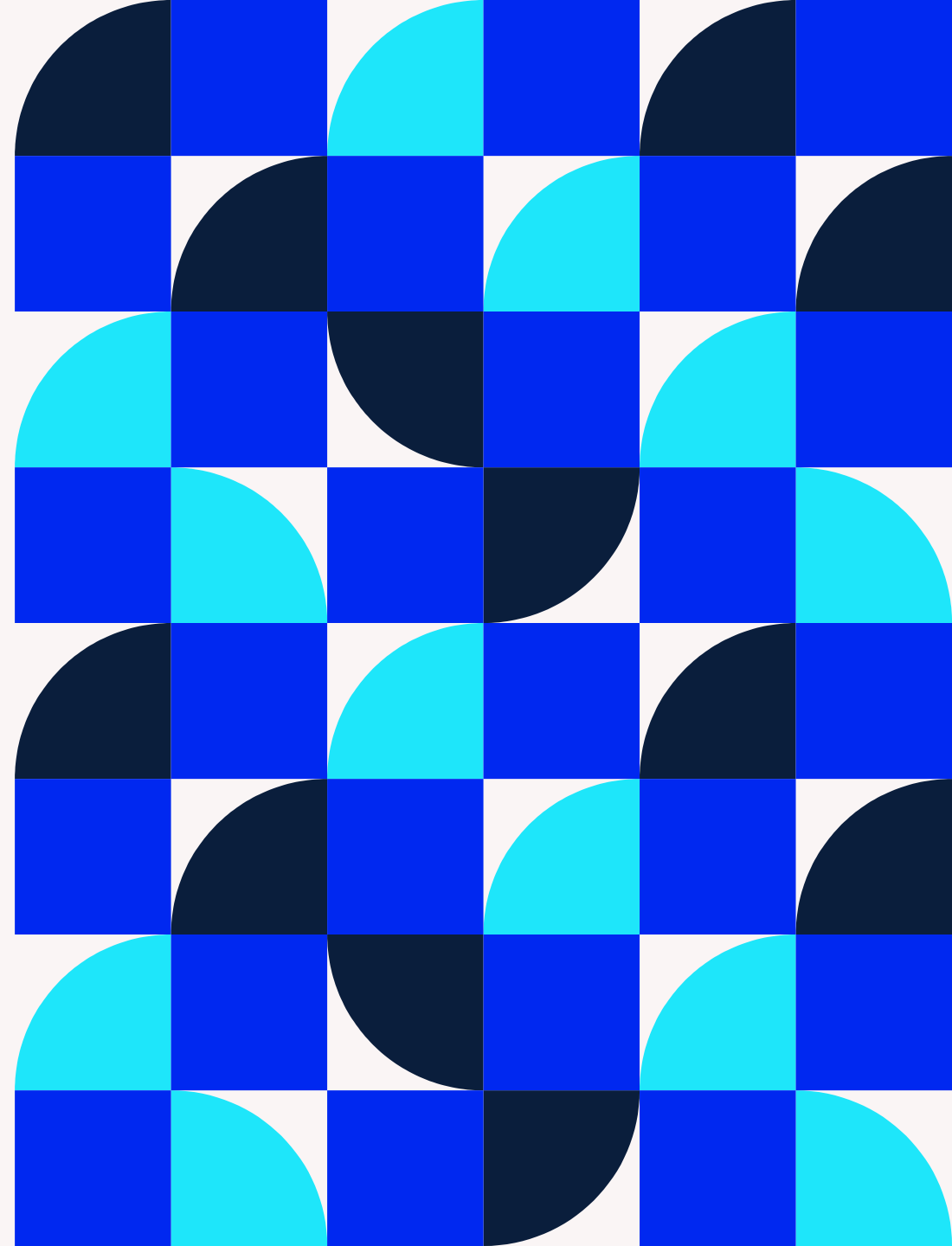




Q1 2023 financial results and the acquisition of mobile consumer security business unit of Lookout Inc.

26 April 2023





Agenda

1.

Q1 2023 Interim Report

Strategy execution – Timo Laaksonen, CEO of F-Secure

Financial development – Sari Somerkallio, CFO of F-Secure

2.

Acquisition of mobile consumer security business unit of Lookout Inc.

Timo Laaksonen

Sari Somerkallio

Firas Azmeh, President of Lookout Life

3.

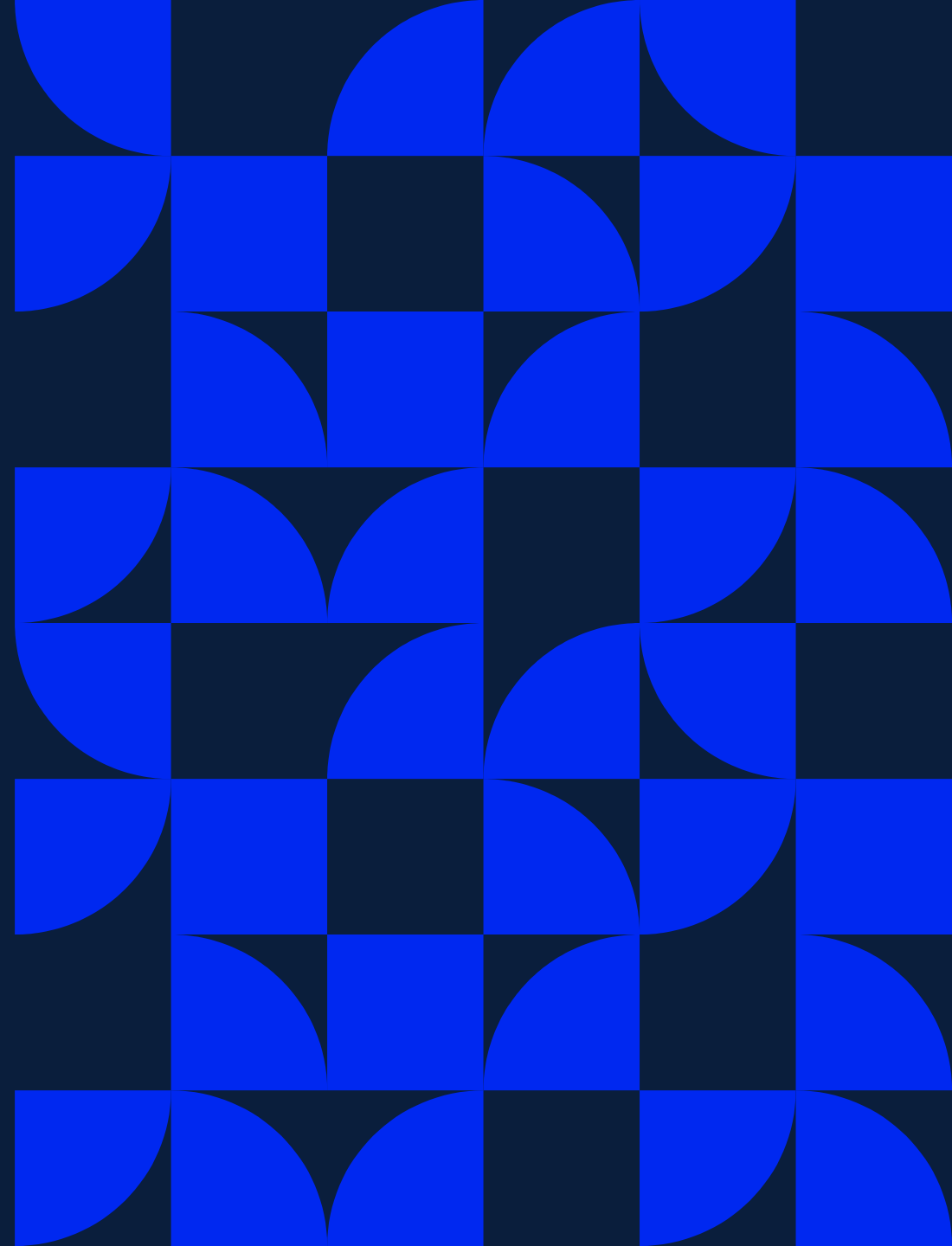
Q&A

Strategy execution continues

Interim Report

1 January–31 March 2023

Timo Laaksonen CEO
Sari Somerkallio CFO



Q1: Strategy execution continues

Colored by challenging market environment

Revenue growth of **1.6%** – weak performance especially within new sales in Direct Business

Market uncertainty continued, consumer sentiment weaker in the face of interest rate hikes and inflation – significant decline in device sales globally

Brand renewal and launch of the new generation **F-Secure Total** in Direct and Partner Business

Planned **acquisition of Lookout Life**, US-based consumer focused mobile security business arm of Lookout Inc*



Progress in strategy execution in Q1/2023

	Increase average revenue per user (ARPU)	Developing current offering and new products	Expand into new channels
Strategic focus:	Accelerate the roll-out of F-Secure Total	Expand market coverage and the accessible market	Replicate our proven business model
Progress in Q1:	<ul style="list-style-type: none"> Signed up 3 new partners for F-Secure Total 8 existing partners signed up for F-Secure Total upgrade New generation F-Secure Total launched in Direct and Partner Channels in mid-February. 	<ul style="list-style-type: none"> Launch of F-Secure Sense with one operator in Denmark and another one in Netherlands Second partner for Embedded Security signed: leading Fintech company in Asia 	<ul style="list-style-type: none"> Joined forces with Allianz Partners Active pipeline development: Insurance companies, banks, payment providers

Short-term performance drivers

Growth drivers

- Weak consumer sentiment resulting in a global decline in devices, impact visible especially in new sales
- Partner Channel on a solid track, with new partners signing up and existing partners upgrading for Total
- Strong underlying demand, we expect the situation to improve already in the second quarter

Profitability drivers

- Strategic investments in growth and R&D investments to strengthen our independence is burdening our profitability
- TSA costs to terminate by the end of 2023

Other drivers

- FX impact in revenue
- Demand for cyber security solutions persists and our offering is more relevant than ever

Financials

Sari Somerkallio, CFO

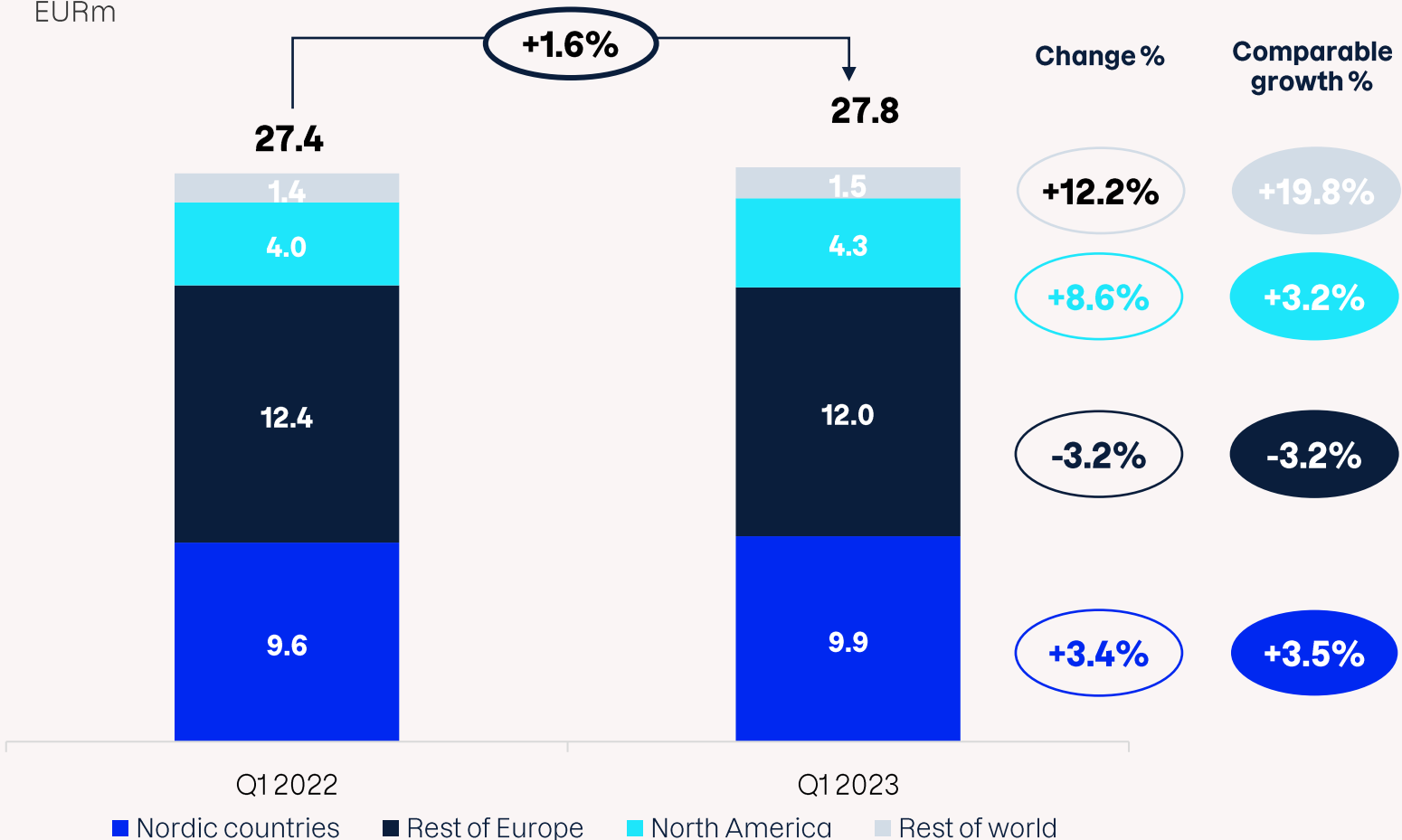


Q1: Revenue up by 1.6%

At comparable exchange rates, revenue increased by 1.2%

Revenue by geography

EURm



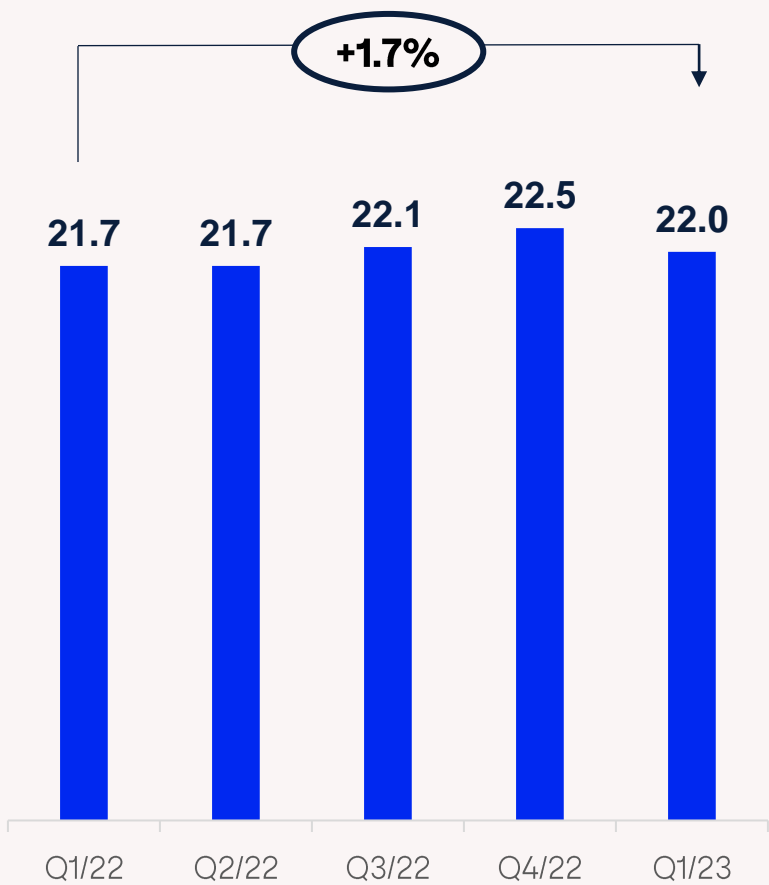
- Partner Channel: revenue increased by 1.7%
 - Sales increased especially in Asia-Pacific (APAC).
 - Growth in North America mainly attributable to a positive USD currency impact.
 - Regulatory change in Poland in 2021 has a continued negative impact on adoption rates on the local market.
- Direct Channel: revenue increased by 1.2%
 - Headwinds and market uncertainty reflected especially within new business sales.
 - F-Secure Total launched in mid-February but due to challenges in optimizing direct business performance the new sales activity was lower than expected

Q1 2023: Group revenue up by 1.6%

Partner business on a solid track, while eCommerce experienced strong headwinds in new sales

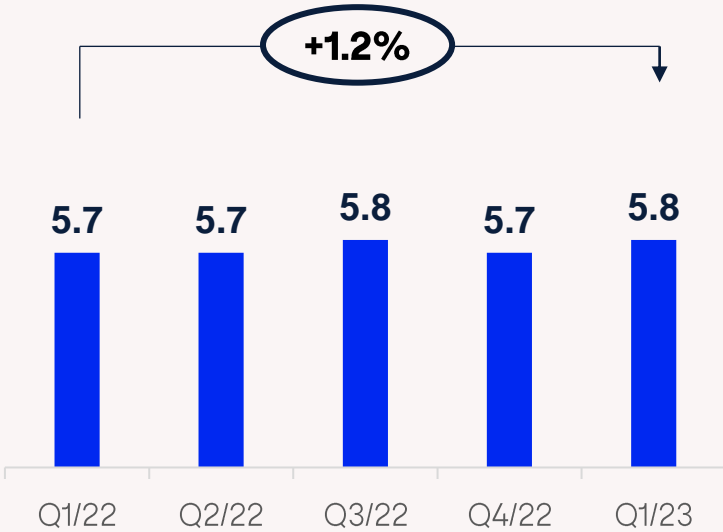
Partner channel revenue

EURm



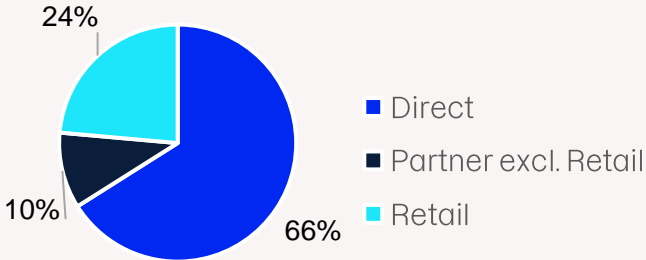
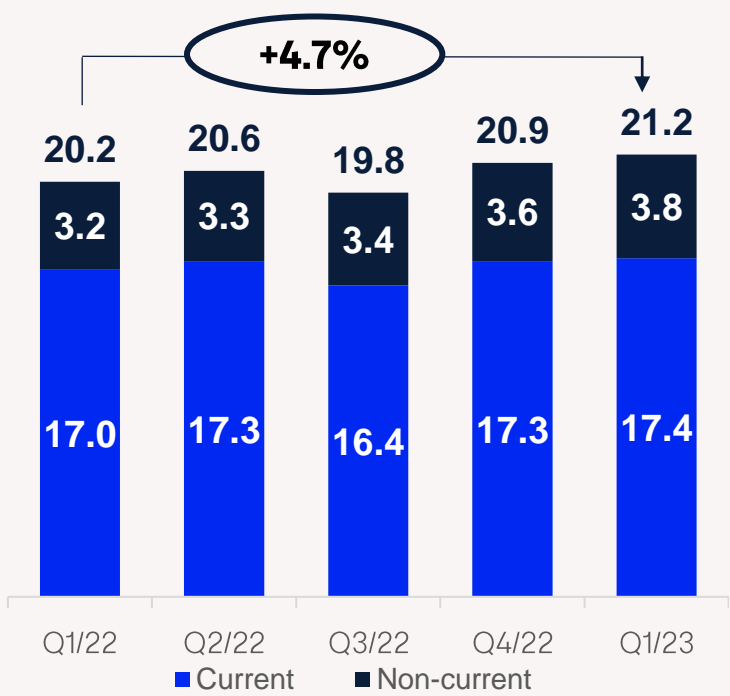
Direct channel revenue

EURm



Deferred revenue*

EURm

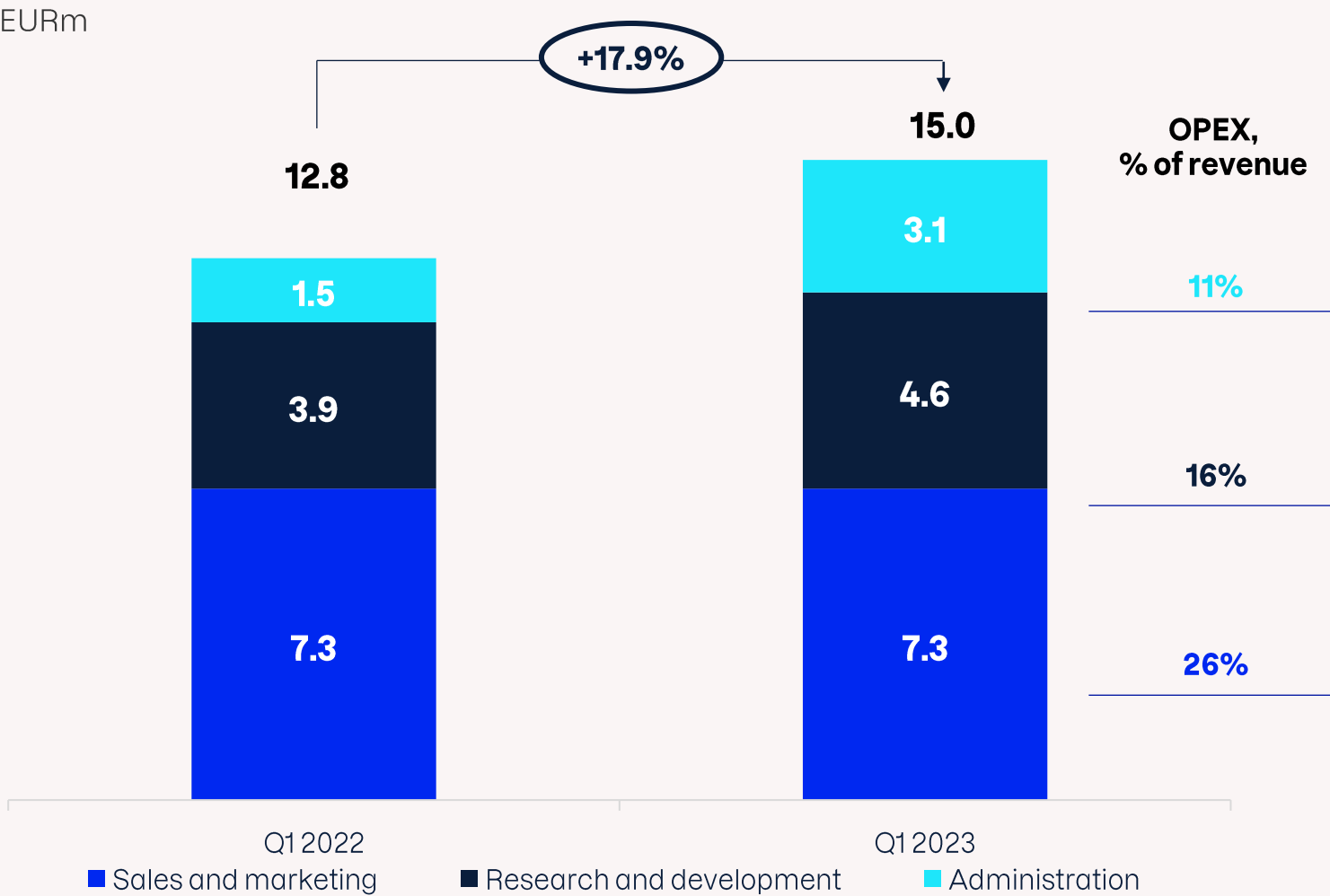


* Deferred revenue breakdown is indicative

Operating expenses in Q1

Figures for comparison period are not fully comparable

OPEX* development Q1



- Figures for comparison period are not fully comparable as the classification and allocation method used in carve-out vary from actuals.
- R&D expenses grew as planned due to increased investments in product development and human resources.

Transitional services agreements support independency

- In connection with the demerger from WithSecure, F-Secure and WithSecure entered into transitional services agreements (“TSA”) to support the continuous operations of F-Secure.
- TSA costs in cost of revenue are planned to terminate latest by the end of 2023.
- Majority of the administration TSAs terminated at the end of 2022, and the rest of administration and all of R&D planned to terminate by the end of 2023.

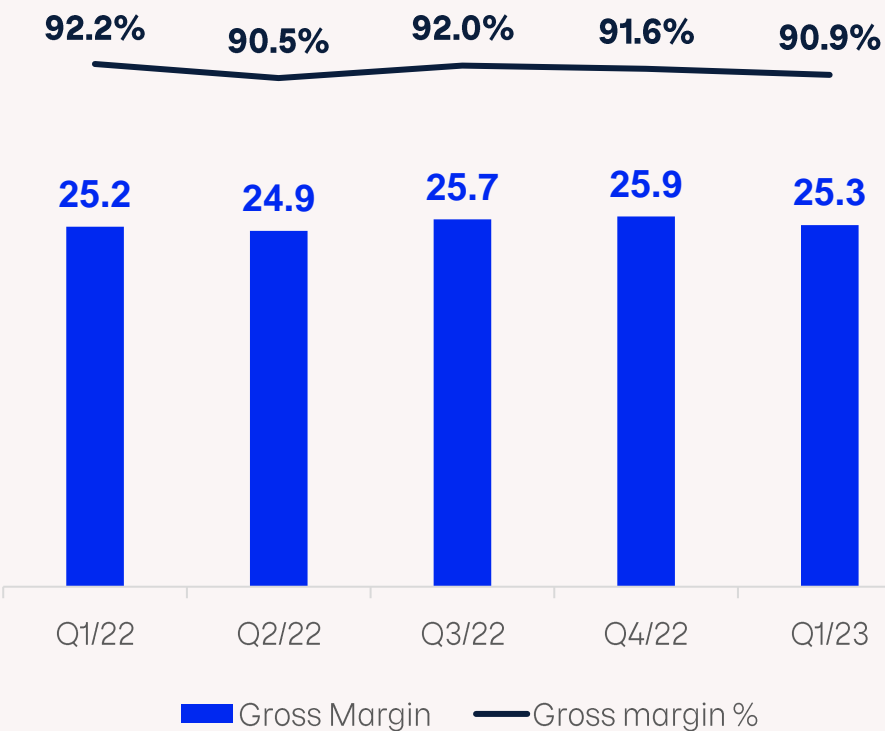
EURm	1-3/2023 Total	1-3/2023 TSA	7-12/2022 TSA
Cost of revenue	2.5	0.9	1.8
Operating expenses		1.4	7.2
R&D	4.6	0.8	1.9
Administration	3.1	0.5	5.2
Total		2.2	9.0

*TSA costs incurred only in the second half of the year.

Gross margin and adjusted EBITA development

Gross margin

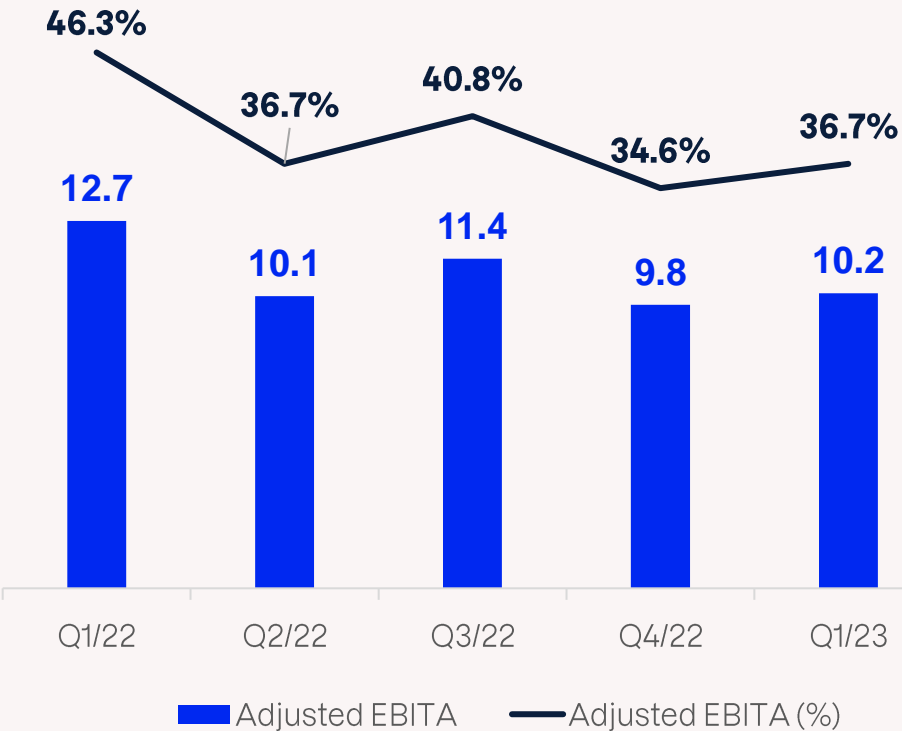
EURm



- Gross margin was 25.3 million (EUR 25.2 million) and 90.9% of revenue (92.2%).
- Gross margin on a slightly lower level due to increased costs in hosting and royalties.

Adjusted EBITA and adjusted EBITA margin

EURm



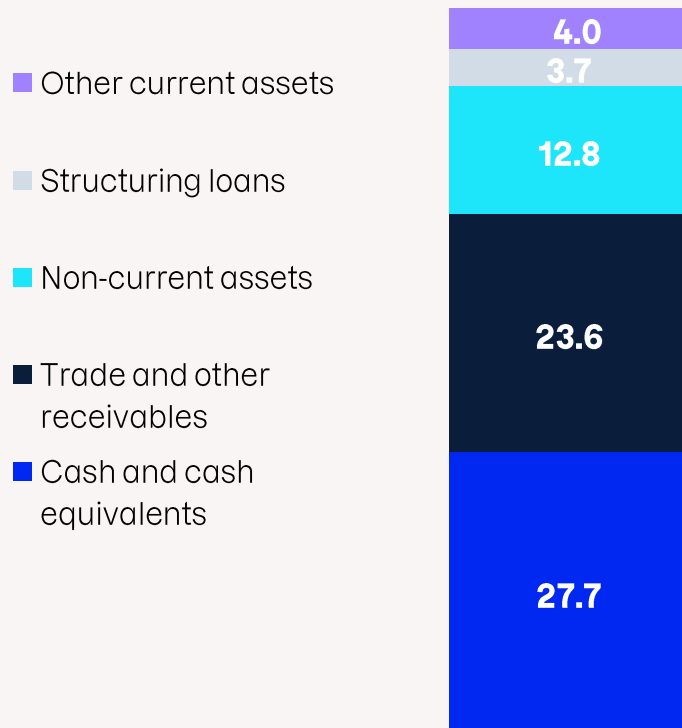
- Strategic investments in growth and R&D investments to strengthen our independence had a negative impact on profitability.
- Figures for the comparison period do not fully reflect F-Secure's profitability as a standalone entity.

Cash generation foundation remains healthy

Assets at 31.3.2023

EURm

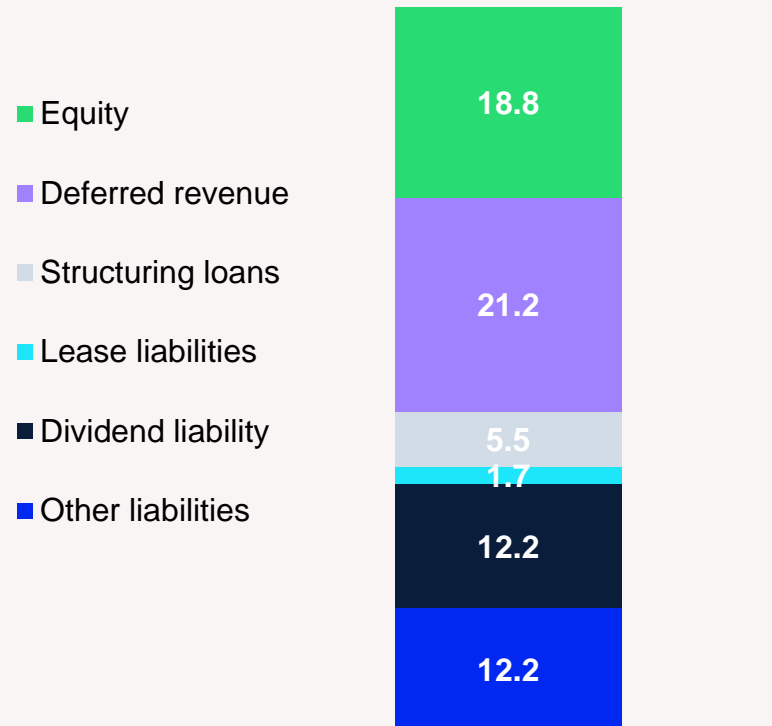
71.7



Equity and liabilities at 31.3.2023

EURm

71.7



- Equity ratio followed by dividend payment was 26.5% (23.7%)
- Net cash was EUR 24.2 million (net debt of EUR 0.2 million)
- Receivables and interest-bearing liabilities due to forming the legal standalone subsidiary structure. F-Secure payables totaled in EUR 5.4 million and the receivables totaled EUR 3.7 million

2,023.00

2,023.00

Outlook 2023

On 26 April 2023, F-Secure announced the planned acquisition of Lookout Life. Subject to the completion of the acquisition, the transaction will have a financial impact on F-Secure.

At this point, **F-Secure will keep its 2023 outlook unchanged** until the schedule for the completion of the transaction is confirmed. Financial outlook for 2023 published in the financial statement release 2022 on 17 February 2023, **does not incorporate the impact of the now disclosed acquisition** on the company's revenue or adjusted EBITA for 2023.

Implications on financial outlook for 2023 will be announced later when a reasoned estimate can be made.

Outlook 2023 (unchanged):

F-Secure expects the global demand for cyber security solutions to grow while our operating environment has turned more challenging and consumer confidence remains unstable in the face of rising inflation, causing higher risk for weaker development on new business sales in the direct channel.

We have made a number of growth-related investments in 2022 and continue to do so in 2023. There is a level of uncertainty when these will have a concrete effect on our financial performance.

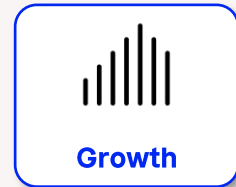
F-Secure expects revenue to grow by 4-8% year-on-year.

Adjusted EBITA for the full year 2023 is expected to be within 38-41%.

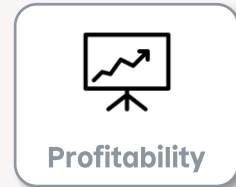
F-Secure continues to drive its business following Rule of 40 – the sum of revenue growth % and adjusted EBITA % is expected to be 42-49% based on the growth and profitability expectations.

Updates to medium-term financial targets

Current medium-term financial targets (by 2025)



- *High single-digit organic revenue growth*



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



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

Planned new medium-term financial targets (by 2026)¹⁾



- *Total revenue of more than EUR 200 million by 2026*



- *Unchanged*



- *Unchanged*



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

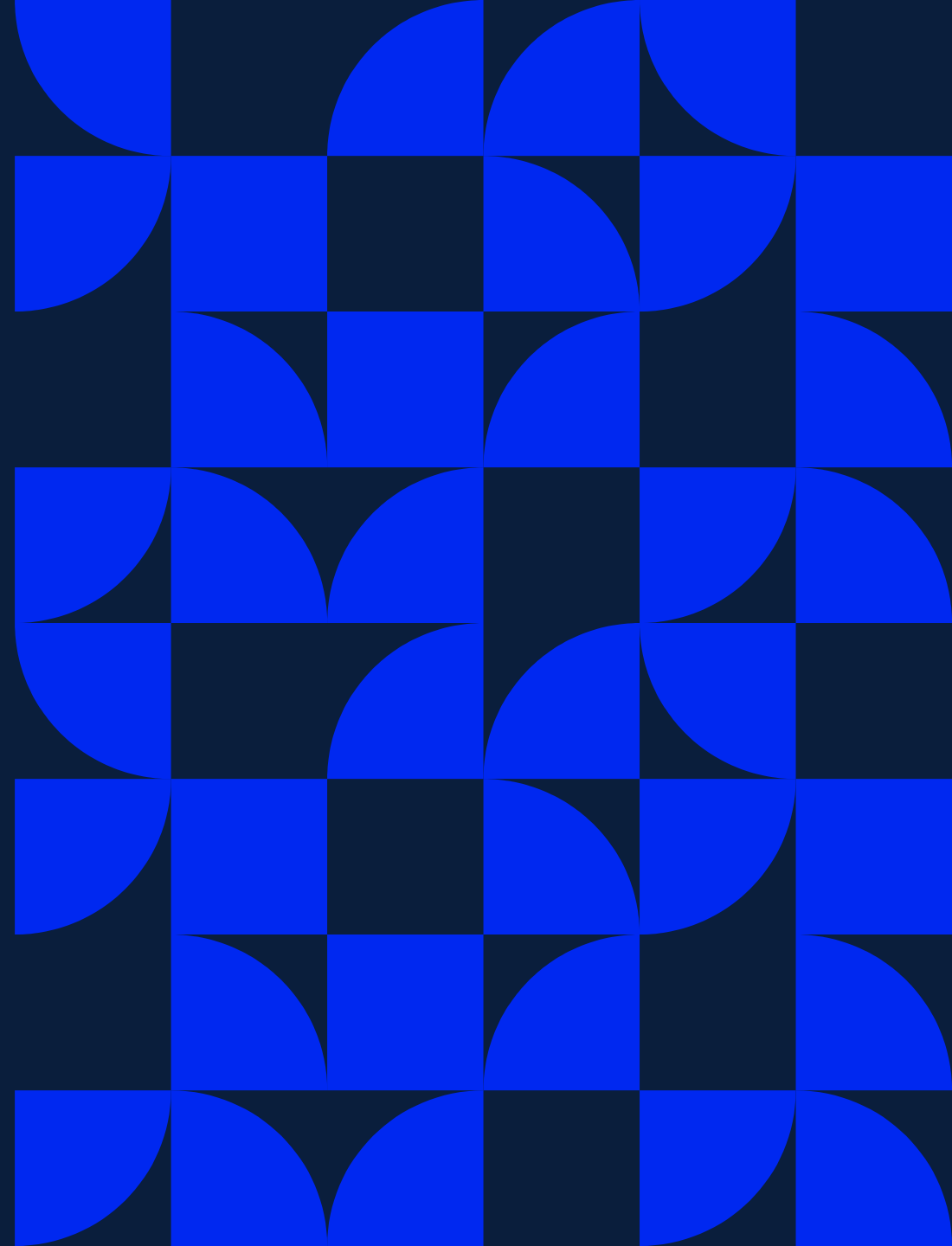
Target to consistently outperform market growth & Rule of 40 (unchanged)



F-Secure acquisition of mobile consumer security business unit of Lookout Inc.

Creating the #1 consumer security
experience company

26 April 2023



Disclaimer

Forward looking statements

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Certain financial information

The financial information of Lookout Life included in this Presentation is based on the unaudited carve-out financial information of Lookout Life for the 12-month period ended January 31, 2023 which has been derived from the Lookout Inc.'s consolidated unaudited financial information for the 12-month period ended January 31, 2023 that have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"). Lookout Life has not formed a legal sub-group within Lookout Inc. and it has not prepared consolidated group financial statements prior to the transaction. Lookout Life's financial information included in the Presentation has been prepared by Lookout Inc.'s management on a carve-out basis. The carve-out financial information includes the revenue and expenses directly attributable to Lookout Life including also an allocation of a portion of certain Lookout Inc. costs. Allocations are based on management judgement, assumptions and estimates. Carve-out financial information may not necessarily represent the results of operations and financial position of Lookout Life if it would have been managed as a standalone consolidated group, preparing consolidated financial statements for the periods presented, separate from Lookout Inc. Further, the carve-out financial statements may not be indicative of Lookout Life's future performance or financial position.

The unaudited combined financial information has been presented for illustrative purposes only. The combined financial information is unaudited and presents the impact of the transaction to F-Secure financial information as if Lookout Life would have been acquired 1 January 2022.

The adjustments presented for the combined financial information are preliminary and based on information available at this time. The combined financial information is based on a hypothetical situation and should not be viewed as pro forma financial information as potential differences in accounting principles or the impact of the purchase price allocation have not been taken into account. F-Secure will conduct a detailed review of Lookout Life Mobile Consumer Security Business unit's accounting policies and prepares the purchase price allocation only after closing.

The historical EBITDA and EBITA of Lookout consumer BU may not reflect its profitability had it operated as a standalone entity for the periods presented. After the transaction F-Secure is estimated to incur IAC costs of EUR 7 million related to transaction costs incl. financial and legal advisory, and non-recurring integration costs impacting combined EBITDA and EBITA post acquisition.

Due to above F-Secure consolidated financial information that will be published following the completion of the transaction could therefore differ significantly from the illustrative combined financial information presented herein.

F-Secure presenters



Timo Laaksonen
CEO



Sari Somerkallio
CFO

Compelling strategic and financial rationale



Increasing size of F-Secure nearly 3x in the fast growing US market and strengthening position as the **global leader in CSP channel**



Complementary mobile optimized product portfolio expanding consumer cyber security experience for **tens of millions of subscribers worldwide**



Shared company culture with strong competence and experience developing mobile products



Attractive combined financial profile with opportunity to **accelerate growth and improve profitability**



Transaction expected to deliver **significant value for shareholders**



Lookout[™]
Life

Lookout Life presenter



Firas Azmeh
President of Lookout Life



Joined Lookout Inc. in 2011; held several positions in Sales and Distribution Partnerships – across Consumer & Enterprise



Currently, President of Lookout Life, with overall responsibility for Sales, Marketing, Product and Engineering



Prior to Lookout Inc., held leadership positions in business development and revenue generation at multiple start-ups in mobile and telco industries



Based in Silicon Valley, with global experience in the US, EMEA and Asia

Lookout Life at a glance

Leading consumer focused mobile security platform

2007

Founded

EUR 36m

Revenue (FY 01/2023¹⁾)

EUR 14m

EBITA (FY 01/2023¹⁾)

38%

EBITA-% (FY 01/2023¹⁾)



Device Security

- Anti-virus & malware protection
- Locate, scream and signal flare
- Passcode check and theft alert



Identity Protection

- 24/7 live restoration support
- USD 1m theft insurance protection
- Lost wallet recovery assistance



Password Management

- Integrated identity and password protection for consumers
- Secure sensitive personal data



Privacy & Online Protection

- Safe browsing & Wi-Fi monitoring
- System privacy advisor
- Social media monitoring

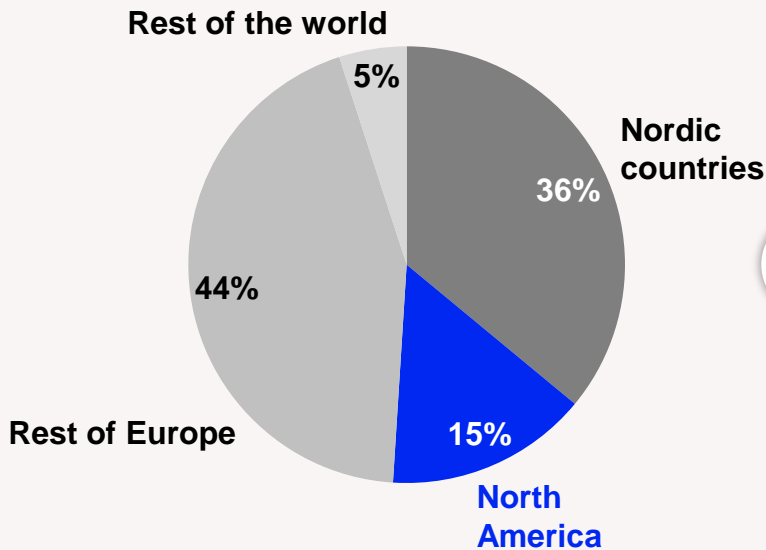




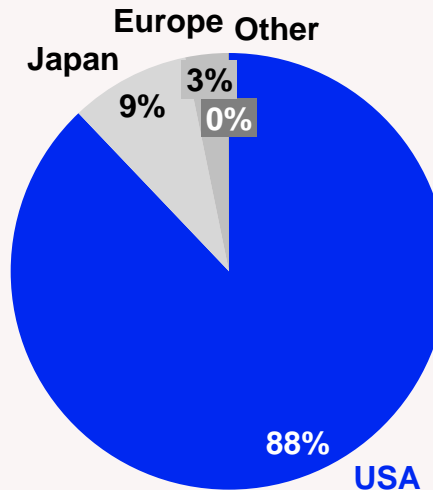
Significantly strengthened market position in the US...



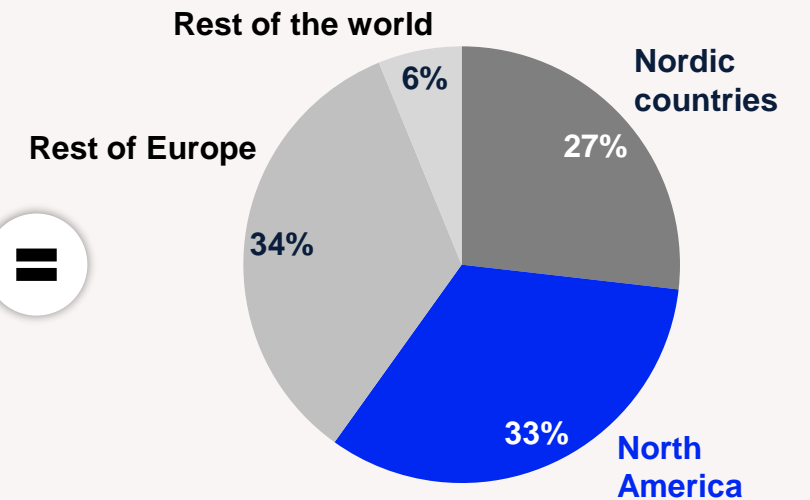
Revenue mix by geography



Revenue mix by geography¹⁾



Illustrative combined¹⁾



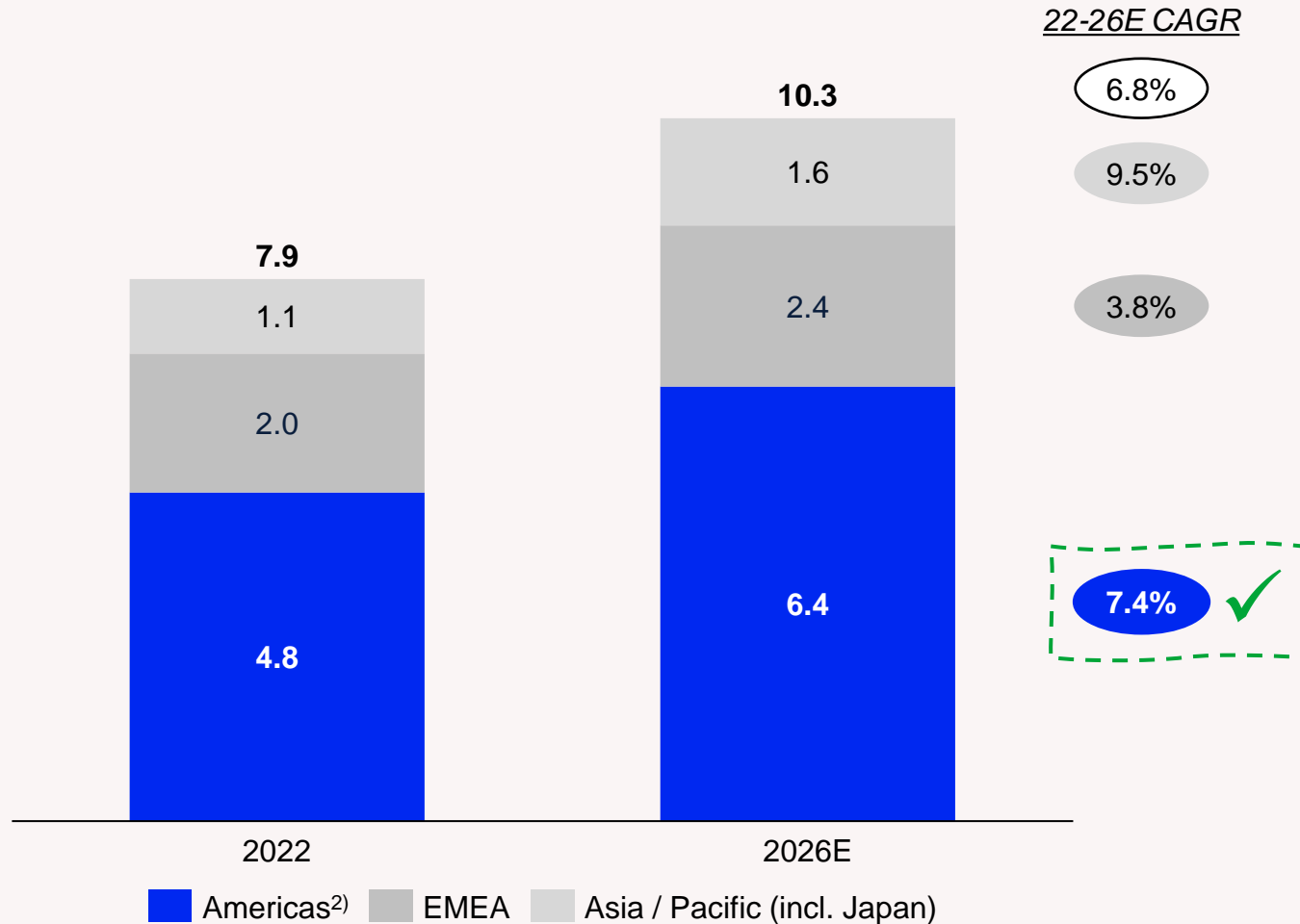
Nearly 3x size in the





...which is a major part of the largest consumer cyber security market growing faster than current key markets

Global cyber security market (EURbn)¹⁾



Key attractions for F-Secure



Americas grows ~2x faster than EMEA



The US was the most targeted country for cyber attacks, accounting for 46% of attacks globally³⁾

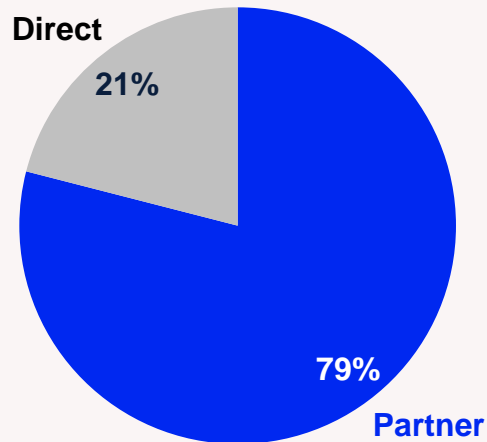


US consumers spend over +50% more on cyber security compared to Europe

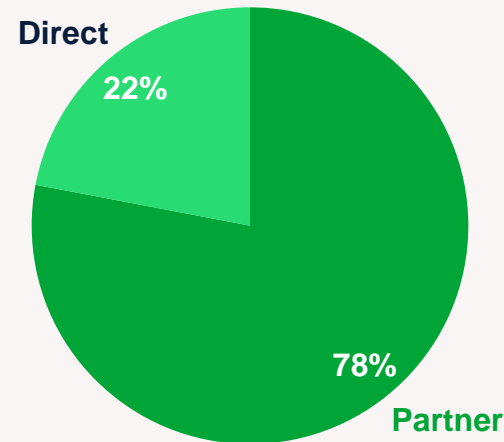
Strong strategic alignment of go-to-market



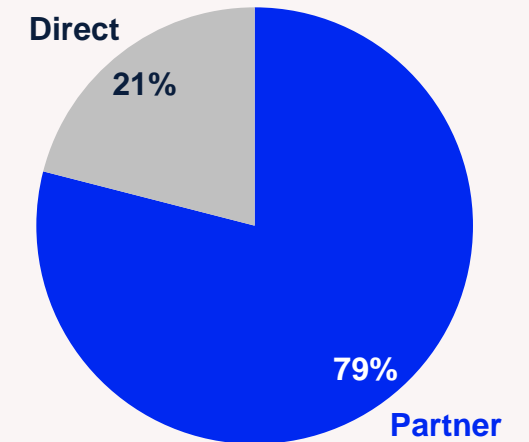
Revenue mix by channel



Revenue mix by channel¹⁾



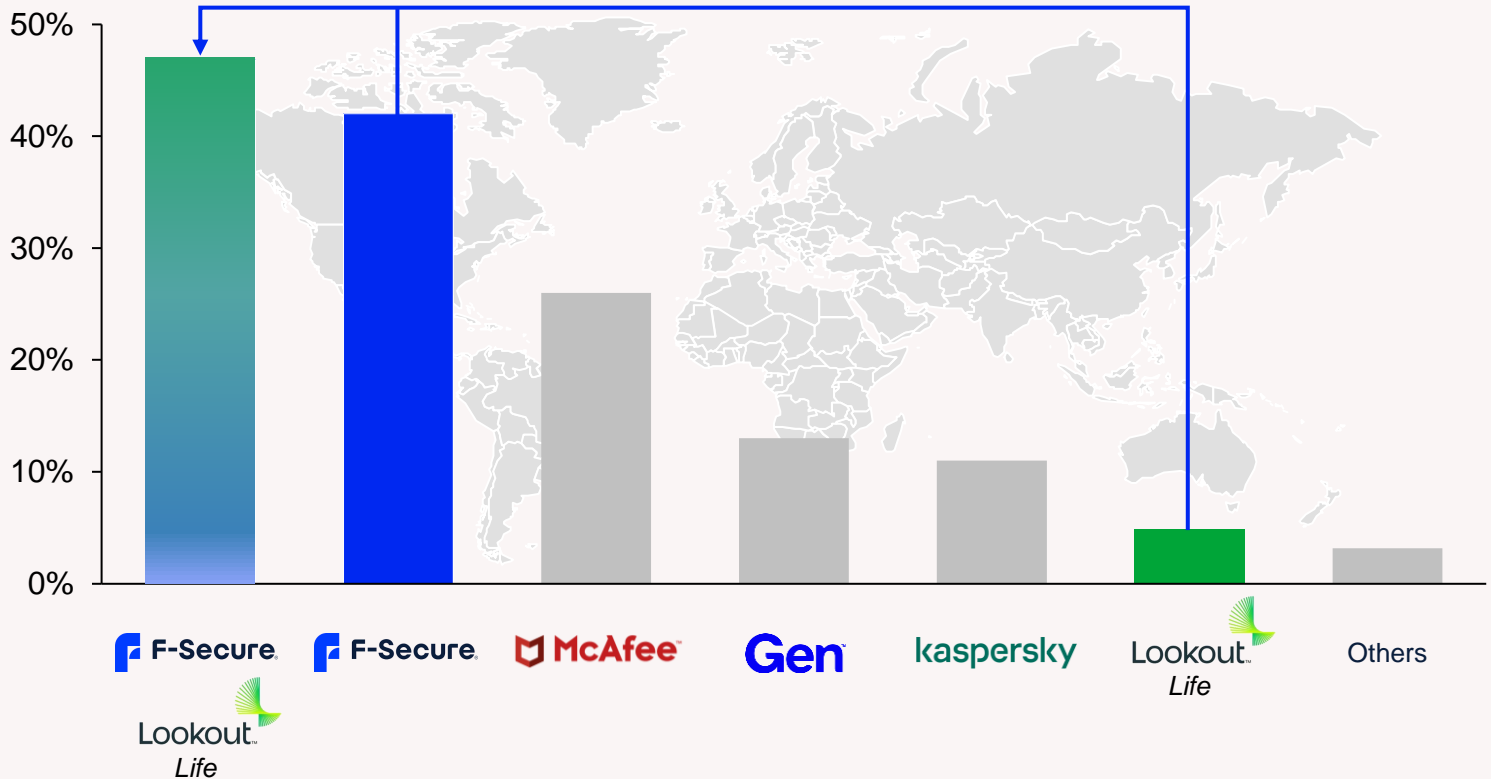
Illustrative combined¹⁾



Strengthening position as the global leader in CSP channel with ~150 partners after the transaction

Estimated share of contracts in communication service provider (CSP) channel

Illustrative



Selected Lookout Life partner customers



T Mobile

NTT docomo



The enlarged F-Secure will be even better positioned to win more Tier-1 CSP customers



Highly complementary consumer facing product portfolio

Desktop and mobile



key complementary features



PC & Mac protection



Connected home protection



VPN



Family rules



Shopping & Banking protection

Pure-play mobile



key complementary features



Mobile finder & antitheft



Wi-Fi connection monitoring



iOS system protection



Social media monitoring & Identity insurance



Privacy advisor

Overlapping features

Shared company culture with strong competence and experience developing mobile products



**Adding Lookout Life's
~70 employees to
F-Secure creates a
global talent pool of
~500 employees**



**Shared entrepreneurial
cultures and vision of
the future**



**Investments in know-
how and talent fueling
innovation and growth**



**Best-in-class
mobile-first cyber
security knowledge**

Key terms of the transaction

Purchase price	<ul style="list-style-type: none">• Enterprise value of USD 223 million (approx. EUR 202 million¹⁾)<ul style="list-style-type: none">– 15.7x EV/EBITA FY 01/2023– 9.0x EV/EBITA FY 01/2023 including full impact of expected annual synergies by 2027²⁾
Financial impact	<ul style="list-style-type: none">• Combined company to have illustrative combined revenue of EUR 147 million and EUR 57 million in adjusted EBITA in 2022• Transaction expected to deliver at least EUR 12 million of revenue synergies and incremental EBITA level synergies of EUR 10 million per annum in 2027• Transaction is projected to be significantly accretive to EPS (adjusted for IAC³⁾ and purchase price allocation related amortization) from inception and by more than 15% in 2024• Transaction and integration related IAC³⁾ expenses estimated to be EUR 7 million mainly occurring during 2023
Financing	<ul style="list-style-type: none">• Acquisition will be financed with debt• Upon completion of the transaction, F-Secure is expected to have a leverage of 3.2x• Strong cash flow expected to reduce net debt to adjusted EBITDA ratio to less than 2.5x during 2024
Integration, Timing and Approval	<ul style="list-style-type: none">• F-Secure and Lookout Inc. have agreed on certain service agreements to ensure a smooth transition and integration process including services related to certain general and administrative functions, threat intelligence, and platform services, and intellectual property licenses and knowledge transfer with regards to platform services• Transaction is subject to customary closing conditions and is expected to be finalized in the second quarter of 2023• Closing of the transaction does not require approval from the competition authorities

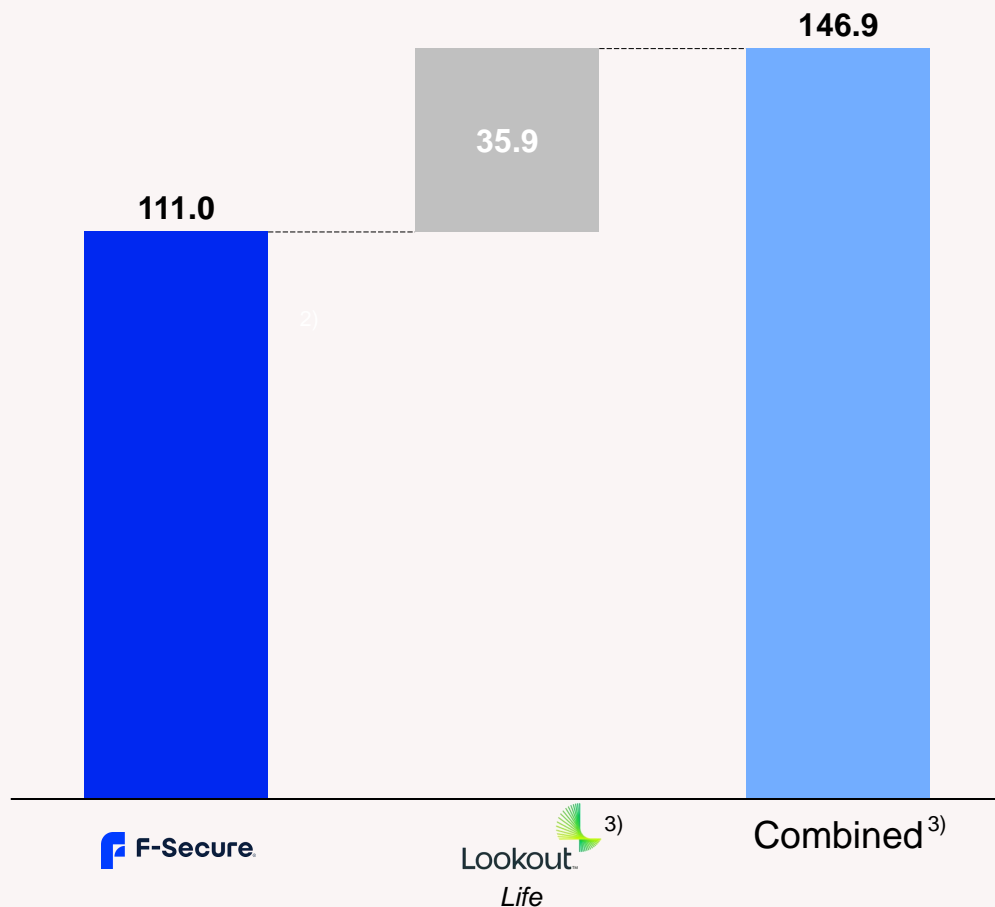


Strong financial profile with best-in-class growth and profitability

Revenue impact (2022)¹⁾

EURm

Illustrative

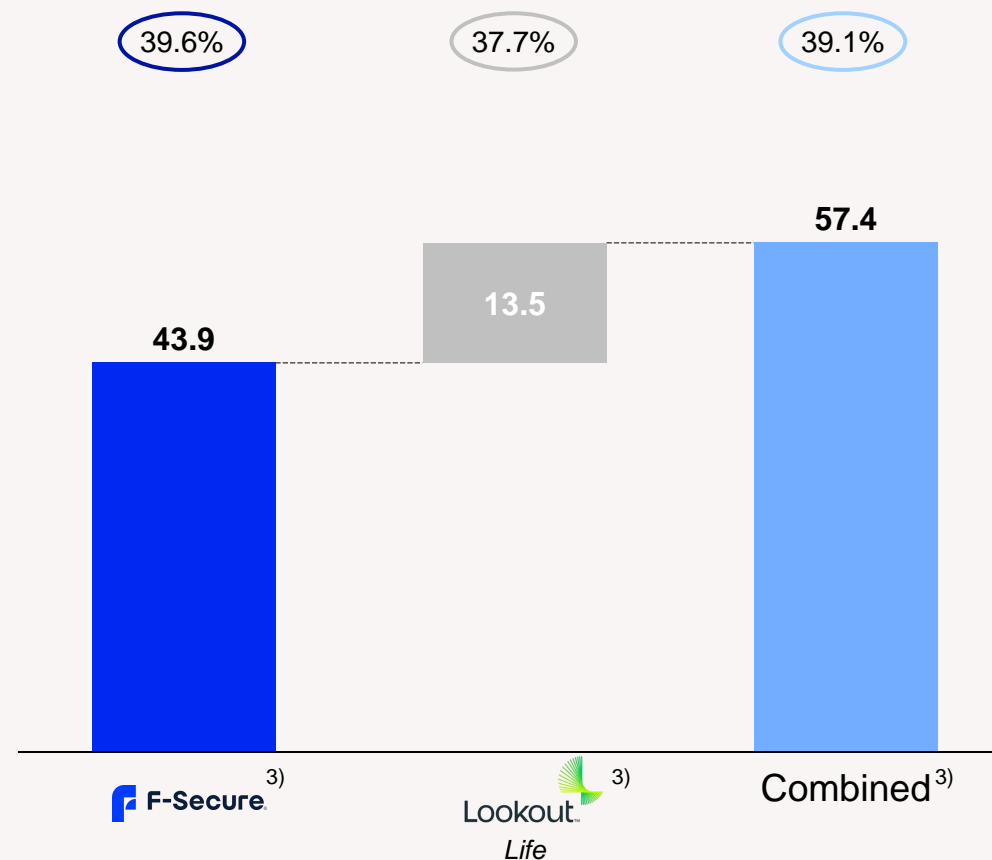


Adjusted EBITA impact (2022)^{1,2)}

EURm

(%) Margin

Illustrative



Significant shareholder value opportunity

Enhanced revenue growth potential

Growth

EUR 12 million synergies p.a. by 2027

- Up- and cross-selling of complementary product offering
- ARPU increase across product groups
- Accelerated plan with new security experiences

Expected incremental EBITA and cost synergies to drive improved profitability

EBITA

EUR 10 million synergies p.a. by 2027

- Margin from revenue synergies
- Some cost synergies are expected from technology infrastructure and R&D

Positive earnings impact

EPS

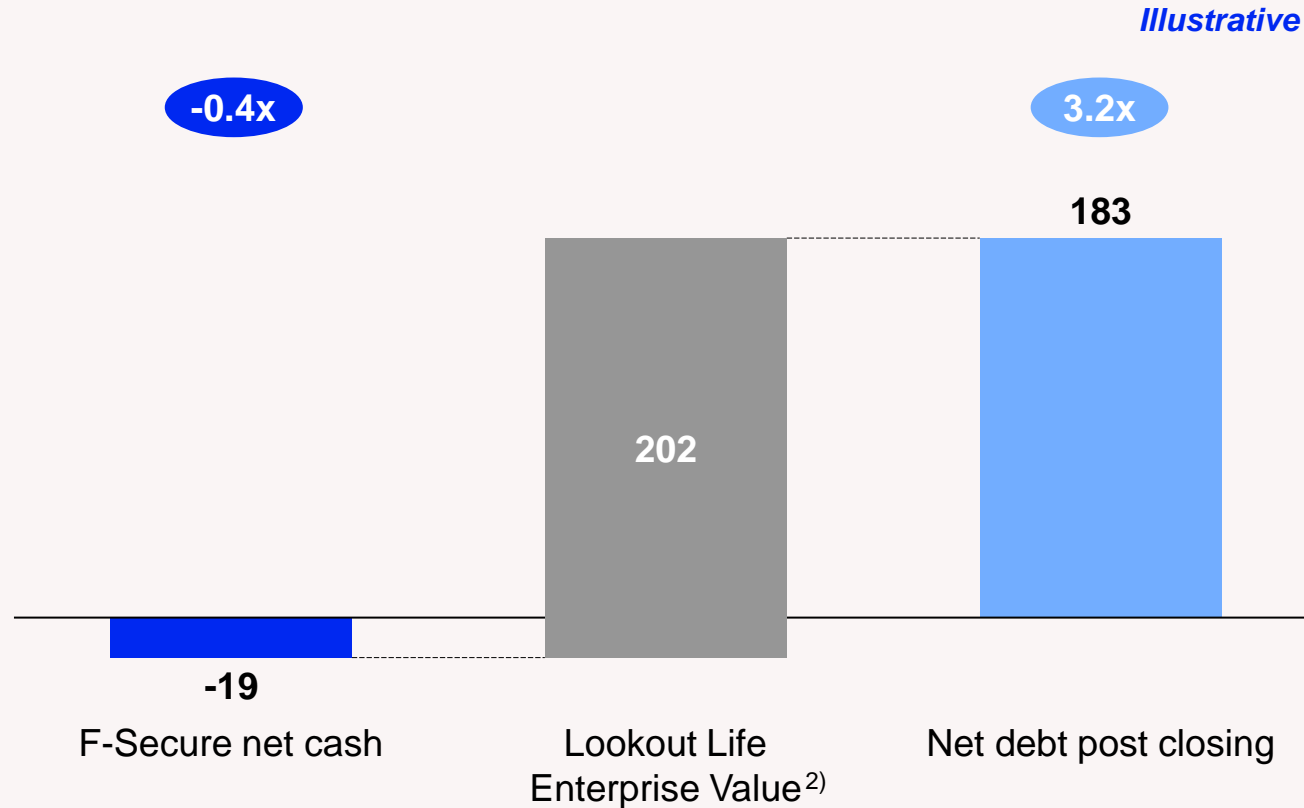
Accretive by more than 15% in 2024¹⁾

- Transaction is projected to be significantly accretive to EPS (adjusted for IAC²⁾ and purchase price allocation related amortization) from inception
- Accretive by more than 15% in the first full calendar year following closing¹⁾
- Purchase price allocation related amortization will have an impact on reported EPS

Strong cash flow supports rapid deleveraging and current dividend policy

Illustrative combined net debt (at 31 December 2022, EURm)

Net debt /
adjusted EBITDA¹⁾



Comments

- ✓ Upon completion of the transaction, F-Secure is expected to have a net debt to adjusted EBITDA ratio of 3.2x
- ✓ Strong cash flow expected to reduce net debt to adjusted EBITDA ratio to less than 2.5x during 2024
- ✓ F-Secure will maintain its dividend policy of distributing around or above 50% of net profit as dividend on an annual basis

Adjusted EBITDA (EURm)¹⁾ **44.5m**

13.5m³⁾

58.0m³⁾

Note: Lookout Life's unaudited financial information on carve-out basis (US GAAP) converted to EUR using the average exchange rate for the period 1 February 2022 to 31 January 2023, with EUR/USD 1.0487. F-Secure FY 2022 financials and Lookout Life FY 01/2023 financials used. 1) Excluding synergies, transaction and integration costs. EBITDA excluding items affecting comparability (IAC) which relate to listing of F-Secure during 2022, totaling to EUR 3.8 million. There are no IAC items in Lookout Life in FY 01/2023. 2) Converted to EUR using the 25 April 2023 exchange rate of EUR/USD 1.1022. 3) Unaudited

Compelling strategic and financial rationale



Increasing size of F-Secure nearly 3x in the fast growing US market and strengthening position as the **global leader in CSP channel**



Complementary mobile optimized product portfolio expanding consumer cyber security experience for **tens of millions of subscribers worldwide**



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Lookout[™]
Life



Q&A