> |
| Amortization                   | -1,074        | -563          | -2,002        | -1,109        | -2,465        |
| PPA amortization               | -1,936        | -665          | -3,884        | -665          | -4,658        |
| <b>EBIT</b>                    | <b>10,204</b> | <b>4,105</b>  | <b>20,186</b> | <b>12,447</b> | <b>29,497</b> |

## Classification of adjusted costs in operating expenses

|   | 4-6/2024       | 4-6/2023       | 1-6/2024       | 1-6/2023       | 1-12/2023      |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Operating expenses</b>   |                |                |                |                |                |
| Sales and marketing   | -9,027         | -9,497         | -17,798        | -17,664        | -36,996        |
| Research and development  | -6,642         | -6,745         | -13,607        | -12,044        | -27,496        |
| Administration  | -5,683         | -7,970         | -11,419        | -12,427        | -25,398        |
| <b>Total</b>  | <b>-21,351</b> | <b>-24,211</b> | <b>-42,823</b> | <b>-42,134</b> | <b>-89,890</b> |
| <b>Depreciation and amortization by function</b>                  |                |                |                |                |                |
| Sales and marketing   | -314           | -283           | -606           | -556           | -1,115         |
| Research and development  | -918           | -548           | -1,687         | -1,082         | -2,339         |
| Administration  | -2,091         | -667           | -4,192         | -670           | -4,745         |
| <b>Total</b>  | <b>-3,323</b>  | <b>-1,499</b>  | <b>-6,485</b>  | <b>-2,309</b>  | <b>-8,199</b>  |
| <b>Items affecting Comparability (IAC) by function</b>            |                |                |                |                |                |
| Administration  | -5,683         | -7,970         | -11,419        | -12,427        | -25,398        |
| Less: Costs related to acquisition                                |                | 4,553          |                | 5,868          | 6,150          |
| Less: Costs related to restructuring                              | -54            |                | -235           |                | 1,805          |
| Less: PPA amortization  | 1,936          | 665            | 3,884          | 665            | 4,658          |
| <b>Administration excluding IAC</b>                               | <b>-3,801</b>  | <b>-2,752</b>  | <b>-7,770</b>  | <b>-5,894</b>  | <b>-12,785</b> |
| <b>Operating expenses less depreciation, amortization and IAC</b> |                |                |                |                |                |
| Sales and marketing   | -8,712         | -9,214         | -17,191        | -17,107        | -35,881        |
| Research and development  | -5,724         | -6,197         | -11,920        | -10,962        | -25,157        |
| Administration  | -3,646         | -2,749         | -7,462         | -5,888         | -12,783        |
| <b>Total</b>  | <b>-18,083</b> | <b>-18,160</b> | <b>-36,573</b> | <b>-33,958</b> | <b>-73,821</b> |

## Calculation of key figures

| Key figure                                | Definition   |
|---|--|
| EBITDA                                    | EBIT + Depreciation, amortization and impairment   |
| EBITA                                     | EBIT + Amortization and impairment   |
| EBIT                                      | Result before taxes and net financial items  |
| Adjusted EBITDA                           | EBITDA before items affecting comparability  |
| Adjusted EBITA                            | EBITA before items affecting comparability   |
| Adjusted EBIT                             | EBIT before items affecting comparability  |
| Items affecting comparability             | Items affecting comparability are associated with restructuring and acquisition  |
| Operating expenses                        | Sales and marketing, research and development, and administration expenses   |
| Capital expenditure                       | Corresponds to the Statement of Cash Flow line item Investments in intangible and tangible assets  |
| Operating cash flow                       | Corresponds to the Statement of Cash Flow line item Cash flow from operations  |
| Net debt (+) / Net cash (-)               | Interest-bearing liabilities – Interest-bearing receivables - Cash and cash equivalents  |
| Net debt/Adjusted EBITDA                  | Net debt/Adjusted EBITDA for the last 12 months  |
| Equity ratio, %                           | Total equity/Total assets  |
| Gearing, %                                | (Interest bearing liabilities – cash and bank) / Total equity  |
| Cash conversion, %                        | (Adjusted EBITDA–Capital expenditure –/+ Change in net working capital) / Adjusted EBITDA  |
| Earnings per share, EUR                   | Profit attributable to equity holders of the company / Weighted average number of outstanding shares   |
| Earnings per share, adjusted for PPA, EUR | (Profit attributable to equity holders of the company + PPA amortization adjusted by tax impact) / Weighted average number of outstanding shares |
| Shareholders' equity per share, EUR       | Equity attributable to equity holders of the company / Number of outstanding shares at the end of period   |
| P/E ratio                                 | Closing price of the share (at period end) / Earnings per share (annualized)   |



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