

**Growth of cloud revenue
continues, 33% growth
year-on-year**

Q3 2022 Highlights

Juhani Hintikka, President and CEO

Tom Jansson, CFO



Key takeaways from Q3/2022

Growth in cloud-native corporate security products

- Revenue grew by 33% year-on-year to EUR 17.9 million
- Annual recurring revenue (ARR) grew by 29% to EUR 71.7 million
- Elements products performing well, especially EDR
- Growth in MDR revenue and Cloud Protection for Salesforce

- Revenue of On-premise corporate security products decreased by 10% year-on-year to EUR 6.7 million, according to expectations
- Cyber security consulting revenue on comparable basis decreased by 6% to EUR 8.9 million, recruiting and retaining talent situation improving

Profitability improving

- Adjusted EBITDA EUR -4.0 million, improving from 1H2022

Markets and strategy

Market

- Strong demand for cyber security products and services continues
- Several high-profile cyber security breaches and incidents reported in the quarter

Improved security outcomes to customers

- Cloud collaboration increasing rapidly | OneDrive collaboration protection introduced
- Increasing demand for Europe-based cyber security | Europe-only Countercept delivery model launched
- Easy customer interface | Quarterly launch of Elements updates with videos

Markets and strategy

New incentive programs launched in Q3

- Employee Share Savings Plan for WithSecure personnel
 - ✓ Annual savings period + 2-year waiting period
 - ✓ Award 1 share for 2 saved in the end of holding period
- Performance Matching Share Plan – LT members invested over 1.6 million to WithSecure
 - ✓ Performance period until 30 Nov 2026; initial purchase of shares in early September 2022
 - ✓ Reward based on the market cap development, max. 5.5 x initial investment

New operating model supporting strategy

- Streamline our structures and processes for better collaboration
- Become even more customer-centric in everything we do

One unified
Sales
organization

One unified
R&D,
Product
organization
and Portfolio

Customer
responsibility
in countries

Continue to
build Solutions
(Consulting &
services)
as key
differentiator

Cloud
Protection for
Salesforce as
independent
start-up
venture

Changes in WithSecure LT



Solutions
EVP, Solutions
(Tim Orchard as interim)

Customer Operations
Chief Customer Officer
Juha Kivikoski



Cloud Protection for Salesforce



Vice President and General Manager of CPSF
Janne Pirttilahti
(not part of LT)*



CTO Office
Chief Technology Officer
Tim Orchard



CEO
Juhani Hintikka

Products
Chief Product Officer
Antti Koskela

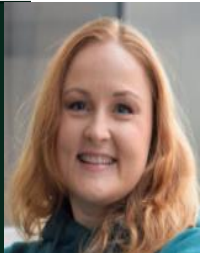


CISO Office
Chief Information Security Officer
Christine Bejerasco

Marketing
Chief Marketing Officer
Ari Vänttinen



Legal & Compliance
Chief Legal Officer
Tiina Sarhimaa



People & Culture
Chief People Officer
Charlotte Guillou



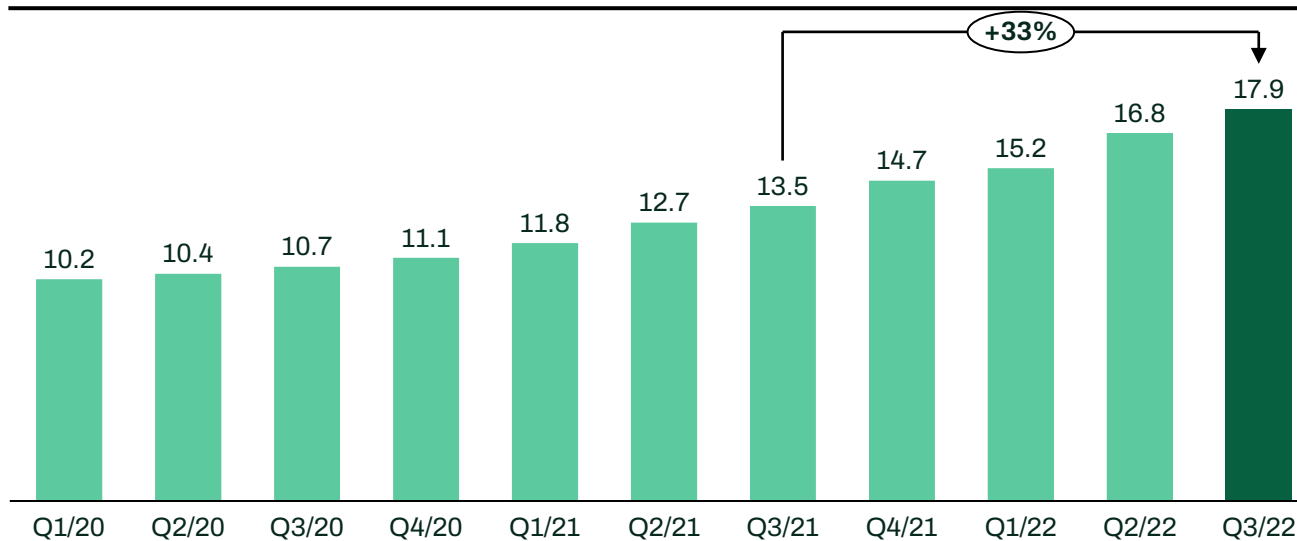
CFO office
Chief Finance Officer
Tom Jansson



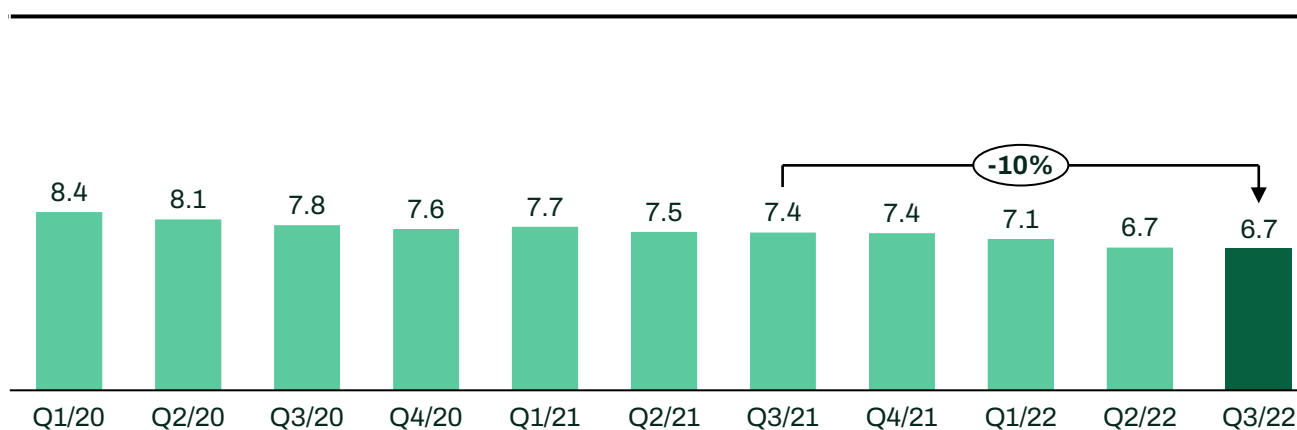
Revenue from Corporate Security Products

(EUR million)

Cloud-native revenue



On-Premise revenue



Revenue from cloud-native security products grew

- Steady growth of Elements platform, especially EDR, continues
- High growth rates of Countercept and Cloud Protections for Salesforce
- All markets performing well

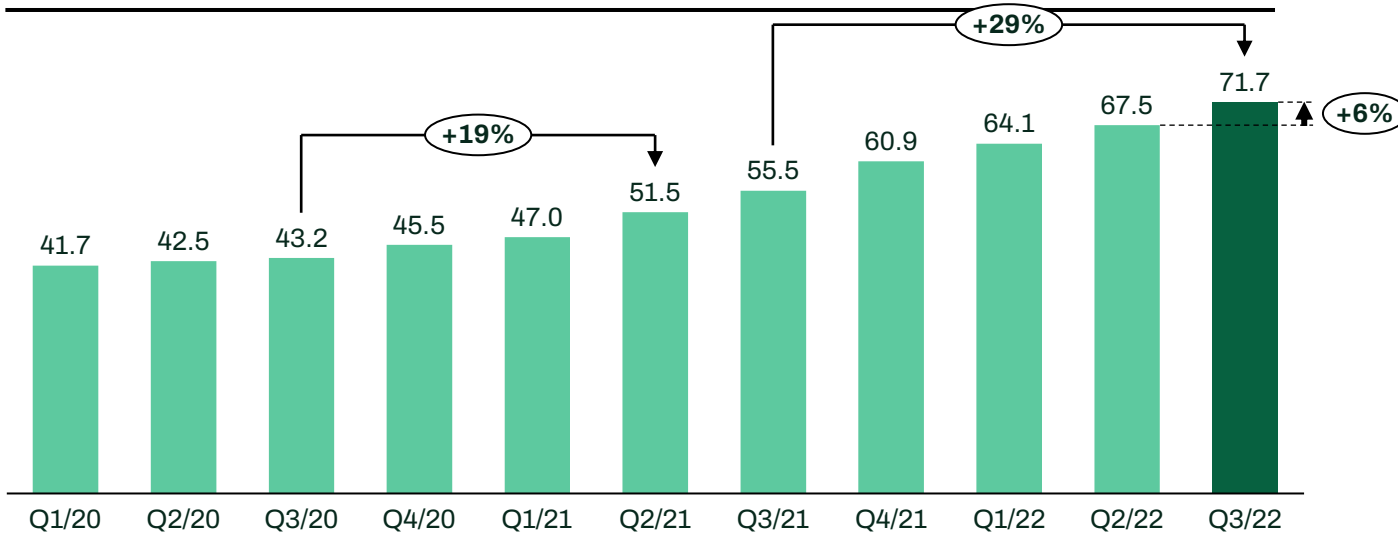
Revenue from on-premise security products decreased

- Y-o-y decrease -10%
- Corporate security customers migrating to cloud-based products
- Declining revenue in line with the WithSecure strategy

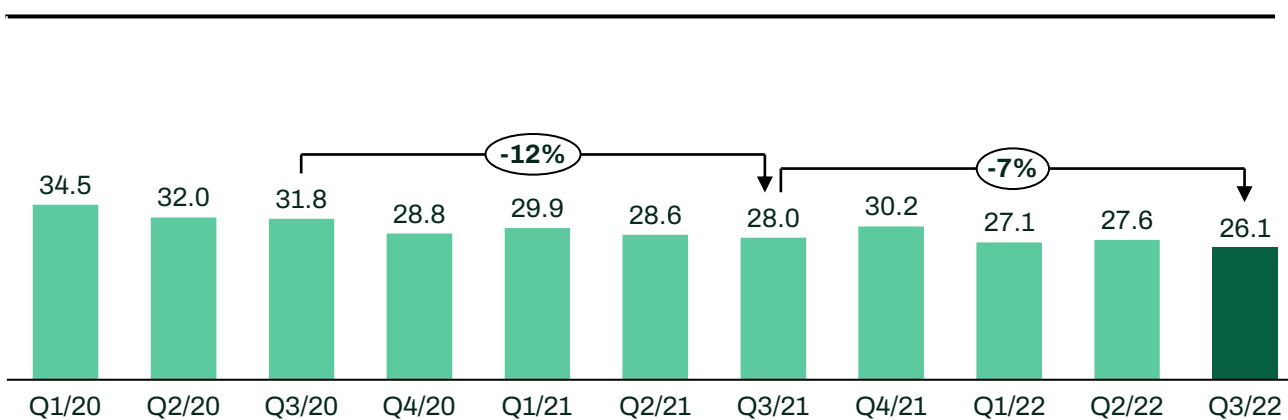
Annual Recurring Revenue

(EUR million)

Cloud-native products



On-Premise products



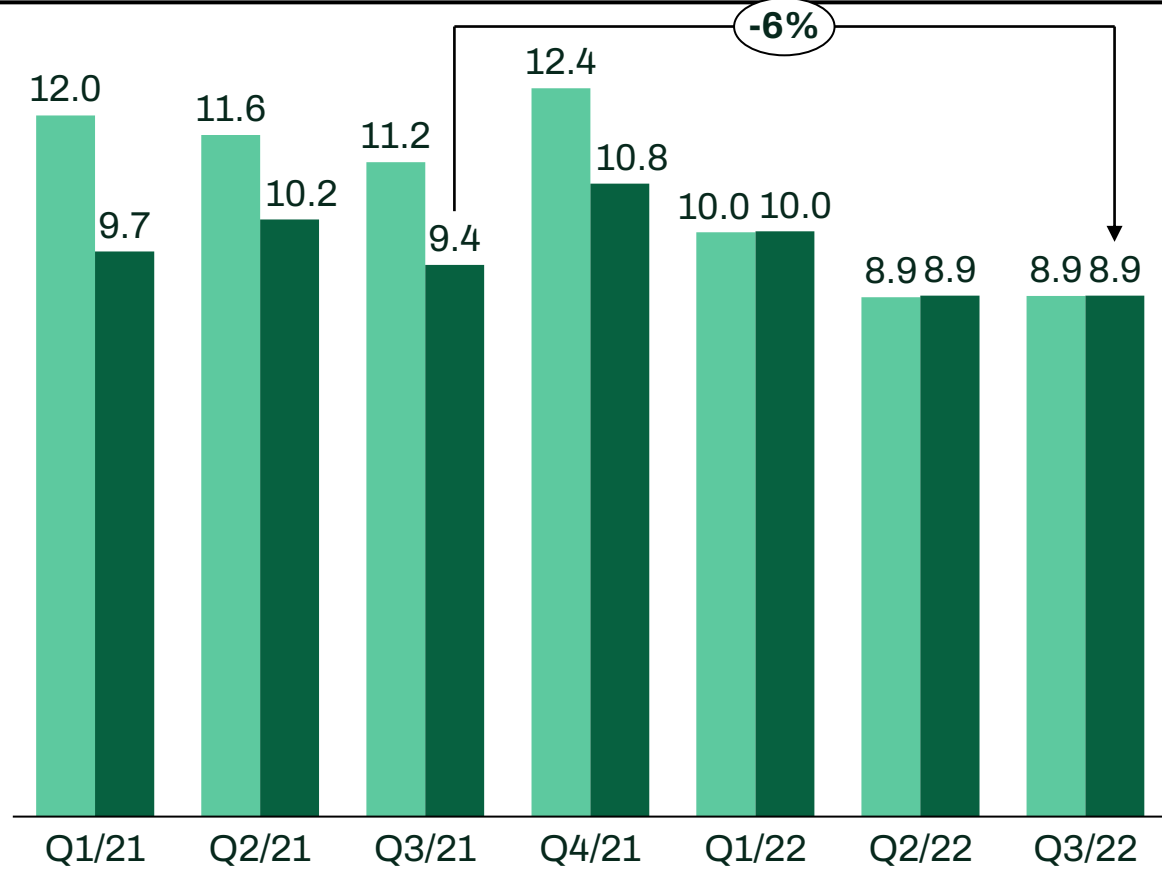
Annual Recurring Revenue (ARR)

- Year-on-year growth driven by all product groups
- Slow summer months impacting orders, slight delay in ARR
- ARR for on-premise products declining

Cyber Security Consulting impacted by divestments

(EUR million)

Cyber security consulting revenue



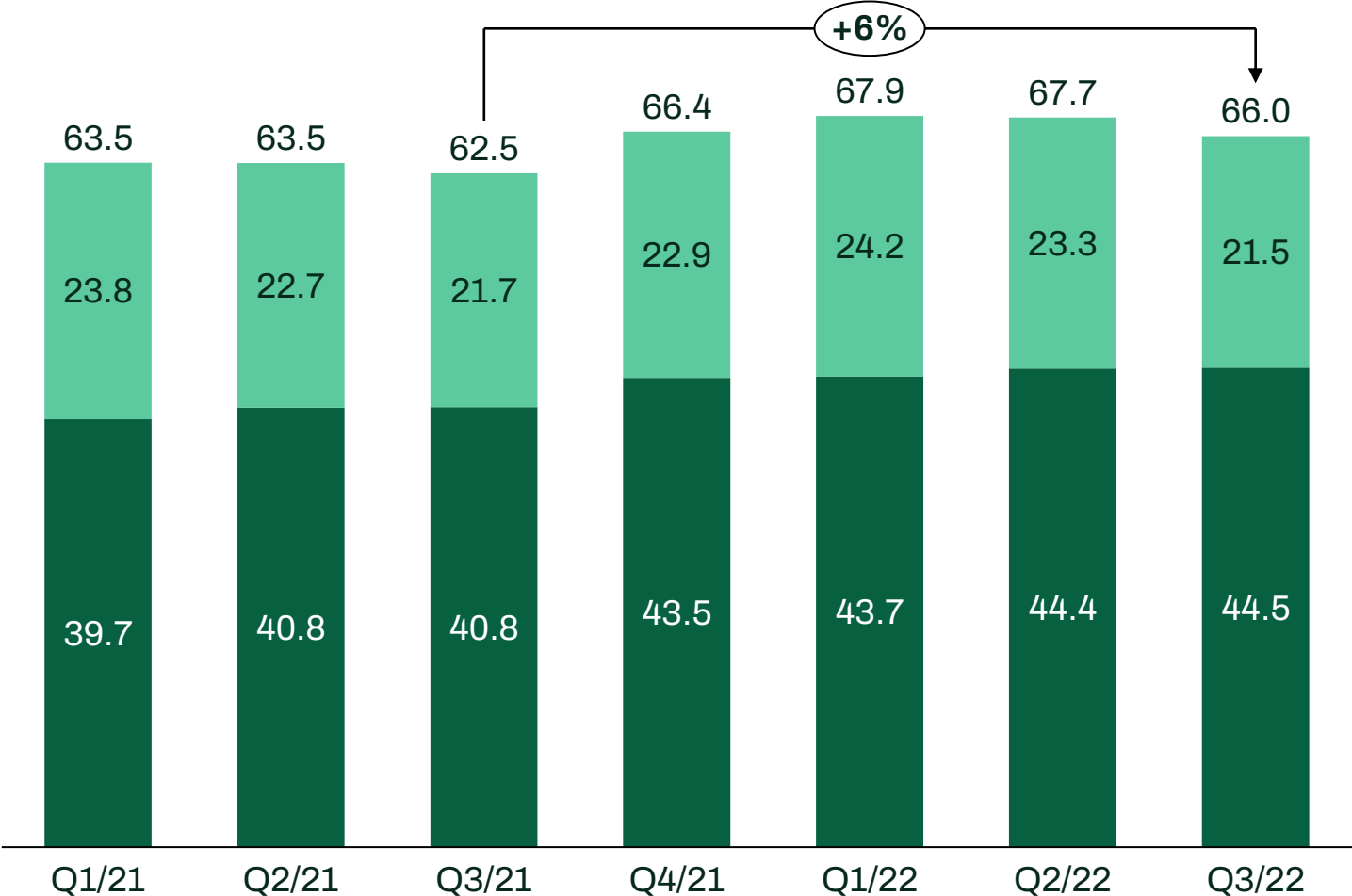
Cyber security consulting revenue

- Divestments of UK public sector consulting (December 2021) and South African subsidiary (February 2022) impact comparability between years
- Demand for advanced cyber security consulting remains high
- Retaining and recruiting consulting talent has improved in Q3, new consultants not yet fully operational

Revenue
Comparable revenue

Deferred Revenue remained stable

(WithSecure, Deferred Revenue¹, EUR million)



- Orders are recognized after customer commitment, while deferred revenue is recognized according to invoicing schedule
- Some large multi-year contracts are split into several installments. The associated deferred revenue gets recognized according to the invoicing schedule
- Monthly payment subscriptions do not create deferred revenue

■ Non-current
■ Current

¹Non-current deferred revenue = recognized as revenue after the next 12 months onwards
 Current deferred revenue = recognized as revenue within the next 12 months

Q3 profitability – improving from previous quarters

WithSecure, EUR million	7-9/2022	7-9/2021	Change %	1-9/2022	1-9/2021	Change %	1-12/2021
Revenue	33.5	32.1	4 %	98.3	95.5	3 %	130.0
Cloud-native corporate security solutions	17.9	13.5	33 %	50.0	38.1	31 %	52.7
On-premise corporate security solutions	6.7	7.4	-10 %	20.5	22.6	-9 %	30.0
Cyber security consulting	8.9	11.2	-20 %	27.7	34.8	-20 %	47.2
Gross Margin	21.9	22.0	-1 %	63.9	65.1	-2 %	88.5
<i>of revenue, %</i>	<i>65.3 %</i>	<i>68.5 %</i>		<i>65.0 %</i>	<i>68.2 %</i>		<i>68.1 %</i>
Adjusted EBITDA 1)	-4.0	-3.1	30 %	-20.6	-11.8	75 %	-17.2
<i>of revenue, %</i>	<i>-12.0 %</i>	<i>-9.6 %</i>		<i>-21.0 %</i>	<i>-12.3 %</i>		<i>-13.3 %</i>
Estimated comparable EBITDA	-4.0	-1.6	151 %	-17.2	-7.2	141 %	-11.3
<i>of revenue, %</i>	<i>-12.0 %</i>	<i>-5.0 %</i>		<i>-17.5 %</i>	<i>-7.5 %</i>		<i>-8.7 %</i>

¹⁾ Adjustments are material items outside normal course of business associated with acquisitions, integration, restructuring, gains or losses from sales of businesses and other items affecting comparability

Guidance

Outlook (unchanged)

Revenue from cloud-native products will grow by approximately 30% from previous year, accelerating in the second half of 2022. Previous year revenue from cloud-native products was EUR 51.8 million.

Comparable revenue of the group will grow at a low double-digit rate from previous year. Previous year's comparable revenue, adjusted for divested consulting businesses, was EUR 122.8 million.

Estimated comparable EBITDA will decrease from previous year. The decrease is mainly due to increased investments in new product areas, as well as sales and marketing efforts including brand renewal related to company demerger. The Estimated comparable EBITDA will improve in second half of 2022 compared to the first half.

Medium term financial targets (unchanged)

Medium term financial targets for WithSecure:

Growth Target: To double revenue organically by the end of 2025 (from year 2021 comparable revenue of EUR 122.8 million)

Profitability Target: Adjusted EBITDA break-even by the end of 2023 and adjusted EBITDA margin of some 20% by 2025

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