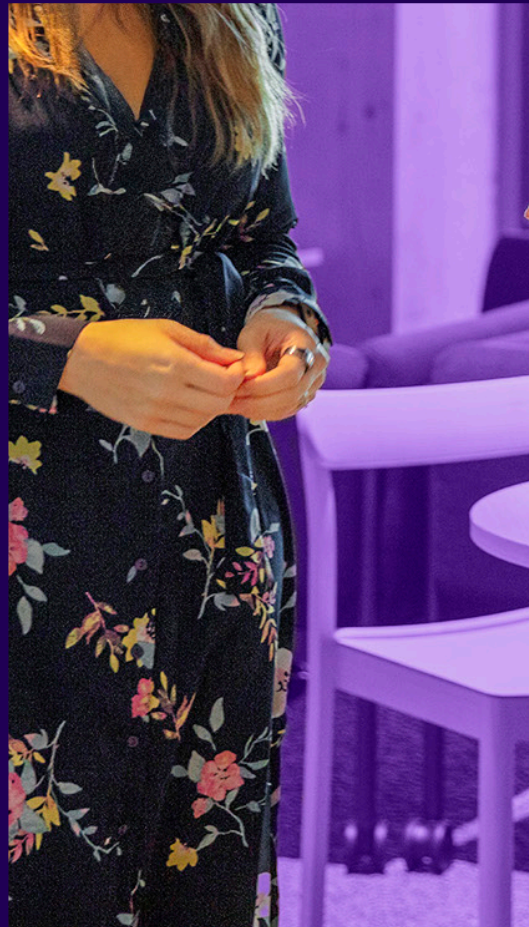


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**Financial statement release**  
1 January – 31 December 2024

# Strong growth in Cloud Protection for Salesforce, improving profitability and cash flow, divestment of Cyber security consulting

## Financial statement release 1 January – 31 December 2024

### Highlights of October – December 2024 (“fourth quarter”)

- Annual Recurring Revenue (ARR)<sup>1</sup> for Elements Cloud products and services<sup>2</sup> increased by 6% to EUR 83.3 million (EUR 78.4 million)
- Elements Cloud ARR increase from previous quarter was 2%
- Net Revenue Retention for Elements Cloud was 99%
- Revenue for Elements Cloud increased by 9% to EUR 21.5 million (EUR 19.7 million)
- ARR for Cloud Protection for Salesforce increased by 52% to EUR 12.8 million (EUR 8.4 million)
- Cyber security consulting revenue declined by 15% to EUR 8.6 million (EUR 10.2 million). Cyber security consulting divestment agreement was signed in January 2025. Business is reported as Discontinued operations. A goodwill impairment of EUR 13 million was recognized in the fourth quarter to reflect the impact of the divestment
- Adjusted EBITDA (Continuing and discontinued operations) for WithSecure was EUR 2.4 million (EUR 0.2 million)
- Operative cash flow of the fourth quarter was EUR 7.7million (EUR 2.7 million)

### Highlights of January – December 2024

- Revenue for Elements Cloud products and services increased by 9% to EUR 83.3 million (EUR 76.1 million)
- CPSF revenue increased by 14% to EUR 9.4 million (EUR 8.3 million)
- Cyber security consulting revenue declined by 3% to EUR 32.3 million (EUR 33.4 million)
- Adjusted EBITDA (Continuing and discontinued operations) for WithSecure was EUR 3.1 million (EUR -16.1 million)

<sup>1</sup> Annual recurring revenue (ARR) of cloud products is calculated by multiplying monthly recurring revenue of last month of quarter by twelve. Monthly recurring revenue includes recognized revenue within the month excluding non-recurring revenue

<sup>2</sup> Elements Cloud includes Elements Cloud portfolio software and services as well as the managed services

# Outlook for 2025

Annual Recurring Revenue (ARR) for Elements Cloud products and services will grow by 10-20% from the end of 2024. At the end of 2024, Elements Cloud ARR was EUR 83.3 million.

Elements Company segment's Adjusted EBITDA will be 3-7% of revenue.

Annual Recurring Revenue (ARR) for Cloud Protection for Salesforce (CPSF) will grow by 20-35% from the end of 2024. At the end of 2024, CPSF ARR was EUR 12.8 million.

Cyber security consulting business will be divested in 2025. Elements company and CPSF will have their own guidance going forward. Both are recurring, subscription-based businesses, which is reflected in the new guidance.

## Medium-term financial target (for Elements Company segment)

Over the next three years (2025-2027), WithSecure will become a “Rule of 30+” company.

The components of the target are

- Annual revenue growth as percentage
- Adjusted EBITDA as percentage of revenue

WithSecure is targeting to reach a sum of the components that exceeds 30.

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

# CEO Antti Koskela



In the last quarter of 2024, WithSecure Elements Cloud ARR grew by 6% from previous year to EUR 83.3 million (EUR 78.4 million). Elements Cloud revenue grew by 9% to EUR 21.5 million (EUR 19.7 million). Cloud Protection for Salesforce, reported as a separate segment, performance was strong, ARR grew by 52% to EUR 12.8 million (EUR 8.4 million).

In the Elements Company, Elements software continued to perform with a strong year-on-year growth. In the Managed services and Co-security, revenue declined slightly from the fourth quarter of 2023, due to the customer churns reported in the

quarter and earlier in 2024. Of the geographic regions, Elements Cloud ARR and revenue decreased slightly in UK and North America, mainly impacted by the Managed services customer churns during the year 2024. In all other regions, a steady growth of cloud ARR and revenue continued. December revenue includes a higher than customary volume of discounts, timing of which is partly dependent on the customers. Due to the timing issues, the Cloud ARR growth was negatively impacted by approximately 3 percentage points. Our intention is to review and improve the recognition process to avoid ARR volatility caused by timing in the future.

In January 2025, our Elements Identity Security reached General Availability. It will increase protection of the users from business email compromise attacks and provide easy-to-use identity response features. Two significant product recognitions were received at the end of 2024. We were identified as one of 15 global vendors in the 2024 Gartner® Magic Quadrant™ for Endpoint Protection Platforms<sup>1</sup>, recognising our ability to execute and completeness of vision. In the 2024 MITRE ATT&CK® Evaluations, our Endpoint Detection and Response solution set new standards for detection-to-alert ratios, reinforcing our position as a European mid-market leader in cyber security.

Elements Company Adjusted EBITDA in the fourth quarter was EUR 1.5 million (EUR -1.0 million). Full

WithSecure Adjusted EBITDA of EUR 2.4 million (EUR 0.2 million) in the fourth quarter shows that our continuous work on improving profitability is giving results despite some lower revenue in 2024 than planned.

In Cloud Protection for Salesforce (CPSF), systematic efforts in the past year to improve sales efficiency are generating strong results. ARR grew by 52% year-on-year to EUR 12.8 million (EUR 8.4 million). The growth is driven by both new customers and expansions to existing customers, while the customer churn remained at a controlled level. We continue to develop the CPSF as an independent business inside WithSecure, while keeping the strategic review options open.

On 23 January 2025, we signed an agreement intending to divest our Cyber security consulting business to Neqst, a Swedish investment firm focusing exclusively on technology and technology-enabled companies. In the segment reporting, consulting is presented according to the previously applied calculation principles. In other parts of the financial reporting, consulting result is included in the result of discontinued operations. Cyber security consulting revenue declined by 15% to EUR 8.6 million (EUR 10.2 million). Adjusted EBITDA of the fourth quarter was EUR 0.9 million (EUR 2.0 million).

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After reaching some important milestones during the year, we are confidently heading for a new year of profitable growth. I would like to thank WithSecure personnel, partners, customers and other stakeholders for their great collaboration in the past year and going forward.



(mEUR)	10-12/2024	10-12/2023	Change %	1-12/2024	1-12/2023	Change %
Earnings per share, (EUR) <sup>4</sup>	-0.08	-0.07	-25%	-0.22	-0.23	5%
Deferred revenue				67.7	66.9	1%
Cash flow from operations before financial items and taxes	7.7	2.7	191%	2.1	-19.9	110%
Cash and cash equivalents				27.3	36.6	-25%
ROI, %	-52.3 %	-27.5 %	-90%	-34.1 %	-30.5 %	-12%
Equity ratio, %				59.1 %	73.3 %	-19%
Gearing, %				0.4 %	-22.2 %	102%
Personnel, end of period				961	1,087	-12%

<sup>1</sup> Excluding Items Affecting Comparability (IAC) and depreciation and amortization. In 2023 excludes also costs of services provided to F-Secure under TSA and equivalent income charged for TSA services.

<sup>2</sup> Adjustments are material items outside the normal course of business associated with acquisitions, integration, restructuring, gains or losses from sales of businesses and other items affecting comparability. For reconciliation and a breakdown of adjusted costs, see Note 6 (Reconciliation of alternative performance measures)

<sup>3</sup> Amortization of intangible assets from business combinations (PPA, purchase price allocation, related amortizations).

<sup>4</sup> Based on the weighted average number of outstanding shares during the period 175 986 422 (1-12/2024).

## WithSecure Group - Continued operations

### October - December 2024

#### Revenue

Revenue of WithSecure Group increased by 7% to EUR 29.9 million (EUR 28.0 million).

The revenue is analyzed in the segment reporting section. Continued operations revenue is the Elements Company and CPSF segment revenue, with minor adjustments related to Cyber security consulting divestment.

#### Operating expenses

Operating expenses (excluding depreciation, amortization and impairment and items impacting comparability) were EUR 23.0 million (EUR 24.3 million). The reduction of operating expenses results from cost savings, as well as continuous efficiency efforts. Depreciation and amortization were EUR 2.0 million (EUR 2.5 million), amortization of PPA was EUR 0.5 million (EUR 0.6 million).

#### Profitability

Adjusted EBITDA of Continued operations was EUR 1.4 million (EUR -1.6 million).

Items affecting comparability (IAC) of EBITDA were EUR -0.0 million (EUR -5.5 million). Of this, approximately EUR -0.1 million relates to restructuring and EUR +0.1 million relates to previously divested businesses.

#### Cash flow (combined operations)

Cash flow from operating activities before financial items and taxes was EUR 7.7 million (EUR 2.7 million). Strong cash flow was driven by revenue growth and improved profitability.

Cash flow from investments EUR -0.5 million (EUR 6.5 million) is related to divestments and investments in intangible and tangible assets. Investments in intangible and tangible assets are mostly related to new office premises in several locations and ongoing IT projects. Comparative period includes also returned investments in corporate commercial papers and short-term deposits.

Total change in cash was EUR 5.6 million (EUR 6.4 million), after deducting the payments of lease liabilities.

### January - December 2024

#### Revenue

Revenue of WithSecure Group increased by 6% to EUR 116.0 million (EUR 109.9 million). The revenue is analyzed in the segment reporting section.

#### Operating expenses

Operating expenses (excluding depreciation, amortization and impairment and items impacting comparability) were EUR 92.6 million (EUR 103.1 million). The reduction of operating expenses results from cost savings and continuous efficiency efforts. Depreciation and amortization were EUR 9.0 million (EUR 9.5 million), amortization of PPA was EUR 2.2 million (EUR 2.4 million).

#### Profitability

Adjusted EBITDA of Continued operations was EUR 2.0 million (EUR -14.8 million).

Items affecting comparability (IAC) were EUR -0.9 million (EUR -9.0 million). Of this, EUR -0.6 million is related to restructuring activities, EUR -0.5 million to restructuring costs related to HQ relocation, EUR -1.0 million relates to other strategy projects, EUR +0.8 million to earn-outs and EUR +0.4 million to divestments.

#### Cash flow (combined operations)

Cash flow from operating activities before financial items and taxes was EUR 2.1 million (EUR -19.9 million). Negative operative cash flow in 2023 was driven by operative result as well as significant restructuring related costs. Improvement of cash flow is a result of revenue growth and cost efficiency measures.



Cash flow from investments EUR -3.6 million (EUR 11.3 million) is related to divestments and investments in intangible and tangible assets. Cash flow from divestments are partly related to earn-outs of previously divested businesses and partly related to selling open source data collection product and business. Investments in intangible and tangible assets are mostly related to new office premises in several locations and ongoing IT projects. Comparison period includes also investments in corporate commercial papers and short-term deposits.

Total change in cash was EUR -9.4 million (EUR -17.9 million), after deducting the payments of lease liabilities.

## WithSecure Group - Discontinued operations

Discontinued operations revenue was EUR 8.3 million (EUR 10.0 million). It is the Cyber security consulting segment revenue, adjusted by the Japan business not included in the divestment, and a transferring product previously reported in the Elements Other section. Similar adjustments are included in the Gross margin. In addition to the Gross margin adjustments, allocations of costs related to group functions are deducted from the Adjusted EBITDA. Reconciliation between the Cyber security consulting segment and the Discontinued operations is presented in the table below.

	Q4 2024			FY 2024			Reason
	Cyber Security Consulting Segment	Discontinued Operations	Diff	Cyber Security Consulting Segment	Discontinued Operations	Diff	
Revenue	8.6	8.3	-0.3	32.3	31.4	-0.9	(-) Japan revenue, (+) Product in Elements Other
Cost of revenue	-4.6	-4.5	0.1	-18.3	-17.8	0.5	
GM	4.0	3.7	-0.2	14.0	13.6	-0.4	
GM%	46.3 %	45.3 %		43.3 %	43.3 %		
Operating expenses	-3.1	-2.7	-0.4	-13.9	-12.4	-1.5	Group functions allocation
Adj.EBITDA	0.9	1.0	0.1	0.1	1.2	1.1	
Adj.EBITDA %	10.7 %	12.6 %		0.3 %	3.8 %		

## Financing, capital structure and capital expenses - Combined operations

(mEUR)	10-12/2024	10-12/2023	Change %	1-12/2024	1-12/2023	Change %
Cash and cash equivalents				27.3	36.6	-25%
Financial assets at amortized cost						
Lease liabilities, non-current				21.1	4.8	339%
Other loans, non-current					3.6	-100%
Lease liabilities, current				2.7	5.4	-50%
Other loans, current				3.8		
Capital expenditure, excl. lease assets	0.5	0.2	100%	5.9	5.2	15%
Capitalized development expenses	0.5	0.6	-18%	1.7	3.0	-43%
ROI, %	-52.3 %	-27.5 %	-90%	-34.1 %	-30.5 %	-12%
Equity ratio, %				59.1 %	73.3 %	-19%
Gearing, %				0.4 %	-22.2 %	102%

Liquidity remained at a solid level, but the operative loss, restructuring expenses and repayments of leasing liabilities have impacted the cash flow. At the end of the quarter, the company had liquid assets in total of EUR 27.3 million (EUR 36.6 million) and an unused EUR 20 million revolving credit facility (RCF). Cash and cash equivalents include cash in bank accounts and short-term investments in money market instruments with maturity of less than three months.

# Financial performance - Segments

In the fourth quarter segment reporting, Cyber security consulting segment and the other segments are presented according to the previously applied calculation principles. In other parts of the fourth quarter and full-year 2024 financial reporting, consulting result is included in the result of Discontinued operations. Reconciliation between the segments and the Continued/Discontinued operations result is presented in the previous chapter and included in the note [2 Segment information](#) and the note [6 Reconciliation of alternative performance measures](#).

## Elements Company

(mEUR)	10-12/2024	10-12/2023	Change %	1-12/2024	1-12/2023	Change %
Revenue	26.7	25.8	4%	105.7	101.1	4%
Elements Cloud	21.5	19.7	9%	83.3	76.1	9%
On-premise	5.0	5.9	-15%	21.4	24.4	-12%
Other	0.2	0.1	82%	0.9	0.7	44%
Gross margin	21.4	20.5	4%	84.3	79.6	6%
% of revenue	80.1%	79.7%	0%	79.8%	78.7%	1%
Adjusted EBITDA	1.5	-1.0	250%	4.0	-10.9	137%
% of revenue	5.7%	-4.0%	245%	3.8%	-10.8%	135%
Cloud Annual Recurring Revenue (ARR)	83.3	78.4	6%	83.3	78.4	6%

Elements Company segment includes Elements Cloud products and services, Managed services (including Countercept Managed Detection and Response, MDR), On-premise products, and Other products.

Elements is a modular platform, with modules that the customer can select according to their needs. The largest driver of growth is the Endpoint Detection and Response (EDR) module that is typically acquired by the customer to complement the Endpoint Protection (EPP) product. Other modules are Vulnerability Management, and Collaboration protection for Microsoft 365. WithSecure Exposure Management was launched in 2024. It is a continuous proactive solution to predict and prevent breaches against the company's assets and business operations.

On-premise products revenue includes WithSecure Business Suite endpoint protection software, as well as some other legacy products.

Other products revenue includes minor products combining software and service work, as well as speaker fees and other occasional revenue streams.

## October - December 2024

### Revenue and ARR

Elements Company revenue increased by 4% to EUR 26.7 million (EUR 25.8 million). The change is a result of growing Elements Cloud revenue and declining On-premise revenue.

Elements Cloud revenue increased by 9% to EUR 21.5 million (EUR 19.7 million).

Elements Cloud Annual Recurring Revenue (ARR) increased by 6% to EUR 83.3 million (EUR 78.4 million).

Elements Cloud NRR was 99%.

In the Elements Company, Elements software continued to perform with a strong year-on-year growth. In the Managed services and Co-security, revenue declined slightly from the fourth quarter of 2023, due to the customer churns reported in the quarter and earlier in 2024. Of the geographic regions, Elements Cloud ARR and revenue decreased slightly in UK and North America, mainly impacted by the Managed services customer churns during the year 2024. In all other regions, a steady growth of cloud ARR and revenue continued. December revenue includes a higher than customary volume of discounts, timing of which is partly dependent on the customers. Due to the timing issues, the Cloud ARR growth was negatively impacted by approximately 3 percentage points. WithSecure's intention is to review and improve the recognition process to avoid ARR volatility caused by timing in the future.

On-premise revenue declined by 15% to EUR 5.0 million (EUR 5.9 million). Decrease of on-premise revenue is part of WithSecure's strategic transition to cloud-based environments. The customers are increasingly switching to cloud-based products, leading to a decline in the on-premise revenue over time.

Other revenue was EUR 0.2 million (EUR 0.1 million).

**Profitability**

Elements Company gross margin was 80.1% (79.7%) of revenue. The improvement in gross margin is driven by increasing share of software, as well as continuous optimization of data processing expenses. Other variants, such as fluctuation of currencies, can cause variations of gross margin.

Elements Company adjusted EBITDA was EUR 1.5 million (EUR -1.0 million). The improvement from previous year is largely resulting from cost savings and other efficiency measures carried out by WithSecure.

**January - December 2024****Revenue**

Elements Company revenue increased by 4% to EUR 105.7 million (EUR 101.1 million). The change is a result of growing Elements Cloud revenue and declining On-premise revenue.

Elements Cloud revenue increased by 9% to EUR 83.3 million (EUR 76.1 million).

On-premise revenue declined by 12% to EUR 21.4 million (EUR 24.4 million).

**Profitability**

Elements Company gross margin was 79.8% (78.7%) of revenue. The improvement in gross margin is driven by increasing share of software, as well as continuous optimization of data processing expenses. Other variants, such as fluctuation of currencies, can cause variations of gross margin.

Elements Company adjusted EBITDA was EUR 4.0 million (EUR -10.9 million). The improvement from previous year is largely resulting from cost savings and other efficiency measures.

## Cloud Protection for Salesforce ("CPSF")

(mEUR)	10-12/2024	10-12/2023	Change %	1-12/2024	1-12/2023	Change %
Revenue	2.8	2.0	40%	9.4	8.3	14%
Gross margin	2.4	1.5	63%	7.9	6.1	28%
% of revenue	84.2%	72.3%	16%	83.4%	73.9%	13%
Adjusted EBITDA	-0.1	-0.7	91%	-1.0	-4.6	79%
% of revenue	-2.3%	-35.7%	94%	-10.1%	-55.8%	82%
Annual Recurring Revenue (ARR)	12.8	8.4	52%	12.8	8.4	52%

Cloud Protection for Salesforce (CPSF) segment includes revenue from the CPSF product. It is a software product, ensuring scanning of external content for potential malware, before it is loaded into Salesforce. Customers are primarily enterprise-sized companies, with extensive use of Salesforce platforms. Sales of the product mostly take place directly from WithSecure to the end customers.

## October - December 2024

### Revenue and ARR

CPSF revenue increased by 40% and was EUR 2.8 million (EUR 2.0 million).

Annual Recurring Revenue (ARR) increased by 52% and was EUR 12.8 million (EUR 8.4 million). Focused efforts on improving sales efficiency resulted in the CPSF business reaching its all-time-high ARR.

CPSF NRR was 121%.

### Profitability

Adjusted EBITDA of CPSF was EUR -0.1 million (EUR -0.7 million). The improvement from previous year is largely resulting from cost savings and other efficiency measures carried out by WithSecure.

## January - December 2024

### Revenue

CPSF revenue increased by 14% and was EUR 9.4 million (EUR 8.3 million).

### Profitability

Adjusted EBITDA of CPSF was EUR -1.0 million (EUR -4.6 million). The improvement from previous year is largely resulting from cost savings and other efficiency measures carried out by WithSecure.

## Cyber security consulting ("Consulting")

(mEUR)	10-12/2024	10-12/2023	Change %	1-12/2024	1-12/2023	Change %
Revenue	8.6	10.2	-15%	32.3	33.4	-3%
Gross margin	4.0	5.6	-28%	14.0	14.4	-3%
% of revenue	46.3%	54.8%	-15%	43.4%	43.3%	0%
Adjusted EBITDA	0.9	2.0	-52%	0.1	-0.6	115%
% of revenue	10.9%	19.2%	-43%	0.3%	-1.8%	115%

Cyber security consulting segment includes revenue from large, enterprise-size customers. The offering is related to offensive security services and building the customer's cyber resilience.

## October - December 2024

### Revenue

Cyber security consulting revenue declined by 15% to EUR 8.6 million (EUR 10.2 million).

### Profitability

Adjusted EBITDA was EUR 0.9 million (EUR 2.0 million). Lower revenue impacts profitability year-on-year. On the other hand, cost savings and other efficiency measures carried out by WithSecure offset the impact of revenue decline.

## January - December 2024

### Revenue

Cyber security consulting revenue declined by 3% to EUR 32.3 million (EUR 33.4 million).

### Profitability

Adjusted EBITDA was EUR 0.1 million (EUR -0.6 million).



# Market overview

The global cybersecurity market is a rapidly evolving industry driven by increasing digitalization, growing cyber threats and the widespread adoption of cloud-based technologies. In 2024, the market experienced increasing security demands across industry verticals and sectors. Factors driving market expansion were among other things rising data breaches due to identity-based attacks, ransomware, increasing regulatory requirements and increasing adoption of AI. The global geopolitical tensions are also creating increased activity and threats for private and public organizations.

Constantly evolving attack vectors require continuous innovation in organization of all sizes. Overall economic uncertainty and IT budget constraints have slowed down the adoption of the latest cyber security technologies, especially among small and medium-sized enterprises (SMEs). At the same time third-party breaches across the supply chain and a global shortage of skilled cybersecurity professionals remain as pressing issues.

Globally organizations are investing in cyber defenses to combat growing threat levels in a digitized economy. North America holds the largest market share due to significant investments in cybersecurity infrastructure whereas in Europe the increased awareness of regulatory requirements has been contributing to steady growth.

AI capabilities have been increasingly introduced to improve productivity and reduce threat detection and response times. Stolen or compromised credentials remain the most prevalent attack vector that is addressed by emerging Identity Security

solutions. Cloud Security continues as a high-growth segment as companies seek to protect their modern IT environments and cloud-based services. Organizations have started to recognize the need of moving their focus from reactive to proactive security approach that is fueling the demand for emerging exposure management solutions. There is also increasing demand for securing IoT devices and operational technology against vulnerabilities and cyberattacks. Managed security services will continue to address the skills and resource shortages.

The cybersecurity market is poised for sustained growth as organizations prioritize cyber resilience and compliance. With advancements in AI, cloud-native security, and exposure management, the industry is set to address increasingly complex threats while capturing new opportunities in emerging sectors.

# Organization and leadership

## Personnel

At the end of the quarter, WithSecure had 961 employees (1,087). Of this, 731 (813) are employees of the Continuing operations, and 230 (274) are employees of the Discontinued operations. Reduction of employees is partly resulting from normal attrition, partly from the restructuring at the end of 2023.

## Global Leadership team

As of 1 November 2024, following the organizational updates of WithSecure, Scott Reininga's position ceased to be a part of the Global Leadership Team.

At the end of the quarter, the composition of the Global Leadership Team was the following:

Antti Koskela (President and CEO), Christine Bejerasco (Chief Information Security Officer), Lasse Gerdt (Chief Customer Officer), Charlotte Guillou (Chief People Officer), Tom Jansson (Chief Financial Officer), Tiina Sarhimaa (Chief Legal Officer), Pilvi Tunturi (interim Chief Product Officer), and Ari Vanttinen (Chief Marketing Officer).

On 1 January 2025, following the organizational updates of WithSecure, Charlotte Guillou became Chief Culture and Performance Officer, Lasse Gerdt became Chief Revenue Officer, and Pilvi Tunturi became Chief Customer Officer. Nina Laaksonen and Artturi Lehtiö are sharing the Chief Product Officer responsibilities as interim arrangement. On 1 January 2025, Ari Vanttinen left the company and the Global Leadership Team.

# Shares, Shareholders' Equity, Own Shares

WithSecure has one share class. At the end of the fourth quarter the total number of shares was 176,098,739. Of this, 176,016,849 were outstanding and 81,890 were held by the company.

In the fourth quarter, 14.3 million (10.1 million) of WithSecure shares were traded on Nasdaq Helsinki. The highest trading price was EUR 1.06 (1.08), and the lowest price was EUR 0.70 (0.74). The volume weighted average price of WithSecure shares in the fourth quarter of 2024 was EUR 0.79 (0.92).

The share's closing price on the last trading day of the quarter, 31st December 2024, was EUR 0.76 (1.04). Based on that closing price, the market value of the company's shares, excluding the treasury shares held by the company, was EUR 133.2 million (EUR 182.2 million).

The company has market-based long-term share-based incentive programs for key employees. Information about the programs is disclosed in note [3 Share-based payments](#) and Annual Report of 2024.

# Annual General Meeting

The Annual General Meeting (AGM) of WithSecure Corporation was held on 20 March 2024. The meeting confirmed the financial statements for the financial year 2023 and reviewed the remuneration report for governing bodies. The members of the Board and the President and CEO were discharged from liability.

The meeting approved the proposal of the Board of Directors that no dividend will be paid for the financial year 2023 due to the loss-making net result of the year. The company will focus on funding its growth and developing the business.

The AGM decided that the annual remuneration of the Board of Directors will remain unchanged: EUR 80,000 for the Chair of the Board of Directors, EUR 48,000 for the Committee Chairs, EUR 38,000 for the members of the Board of Directors, and EUR 12,667 for the member of the Board of Directors employed by the Company. Approximately 40% of the compensation will be paid in company shares.

The AGM decided that the number of Board members shall be seven. The following current Board members were re-elected: Risto Siilasmaa, Tuomas Syrjänen, Kirsi Sormunen and Ciaran Martin. Amanda Bedborough, Niilo Fredrikson and Harri Ruusinen who belongs to the personnel of WithSecure Corporation, were elected as new members of the Board of Directors.

The Board elected Risto Siilasmaa as the Chair of the Board. Tuomas Syrjänen was nominated as the Chair of the Personnel Committee and Risto Siilasmaa and Niilo Fredrikson as members of the

Personnel Committee. Kirsi Sormunen was nominated as the Chair of the Audit Committee and Ciaran Martin, Amanda Bedborough and Harri Ruusinen were nominated as members of the Audit Committee.

Audit firm PricewaterhouseCoopers Oy was re-elected as Auditor of the Company. Mr. Jukka Karinen, APA, acts as the responsible auditor.

Sustainability audit firm PricewaterhouseCoopers Oy was elected as the Company's sustainability auditor. Mr. Jukka Karinen, ASA, will act as the responsible sustainability auditor.

The AGM authorised the Board of Directors to resolve upon the repurchase of a maximum of 17,609,870 of the Company's own shares in total. The maximum amount equals to approximately 10% of all the shares in the Company, in one or several tranches with the Company's unrestricted equity.

The AGM authorised the Board of Directors to resolve on the issuance of a maximum of 17,609,870 shares in total through a share issue as well as by issuing options and other special rights entitling to shares pursuant to chapter 10, section 1 of the Companies Act in one or several tranches. The maximum number of shares corresponds to 10% of all shares in the Company. The authorisation concerns both the issuance of new shares and the transfer of treasury shares held by the Company.

Full disclosure of the AGM resolutions, as well as the organizing meeting of the Board of Directors held on the same day, has been provided in the Stock Exchange release of 20 March 2024.

# Risks and uncertainties

WithSecure operations are subject to risks and uncertainties that can impact the business performance, profitability, financial position, market share, reputation, share price or the achievement of its short-term and long-term objectives. These risks and uncertainties described here should not be considered as an exhaustive list.

The objective of WithSecure risk management is to identify various risks that could have an impact on the business, and to implement appropriate measures to mitigate the risks. In assessing the risks, WithSecure considers both the probability and the potential impact of each risk, as well as the resources required to manage and mitigate the risk. Ensuring business continuity in all situations is an essential part of the risk management. WithSecure risk management principles and process are described in the Corporate Governance Statement. The sustainability-related risks and uncertainties have been discussed in the Sustainability Report.

## Risks related to cyber security market

### Market consolidation and competition

The cyber security market is scattered to many providers of software and services. The large market participants are investing heavily in the development of embedded security and winning market share. Market consolidation is considered a likely development. WithSecure must succeed in its chosen strategy as well as in finding the right acquisition targets, and in integrating the acquired companies into its operations. As one of the smaller players in the market, the company must always keep itself relevant to the

customers, by ensuring both up to date technology and good quality, timely services. Additionally, WithSecure must address brand recognition among the target audience to effectively differentiate itself from competition

### Geopolitical risks

Geopolitical uncertainties, such as the war in Ukraine, have significantly increased the risk of unexpected disruptions of the world economy and security stability. Likelihood of acts of terror impacting societal infrastructures has increased with this development. Any such events could also impact WithSecure's ability to run its business. The increasing activity of nation-state cyber criminals will continue to impose business interruptions also during 2025.

For corporate responsibility reasons, WithSecure is not conducting business with any Russian or Belarussian parties, even in cases where it would be permitted by the export control regulations.

WithSecure operates in different countries and is therefore exposed to country risks of each location. Changing circumstances and regulation in different operating countries is exposing WithSecure to compliance risks, such as unfavorable tax treatment or export controls.

### Environmental risks

As part of the sustainability materiality analysis, WithSecure has assessed the impact of the environmental risks, especially climate change, on its business. The company is a provider of software and

services, and as such not significantly impacted by the environmental risks. Business continuity planning covers scenarios related to unavailability of resources due to natural disasters or other hazards, including potential supply chain disruptions.

## Risks related to WithSecure operations and products

### Attracting and retaining talent

Unavailability of skilled personnel may result in inability of providing high-quality products and services to customers. Competition for skilled personnel is increasing and there is structural undersupply of talent in the cyber security industry. WithSecure is continuously developing and adopting new ways of recruitment, building its own talent and knowledge pools, and investing in training and development of personnel to attract and retain talent.

### Partners

WithSecure's cyber security products and services market model is very dependent on a functioning partner channel and network. It is critical for WithSecure to ensure it has the right partners in the regions and that the partners receive the needed support, and that WithSecure's cyber security offering is made available accordingly to the local demand. Not being able to serve the needs of the partners needs could result to negative impact on WithSecure's business performance.

### Product risks

WithSecure operates in a highly competitive market. Cybercrime is growing fast and becoming more innovative and professional. Large vendors make significant investments in their development and marketing activities, while new vendors are emerging in the market, and the operating system manufacturers are increasing their focus on built-in security features. WithSecure must succeed in maintaining in-depth understanding of cyber security threat landscape, following the hacker techniques and technologies, as well as continuing to innovate in defensive technologies.

Investments in new technologies and products come with the risk of not meeting the future requirements of the market. Agile methods are applied by WithSecure to ensure that its decisions regarding future technologies are aligned with the best information and expectations of the market developments.

### Cyber security incidents

Exposure to cyber security incidents threatens the confidentiality, integrity, and availability of WithSecure products and services, and their mitigation is considered as high priority in all parts of the company. WithSecure builds cyber resilience by continuously improving its capability to identify, protect, detect, and respond to relevant threats. Continuous efforts are taken to protect sensitive data of the company and its customers.

### Intellectual property rights (IPR)

WithSecure protects its technologies and innovations through copyrights, patents, trademarks, and technology partnerships. While WithSecure uses all available protection mechanisms, the businesses are

exposed to risks relating intellectual property claims, particularly in the US markets.

### Financial risks

#### Inflation and interest rates

Cost inflation in the countries where WithSecure operates increases the risk for negative development of the cost structure. This is monitored very closely, and inflation will also most likely require mitigation actions to retain workforce in the company. Increasing interest rates could limit the possibilities of external funding.

#### Liquidity risk

As a company still improving its profitability, WithSecure must focus on accurate cash planning and prompt collections to ensure liquidity of all group companies and to avoid needs of short-term financing.

#### Currency fluctuations

Increasing volume of operations outside the Euro zone in different currencies exposes WithSecure to an increased risk related to currency fluctuations. To mitigate the impact of currency fluctuations on future cash flows, the group can use forward contracts.

## Events after period-end

After the end of the financial year, on 23 January 2025, WithSecure announced the sale of its Cyber security consulting business to Swedish investment firm Neqst. The transaction is executed by the sale of shares of the parent company of a to-be-established WithSecure cyber security consulting group, to which the consulting business will be transferred prior to the completion of the transaction. As a result of the agreement, total of approximately 250 employees located in Finland, UK, Sweden, Denmark, Singapore, Italy, and US are expected to transfer to the buyer.

## Financial calendar

During the year 2025, WithSecure Corporation will publish financial information as follows:

- 25 April 2025: Interim Report for January–March 2025
- 16 July 2025: Half-Year Financial Report for January–June 2025
- 22 October 2025: Interim Report for January–September 2025

The Annual General Meeting is scheduled for Tuesday, 18 March 2025. The Board of Directors will convene the meeting.

WithSecure observes at least a three-week (21 days) silent period prior to publication of financial reports, during which it refrains from engaging in discussions with capital market representatives or the media regarding WithSecure's financial position or the factors affecting it



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# Key ratios and other key figures

PROFITABILITY	10-12/2024	10-12/2023	1-12/2024	1-12/2023
<b>Continuing operations</b>				
<b>Revenue</b>	<b>29,875</b>	<b>28,018</b>	<b>116,002</b>	<b>109,939</b>
Gross margin	24,005	22,322	92,585	86,832
Gross margin, % of revenue	80.4%	79.7 %	79.8%	79.0 %
Operating expenses	-25,612	-34,371	-105,918	-132,259
Operating expenses for adjusted EBITDA	-23,034	-24,318	-92,604	-103,063
Other income, adjusted <sup>1</sup>	441	396	2,009	1,423
<b>Adjusted EBITDA</b>	<b>1,412</b>	<b>-1,600</b>	<b>1,991</b>	<b>-14,807</b>
Adjusted EBITDA, % of revenue	4.7%	-5.7 %	1.7%	-13.5 %
<b>EBITDA</b>	<b>1,417</b>	<b>-7,165</b>	<b>1,139</b>	<b>-23,758</b>
EBITDA, % of revenue	4.7%	-25.6 %	1.0%	-21.6 %
<b>Adjusted EBIT</b>	<b>-592</b>	<b>-4,075</b>	<b>-6,998</b>	<b>-24,337</b>
Adjusted EBIT, % of revenue	-2.0%	-14.5 %	-6.0%	-22.1 %
<b>EBIT</b>	<b>-1,092</b>	<b>-10,249</b>	<b>-10,083</b>	<b>-35,692</b>
EBIT, % of revenue	-3.7%	-36.6 %	-8.7%	-32.5 %
<b>Discontinued operations</b>				
<b>Revenue</b>	<b>8,258</b>	<b>9,956</b>	<b>31,355</b>	<b>32,873</b>
<b>Adjusted EBITDA</b>	<b>994</b>	<b>1,806</b>	<b>1,144</b>	<b>-1,309</b>
<b>EBIT</b>	<b>-13,550</b>	<b>1,638</b>	<b>-29,350</b>	<b>-8,199</b>
EBIT % of revenue	-164.1%	16.5%	-93.6%	-24.9%
<b>Combined operations</b>				
<b>Revenue</b>	<b>38,132</b>	<b>37,975</b>	<b>147,357</b>	<b>142,812</b>

PROFITABILITY	10-12/2024	10-12/2023	1-12/2024	1-12/2023
<b>Adjusted EBITDA</b>	<b>2,406</b>	<b>206</b>	<b>3,135</b>	<b>-16,116</b>
<b>EBIT</b>	<b>-14,642</b>	<b>-8,611</b>	<b>-39,433</b>	<b>-43,891</b>
EBIT % of revenue	-38.4%	-22.7%	-26.8%	-30.7%
ROI, %	-52.3%	-27.5%	-34.1%	-30.5%
ROE, %	-76.4%	-43.2%	-44.1%	-32.9%

<sup>1</sup> Fees charged from F-Secure equivalent to costs under TSA are adjusted from Other income in calculating Alternative Performance Measures in 2023. In addition, changes to fair value of deferred considerations from divestments are treated as adjustments.



<b>CAPITAL STRUCTURE</b>	<b>10-12/2024</b>	<b>10-12/2023</b>	<b>1-12/2024</b>	<b>1-12/2023</b>
<b>Combined operations</b>				
Equity ratio, %	59.1%	73.3%	59.1%	73.3%
Gearing, %	0.4%	-22.2%	0.4%	-22.2%
Interest bearing liabilities	26,696	13,736	26,696	13,736
Cash and cash equivalents	27,275	36,604	27,275	36,604
<b>SHARE RELATED</b>	<b>10-12/2024</b>	<b>10-12/2023</b>	<b>1-12/2024</b>	<b>1-12/2023</b>
<b>Combined operations</b>				
Earnings per share, basic and diluted	-0.08	-0.07	-0.22	-0.23
Shareholders' equity per share, EUR	0.39	0.59	0.39	0.59
<b>OTHER</b>	<b>10-12/2024</b>	<b>10-12/2023</b>	<b>1-12/2024</b>	<b>1-12/2023</b>
<b>Continuing operations</b>				
Capital expenditure, excl. lease assets <sup>1</sup>	498	248	5,929	5,159
Capitalized development expenses	472	579	1,716	3,007
Depreciation, amortization and impairment, excl. PPA amortization	-2,004	-2,475	-8,989	-9,530
Depreciation, amortization and impairment	-2,508	-3,084	-11,222	-11,934
Personnel, average	739	837	760	845
Personnel, period end	731	813	731	813

<sup>1</sup> Figure is presented for combined operations only

# 2024 fourth quarter financial statement release table section

This financial statement release has been prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting principles are the same as in the Annual Report 2024. All figures in the following tables are EUR thousands unless otherwise stated. This financial statement release is unaudited.

On 23 January 2025, WithSecure announced the decision to sell its cyber security consulting business.

WithSecure has applied the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in classifying, presenting and accounting for the transaction in this interim report. Result from discontinued operations is reported separately from continuing operations' income and expenses in the consolidated income statement. Comparative periods have been restated accordingly. The assets and liabilities related to the discontinued operations are presented separately in the statement of financial position as Assets held for sale.

# Condensed Income statement

The income statement is presented for continuing operations only according to IFRS 5 as Consulting business is treated as discontinued operations.

Income statement	10-12/2024	Restated 10-12/2023	Change %	1-12/2024	Restated 1-12/2023	Change %
Revenue	29,875	28,018	7%	116,002	109,939	6%
Cost of revenue	-5,870	-5,697	3%	-23,416	-23,106	1%
<b>Gross margin</b>	<b>24,005</b>	<b>22,322</b>	<b>8%</b>	<b>92,585</b>	<b>86,832</b>	<b>7%</b>
Other operating income <sup>1,2</sup>	515	1,800	-71%	3,249	9,735	-67%
Sales and marketing	-13,046	-14,255	-8%	-51,772	-61,318	-16%
Research and development <sup>1</sup>	-9,724	-11,340	-14%	-40,092	-47,254	-15%
Administration <sup>1</sup>	-2,842	-8,776	-68%	-14,054	-23,686	-41%
<b>EBIT</b>	<b>-1,092</b>	<b>-10,249</b>	<b>89%</b>	<b>-10,083</b>	<b>-35,692</b>	<b>72%</b>
Financial net	-128	-198	-35%	-218	512	-142%
<b>Result before taxes</b>	<b>-1,220</b>	<b>-10,447</b>	<b>88%</b>	<b>-10,301</b>	<b>-35,180</b>	<b>71%</b>
Income taxes	-364	-3,049	-88%	1,125	3,040	-63%
<b>Result for the period, continuing operations</b>	<b>-1,583</b>	<b>-13,496</b>	<b>88%</b>	<b>-9,175</b>	<b>-32,139</b>	<b>71%</b>
<b>Result for the period, discontinued operations<sup>3</sup></b>	<b>-13,069</b>	<b>1,779</b>	<b>-835%</b>	<b>-28,804</b>	<b>-7,891</b>	<b>-265%</b>
<b>Result for the period, group total</b>	<b>-14,653</b>	<b>-11,717</b>	<b>-25%</b>	<b>-37,979</b>	<b>-40,030</b>	<b>5%</b>

Income statement	10-12/2024	Restated 10-12/2023	Change %	1-12/2024	Restated 1-12/2023	Change %
<b>Other comprehensive income</b>						
Exchange differences on translating foreign operations, continuing operations	348	355	-2%	2,049	1,319	55%
<b>Total other comprehensive income, continuing operations</b>	<b>-1,236</b>	<b>-13,141</b>	<b>91%</b>	<b>-7,127</b>	<b>-30,821</b>	<b>77%</b>
<b>Total other comprehensive income, discontinued operations</b>	<b>-13,069</b>	<b>1,779</b>	<b>-835%</b>	<b>-28,804</b>	<b>-7,891</b>	<b>-265%</b>
<b>Total other comprehensive income, group (parent company owners)</b>	<b>-14,305</b>	<b>-11,362</b>	<b>-26%</b>	<b>-35,931</b>	<b>-38,712</b>	<b>7%</b>

<sup>1</sup> In 2023 Other operating income includes fees invoiced from F-Secure under Transitional Services Agreement (TSA, EUR 1.4 million in the fourth quarter and EUR 6.9 million in January-December 2023). Costs related to services provided under TSA are included in operating expenses for Research and Development and Administration (EUR 1.4 million in the fourth quarter and EUR 6.9 million in January-December 2023).

<sup>2</sup> Other operating income includes impact of revised deferred consideration from divestments (EUR 0.1 million in the fourth quarter of 2024 and 0.8 million in 2024).

<sup>3</sup> Discontinued operations' result includes also the cost associated with the sale of consulting business.

Earnings per share	10-12/2024	Restated 10-12/2023	Change %	1-12/2024	Restated 1-12/2023	Change %
Earnings per share, basic and diluted, EUR, combined operations	-0.08	-0.07	-25%	-0.22	-0.23	5%
Earnings per share, basic and diluted, EUR, continuing operations	-0.01	-0.08	88%	-0.05	-0.18	71%
Earnings per share, basic and diluted, EUR, discontinued operations	-0.07	0.01	-835%	-0.16	-0.04	-265%

# Condensed Statement of financial position

The Statement of financial position is presented for continuing operations only.

Assets	31 Dec 2024	31 Dec 2023	Shareholders' equity and liabilities	31 Dec 2024	31 Dec 2023
Tangible assets	23,999	13,032	<b>Equity</b>	<b>69,233</b>	<b>102,980</b>
Intangible assets	16,766	20,552	Interest bearing liabilities, non-current	20,653	8,370
Goodwill	35,848	78,058	Deferred tax liability	1,279	1,273
Deferred tax assets	12,115	10,682	Deferred revenue, non-current	18,478	20,772
Interest bearing receivables, non-current <sup>1</sup>	4,188	6,059	Other non-current liabilities	274	388
Other receivables	1,100	1,866	<b>Total non-current liabilities</b>	<b>40,685</b>	<b>30,804</b>
<b>Total non-current assets</b>	<b>94,015</b>	<b>130,249</b>	Interest bearing liabilities, current	6,042	5,366
Accrued income	1,261	5,577	Trade and other payables	14,320	18,034
Trade and other receivables	24,646	31,683	Provisions <sup>1</sup>	0	3,486
Income tax receivables	456	1,199	Income tax liabilities	407	620
Interest bearing receivables, current <sup>1</sup>	6,642	2,074	Deferred revenue, current	43,704	46,125
Other financial asset at fair value through profit and loss	26	26	<b>Total current liabilities</b>	<b>64,473</b>	<b>73,631</b>
Cash and cash equivalents	27,275	36,604	<b>Liabilities directly associated with the assets held for sale</b>	<b>10,423</b>	
<b>Total current assets</b>	<b>60,307</b>	<b>77,163</b>	<b>Total liabilities and equity</b>	<b>184,814</b>	<b>207,412</b>
<b>Assets held for sale</b>	<b>30,492</b>				
<b>Total assets</b>	<b>184,814</b>	<b>207,412</b>			

<sup>1</sup> Interest bearing receivables include receivables related to premises subleased to third parties, receivables related to asset transfers in Group subsidiaries due to demerger and receivables from divestments.

<sup>1</sup> Provision related to restructuring in Q4 2023.

# Condensed Cash flow statement

Cash flow statement includes both continuing and discontinued operations.

	10-12/2024	10-12/2023	1-12/2024	1-12/2023		10-12/2024	10-12/2023	1-12/2024	1-12/2023
<b>Cash flow from operations</b>					<b>Cash flow from financing activities</b>				
Result from the continuing operations	-1,583	-13,496	-9,175	-32,139	Repayments of lease liabilities	-1,605	-1,762	-6,443	-6,139
Result from the discontinued operations	-13,069	1,779	-28,804	-7,891	<b>Cash flow from financing activities</b>	<b>-1,605</b>	<b>-1,762</b>	<b>-6,443</b>	<b>-6,139</b>
Adjustments	16,177	6,350	40,057	15,181	<b>Change in cash</b>	<b>5,559</b>	<b>6,447</b>	<b>-9,412</b>	<b>-17,921</b>
Depreciation and amortization	15,966	3,252	40,629	18,824	Cash and cash equivalents at the beginning of the period	21,557	30,026	36,604	55,129
Financial income and expenses	114		370	-205	Effect of exchange rate changes on cash	161	130	83	-604
Income taxes	-103	2,811	-1,823	-3,655	Cash and cash equivalents at period end	27,275	36,604	27,275	36,604
Other adjustments	201	287	881	217					
<b>Cash flow from operations before change in working capital</b>	<b>1,524</b>	<b>-5,367</b>	<b>2,077</b>	<b>-24,849</b>					
Change in net working capital	6,197	4,819	3,707	1,478					
Change in provisions		3,204	-3,721	3,515					
<b>Cash flow from operating activities before financial items and taxes</b>	<b>7,721</b>	<b>2,656</b>	<b>2,063</b>	<b>-19,856</b>					
Net financial items and taxes	-60	-976	-1,450	-3,206					
<b>Cash flows from operating activities</b>	<b>7,661</b>	<b>1,680</b>	<b>613</b>	<b>-23,063</b>					
<b>Cash flow from investments</b>									
Net investments in tangible and intangible assets	-498	-248	-5,929	-5,159					
Divestments of businesses, net of cash			2,347	1,585					
Net cash flow from investments into financial instruments		6,777		14,854					
<b>Cash flow from investments</b>	<b>-498</b>	<b>6,529</b>	<b>-3,582</b>	<b>11,280</b>					

# Condensed Statement of changes in shareholders' equity

	Share capital	Unrestricted equity reserve	Treasury shares	Retained earnings	Translation difference	Total
<b>Equity 31 Dec 2022</b>	<b>80</b>	<b>83,638</b>	<b>-155</b>	<b>58,649</b>	<b>-2,124</b>	<b>140,089</b>
Total comprehensive income for the year, continuing operations				-32,139	1,319	-30,821
Total comprehensive income for the year, discontinued operations				-7,891		-7,891
Cost of share based payments				1,603		1,603
<b>Equity 31 Dec 2023</b>	<b>80</b>	<b>83,638</b>	<b>-155</b>	<b>20,222</b>	<b>-805</b>	<b>102,980</b>
<b>Equity 31 Dec 2023</b>	<b>80</b>	<b>83,638</b>	<b>-155</b>	<b>20,222</b>	<b>-805</b>	<b>102,980</b>
Total comprehensive income for the year, continuing operations				-9,175	2,049	-7,127
Total comprehensive income for the year, discontinued operations				-28,804		-28,804
Share based payments				2,183		2,183
<b>Equity 31 Dec 2024</b>	<b>80</b>	<b>83,638</b>	<b>-155</b>	<b>-15,574</b>	<b>1,244</b>	<b>69,233</b>

# Notes to the interim financial statements

## 1 Significant exchange rates and sensitivity to exchange rate changes

One Euro is	Average rates				End rates	
	10-12/2024	10-12/2023	1-12/2024	1-12/2023	31 Dec 2024	31 Dec 2023
USD	1.0880	1.0715	1.0863	1.0796	1.0389	1.0594
GBP	0.8350	0.8673	0.8483	0.8703	0.8292	0.8646
JPY	161.59	159.86	150.98	151.87	163.06	158.10

Effect of changes in exchange rates on profit before taxes

+/-10 % FX rate change, mEUR	1-12/2024	1-12/2023
USD	+0,4/-0,4	+0,2/-0,3
GBP	-0,1/+0,1	-0,2/+0,3
JPY	-0,2/0,2	+0,0/-0,0

Group has forward contracts to hedge internal loan receivable in USD. As of 31 December 2024 the nominal value of the forward contracts was EUR 7 million and the market value was EUR -285 thousand.



## 2 Segment information

From 1 January 2024 onwards, WithSecure Group reports three segments: Elements Company, Cyber Security Consulting and Cloud Protection for Salesforce (CPSF). The operating segments are reported in a manner consistent with the internal reporting provided to the Group Leadership Team, which has been identified as WithSecure's chief operating decision maker being responsible for allocating resources and assessing performance of the operating segments as well as deciding on strategy. The Group Leadership Team assesses the profitability of segments principally on the basis of adjusted EBITDA.

Elements Company includes all Elements Cloud portfolio software and services, on-premise software as well as the managed services (mainly Managed Detection and Response, MDR). Elements company revenue is presented separately for Cloud, On-premise and Other products.

Cloud Protection for Salesforce (CPSF) segment includes revenue from the CPSF product. It is a software product, ensuring scanning of external content for potential malware, before it is loaded into Salesforce. Customers are primarily enterprise-sized companies, with extensive use of Salesforce platforms.

Cyber security consulting segment includes only the consulting services sold to large, enterprise customers. On 23 January 2025, WithSecure signed an agreement intending to divest the Cyber security consulting business. In the Segment information note of 2024 financial statement, Cyber security consulting segment is presented according to the accounting principles applied in the 2024 segment reporting. In other parts of the 2024 financial statements, Cyber security consulting is presented as part of the Discontinued operations. Reconciliations between the segment result and the discontinued operation's result are presented in the Segment information note.

Revenue by segment	10-12/2024	Restated 10-12/2023	1-12/2024	Restated 1-12/2023
Elements Company	26,678	25,761	105,661	101,143
Elements Cloud	21,459	19,719	83,277	76,132
On-premise	5,017	5,932	21,443	24,356
Other	201	111	942	656
Cloud Protection for Salesforce	2,839	2,033	9,440	8,299
Cyber security consulting	8,616	10,180	32,254	33,370
<b>Total revenue</b>	<b>38,132</b>	<b>37,975</b>	<b>147,357</b>	<b>142,812</b>
Discontinued operations	8,258	9,956	31,355	32,873
<b>Total revenue, continuing operations</b>	<b>29,875</b>	<b>28,018</b>	<b>116,002</b>	<b>109,939</b>

Gross margin by segment	10-12/2024	Restated 10-12/2023	1-12/2024	Restated 1-12/2023
Elements Company	21,365	20,541	84,266	79,609
<i>% of revenue</i>	80.1%	79.7%	79.8%	78.7%
Cloud Protection for Salesforce	2,391	1,470	7,874	6,133
<i>% of revenue</i>	84.2%	72.3%	83.4%	73.9%
Cyber security consulting	3,991	5,580	13,993	14,449
<i>% of revenue</i>	46.3%	54.8%	43.4%	43.3%
<b>Total gross margin</b>	<b>27,747</b>	<b>27,592</b>	<b>106,133</b>	<b>100,192</b>
Discontinued operations	3,742	5,270	13,547	13,360
<b>Total gross margin, continuing operations</b>	<b>24,005</b>	<b>22,322</b>	<b>92,585</b>	<b>86,832</b>

Adjusted EBITDA by segment	10-12/2024	Restated 10-12/2023	1-12/2024	Restated 1-12/2023
Elements Company	1,531	-1,022	4,008	-10,906
% of revenue	5.7%	-4.0%	3.8%	-10.8%
Cloud Protection for Salesforce	-66	-726	-958	-4,627
% of revenue	-2.3%	-35.7%	-10.1%	-55.8%
Cyber security consulting	941	1,953	86	-584
% of revenue	10.9%	19.2%	0.3%	-1.8%
<b>Total adjusted EBITDA</b>	<b>2,406</b>	<b>206</b>	<b>3,135</b>	<b>-16,118</b>
Discontinued operations	994	1,806	1,144	-1,308
<b>Total adjusted EBITDA, continuing operations</b>	<b>1,412</b>	<b>-1,600</b>	<b>1,991</b>	<b>-14,807</b>
Items affecting comparability	5	-5,565	-852	-8,951
<b>EBITDA</b>	<b>1,417</b>	<b>-7,165</b>	<b>1,139</b>	<b>-23,758</b>
Depreciation and amortization	-2,508	-3,084	-11,222	-11,934
Finance Income	1,115	136	2,867	2,659
Finance Expense	-1,243	-334	-3,085	-2,147
<b>Profit ( loss) before taxes, continuing operations</b>	<b>-1,220</b>	<b>-10,447</b>	<b>-10,301</b>	<b>-35,180</b>

Revenue by geographical area is presented for continuing operations only.

Revenue by geographical area	10-12/2024	Restated 10-12/2023	1-12/2024	Restated 1-12/2023
Nordic countries	7,148	6,858	29,402	27,450
Rest of Europe	15,156	14,525	58,477	55,808
North America	2,598	2,224	9,638	8,351
Rest of the world	4,972	4,411	18,485	18,330
<b>Total revenue</b>	<b>29,874</b>	<b>28,018</b>	<b>116,002</b>	<b>109,939</b>

### 3 Share-based payments

During the period Group has had share-based incentive plans covering management and the key personnel of the Group and a share savings plan available to all employees as described below. The programs have been established as part of incentive and retention system within WithSecure. The programs offer the participants a possibility to receive WithSecure shares as an incentive reward if the financial targets set for the earning period have been achieved. No reward can be given to a participating employee whose employment has terminated before the end of the lock-up period. WithSecure's current plans consist of Performance Share Plans, Restricted Share Plans, a Performance Matching Share Plan and an Employee Share Savings Plan.

In March 2024, the Board of Directors of WithSecure Corporation has decided on a new Performance Share Plan for the years 2024–2026. The new plan commenced in 2024 and the performance criterion for this plan is WithSecure's revenue growth over the 3-year performance period. The aggregate maximum number of share rewards to be paid in the first half of 2027 is approximately 6,600,000 shares. This number of shares represents gross earning, from which the applicable payroll tax is withheld, and the remaining net value is paid in shares to the key employees participating in the plan. The plan is offered to the management and selected key employees of WithSecure.

Also in March 2024, the Board of Directors of WithSecure Corporation has decided on a new Restricted Share Plan for the years 2024–2026. The aggregate maximum number of shares which may become payable based on RSP 2024–2026 in the first half of 2027 is 500,000 shares. The amount of shares represents gross earnings, from which the applicable payroll tax is withheld, and the remaining net value is paid to the participants in shares. If the individual's employment with WithSecure terminates before the payment date of the share reward, the individual is not, as a main rule, entitled to any reward based on the plan.

In December 2024, Board of Directors of WithSecure Corporation has decided, based on the PSP scheme, on a new Performance Share Plan for the years 2025–2027. The new plan, PSP 2025–2027, will commence in 2025 and the performance criterion for this plan will be composed of two target components: WithSecure Elements Company segment's annual revenue growth as percentage and adjusted EBITDA as percentage of revenue. WithSecure is targeting to reach a sum of the components that exceeds 30 for full year 2027.

If the performance target set for PSP 2025–2027 is fully achieved, the aggregate maximum number of share rewards to be paid in the first half of 2028 is approximately 5,000,000 shares. This number of shares represents a gross earning, from which the applicable payroll tax is withheld, and the remaining net value is paid in shares to the key employees participating in the plan.

The plan is offered to the management and selected key employees of WithSecure, based on a decision of the Board of Directors. If the individual's employment with WithSecure terminates before the payment date of the share reward, the individual is not, as a main rule, entitled to any reward based on the plan. In December 2024, The Board of Directors of WithSecure Corporation has decided, based on the RSP scheme, on a new Restricted Share Plan for the years 2025–2027.

The aggregate maximum number of shares which may become payable based on RSP 2025–2027 in the first half of 2028 is 250,000 shares. The amount of shares represents gross earnings, from which the applicable payroll tax is withheld, and the remaining net value is paid to the participants in shares. If the individual's employment with WithSecure terminates before the payment date of the share reward, the individual is not, as a main rule, entitled to any reward based on the plan.

## 4 Intangible and tangible assets

	31 Dec 2024	31 Dec 2023
<b>Book value at the beginning of the financial year</b>	<b>111,642</b>	<b>117,266</b>
Additions	30,730	14,003
Disposals	-10,469	-2,216
Assets held for sale	-17,395	
Depreciation and amortization	-12,791	-12,626
Impairment	-28,887	-6,198
Translation differences	3,782	1,413
<b>Book value at the end of the period</b>	<b>76,613</b>	<b>111,642</b>

Intangible assets include goodwill resulting from acquisitions of nSense (Denmark) in 2015, Inverse Path (Italy) in 2017, Digital Assurance (UK) in 2017, and MWR Infosecurity (UK) in 2018.

From 1 of January 2024 onwards, goodwill has been reallocated to the CGUs of the new reporting structure. The carrying amount of goodwill EUR 35 848 thousand is allocated to Elements company CGU. Cyber security consulting goodwill is presented in assets held for sale.

Goodwill	31 Dec 2024	31 Dec 2023
Elements company goodwill 1.1.	<b>35,032</b>	
Cyber security consulting goodwill 1.1.	43,026	
Cyber security consulting impairment 30.9.2024	-15,578	
Cyber Security consulting, impairment loss recognised on the measurement to fair value less costs to sell	-13,309	
Cyber security consulting goodwill classified as asset held for sale	-16,021	
Translation difference	2,698	
<b>Total</b>	<b>35,848</b>	<b>78,058</b>

## 5 Fair value measurement of financial assets and liabilities

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

**Level 1:** Fair values of financial instruments are based on quoted prices in active markets for identical assets and liabilities.

**Level 2:** Financial instruments are not subject to trading in active and liquid markets. The fair values of financial instruments can be determined based on quoted market prices and deduced valuation.

**Level 3:** Measurement of financial instruments is not based on verifiable market information, and information on other circumstances affecting the value of the instruments is not available or verifiable.

	Fair value hierarchy	31 Dec 2024	31 Dec 2023
<b>Financial assets at fair value through profit or loss</b>			
Current			
Investments in unlisted shares	Level 3	26	26
<b>Financial assets at amortized cost</b>			
Non-current			
Interest bearing receivables <sup>1</sup>	Level 3	4,188	6,059
Current			
Interest bearing receivables <sup>1</sup>	Level 3	6,642	2,074
Trade receivables	Level 2	18,623	25,237
Cash and cash equivalents		27,275	36,604
<b>Total</b>		<b>56,754</b>	<b>70,000</b>

<sup>1</sup> Interest bearing receivables include receivables related to premises subleased to third parties, receivables related to the deferred consideration and receivables related to asset transfers in Group subsidiaries in relation to demerger.

	Fair value hierarchy	31 Dec 2024	31 Dec 2023
<b>Financial liabilities at amortized cost</b>			
Non-current			
Interest bearing liabilities			
Other loans <sup>1</sup>	Level 3		3,554
Current			
Interest bearing liabilities			
Other loans <sup>1</sup>	Level 3	3,757	
Trade and other payables		3,506	3,376
<b>Total</b>		<b>7,262</b>	<b>6,931</b>

<sup>1</sup> Other loans are liabilities related to asset transfers in Group subsidiaries in relation to demerger.

The carrying amount of all financial assets and liabilities, carried at amortized cost is considered to provide a reasonable approximation of their fair value.

In September 2023, the company signed a committed EUR 20 million revolving credit facility (RCF) with OP Corporate Bank. The facility will mature in three years from its signing. The new facility is subject to conventional covenants related to ratio of net debt to EBITDA and equity ratio. The facility remains unused at the end of the year.

Contractual maturities of financial liabilities	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years	Total contractual cash flows	Carrying amount
Lease liabilities	2,270	3,817	3,223	2,359	1,963	9,307	22,939	22,939
Trade and other payables	3,506						3,506	3,506
Other loans	3,757						3,757	3,757
<b>Total financial liabilities</b>	<b>9,532</b>	<b>3,817</b>	<b>3,223</b>	<b>2,359</b>	<b>1,963</b>	<b>9,307</b>	<b>30,201</b>	<b>30,201</b>

Lease liabilities consists mainly of buildings (EUR 22.0 million). Cars are totalling to EUR 1.0 million and the maturity for them is mainly less than 2 years.

## 6 Reconciliation of alternative performance measures

WithSecure has included certain non-IFRS based alternative performance measures (APM) in financial reporting. Alternative performance measures are provided to reflect the underlying business performance, and to exclude certain non-operational or non-cash valuation items affecting comparability (IAC). The aim is to improve comparability, and alternative performance measures should not be regarded as substitutes for IFRS based measures. Alternative performance measures include EBITDA, adjusted EBITDA and adjusted EBIT.

Depreciations, amortization and impairments are excluded from EBITDA. Adjusted EBITDA and adjusted EBIT exclude also IACs which are material items outside the normal course of business. These items are associated with acquisitions, integration costs, gains and losses from the sale of businesses and other items affecting comparability. During Transitional Services Agreement (TSA) in 2023, Group's operating expenses included costs of services provided to F-Secure. These costs together with income equivalent to the costs were excluded from APMs.

	10-12/2024	Restated 10-12/2023	1-12/2024	Restated 1-12/2023
<b>Continuing operations</b>				
<b>Adjusted EBITDA</b>	<b>1,412</b>	<b>-1,600</b>	<b>1,991</b>	<b>-14,807</b>
Adjustments to EBITDA				
Other items	-11	-1,046	-971	-1,441
Divestments	74		1,240	1,372
Restructuring	-59	-4,519	-1,121	-8,881
Costs under TSA		-1,404		-6,939
Income for costs under TSA		1,404		6,939
<b>EBITDA</b>	<b>1,417</b>	<b>-7,165</b>	<b>1,139</b>	<b>-23,758</b>
Depreciation, amortization and impairment losses	-2,508	-3,084	-11,222	-11,934
<b>EBIT</b>	<b>-1,092</b>	<b>-10,249</b>	<b>-10,083</b>	<b>-35,692</b>

	10-12/2024	Restated 10-12/2023	1-12/2024	Restated 1-12/2023
<b>Continuing operations</b>				
<b>Adjusted EBIT</b>	<b>-592</b>	<b>-4,075</b>	<b>-6,998</b>	<b>-24,337</b>
Adjustments to EBIT				
Other items	-11	-1,046	-971	-1,441
Divestments	74		1,240	1,372
Restructuring	-59	-4,519	-1,121	-8,881
Costs under TSA		-1,404		-6,939
Income for costs under TSA		1,404		6,939
PPA amortization	-505	-609	-2,233	-2,404
<b>EBIT</b>	<b>-1,092</b>	<b>-10,249</b>	<b>-10,083</b>	<b>-35,692</b>

## Classification of adjusted costs in operating expenses

	Operating Expenses Q4 2024	Restructuring	Other items	Expenses for adjusted EBIT	Depreciation	PPA amortization	Operating Expenses for Adjusted EBITDA Q4 2024
Sales and marketing	-13,046			-13,046	817		-12,229
Research and development	-9,724			-9,724	1,187		-8,537
Administration	-2,842	59	11	-2,773	0	505	-2,268
<b>Operating expenses</b>	<b>-25,612</b>	<b>59</b>	<b>11</b>	<b>-25,542</b>	<b>2,004</b>	<b>505</b>	<b>-23,034</b>

	Operating Expenses Q4 2023	Costs under TSA	Restructuring	Other items	Expenses for adjusted EBIT	Depreciation	PPA amortization	Operating Expenses for Adjusted EBITDA Q4 2023
Sales and marketing	-14,255				-14,255	1,117		-13,138
Research and development	-11,340	1,220			-10,120	1,333		-8,787
Administration	-8,776	184	4,519	1,046	-3,027	25	609	-2,393
<b>Operating expenses</b>	<b>-34,371</b>	<b>1,404</b>	<b>4,519</b>	<b>1,046</b>	<b>-27,402</b>	<b>2,475</b>	<b>609</b>	<b>-24,318</b>

	Operating Expenses 1-12/2024	Restructuring	Other items	Expenses for adjusted EBIT	Depreciation	PPA amortization	Operating Expenses for Adjusted EBITDA 1-12/2024
Sales and marketing	-51,772			-51,772	3,896		-47,876
Research and development	-40,092			-40,092	5,068		-35,023
Administration	-14,054	1,121	971	-11,962	24	2,233	-9,704
<b>Operating expenses</b>	<b>-105,918</b>	<b>1,121</b>	<b>971</b>	<b>-103,825</b>	<b>8,989</b>	<b>2,233</b>	<b>-92,604</b>

	Operating Expenses 1-12/2023	Costs under TSA	Restructuring	Other items	Expenses for adjusted EBIT	Depreciation	PPA amortization	Operating Expenses for Adjusted EBITDA 1-12/2023
Sales and marketing	-61,318				-61,318	4,112		-57,206
Research and development	-47,254	5,582			-41,673	5,324		-36,349
Administration	-23,686	1,358	8,881	1,441	-12,006	94	2,404	-9,508
<b>Operating expenses</b>	<b>-132,259</b>	<b>6,939</b>	<b>8,881</b>	<b>1,441</b>	<b>-114,997</b>	<b>9,530</b>	<b>2,404</b>	<b>-103,063</b>

### Classification of adjusted income in other operating income

	Other operating income	Income for costs under TSA	Divestments	Other income for adjusted EBITDA
Other operating income, 10-12/2024	515		-74	441
Other operating income, 10-12/2023	1,800	-1,404		396
Other operating income, 1-12/2024	3,249		-1,240	2,009
Other operating income, 1-12/2023	9,735	-6,939	-1,372	1,423



## 7 Discontinued operations

On 23 January 2025, WithSecure announced the decision to sell its cyber security consulting business. The transaction is executed by the sale of shares of the parent company of a to-be-established WithSecure cyber security consulting group, to which the consulting business will be transferred prior to the completion of the transaction. The transaction is expected to be completed during the second quarter of 2025. The completion of the transaction is subject to customary closing conditions and regulatory approvals.

The consulting business was presented in Group's Cyber Security Consulting reporting segment. At 31 December 2024, the cyber security consulting business was classified as a disposal group held for sale and the net assets were valued at fair value less costs of sale, which resulted in goodwill impairment of 13 million euro. The results of the business to be divested will be included in the discontinued operations.

	10-12/2024	10-12/2023	1-12/2024	1-12/2023
<b>Revenue</b>	<b>8,258</b>	<b>9,956</b>	<b>31,355</b>	<b>32,873</b>
Cost of revenue	-4,515	-4,686	-17,808	-19,513
<b>Gross margin</b>	<b>3,742</b>	<b>5,270</b>	<b>13,547</b>	<b>13,360</b>
Sales and marketing	-1,990	-2,568	-9,265	-10,871
Administration	-15,302	-1,064	-33,632	-10,687
<b>EBIT</b>	<b>-13,550</b>	<b>1,638</b>	<b>-29,350</b>	<b>-8,199</b>
Financial net	14	-97	-152	-307
<b>Result before taxes</b>	<b>-13,536</b>	<b>1,541</b>	<b>-29,502</b>	<b>-8,506</b>
Income taxes	467	238	698	615
<b>Result for the period</b>	<b>-13,069</b>	<b>1,779</b>	<b>-28,804</b>	<b>-7,891</b>

Assets	31-Dec-24
Tangible assets	1,374
Goodwill	16,021
Deferred tax assets	1,335
<b>Total non-current assets</b>	<b>18,730</b>
Accrued income	5,636
Trade and other receivables	6,125
<b>Total non-current assets</b>	<b>11,762</b>
<b>Total assets</b>	<b>30,492</b>

Liabilities	31-Dec-24
Non-current interest bearing liabilities	418
Other non-current liabilities	281
<b>Total non-current liabilities</b>	<b>699</b>
Current interest bearing liabilities	436
Trade and other payables	3,695
Deferred revenue, current	5,541
Income tax liabilities	52
<b>Total current liabilities</b>	<b>9,724</b>
<b>Total liabilities</b>	<b>10,423</b>

	1-12/2024	1-12/2023
Net cash flow from operating activities	1,137	-1,309
Net cash flow from investing activities	-85	-101
Net cash flow from financing activities	-210	-208

## 8 Events after period end

WithSecure Corporation has signed 23.1.2025 a share purchase agreement, under which its cyber security consulting business will be sold to Neqst.

Neqst is a Swedish investment firm, focusing exclusively on technology and technology-enabled companies.

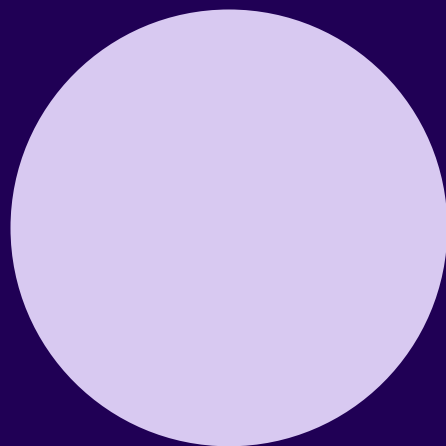
The transaction is executed by the sale of shares of the parent company of a to-be-established WithSecure cyber security consulting group, to which the consulting business will be transferred prior to the completion of the transaction. As a result of the agreement, total of approximately 250 employees located in Finland, UK, Sweden, Denmark, Singapore, Italy, and US are expected to transfer to the buyer.

The parties have agreed on a total enterprise value of EUR 22.5 million. Of this, 60% becomes payable as fixed cash and debt-free purchase price upon completion of the transaction. The remaining 40% is variable purchase price, based on the performance of the business in 2025 and 2026, and it becomes payable in two installments in the beginning of 2026 and 2027.

The transaction is expected to be completed during the second quarter of 2025. The completion of the transaction is subject to customary closing conditions and regulatory approvals.

# Calculation of key ratios

Calculation of key ratios		Calculation of key ratios	
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - deferred revenue}} \times 100$	Effective dividends, %	$\frac{\text{Dividend per share}}{\text{Closing price of the share, end of period}} \times 100$
ROI, %	$\frac{\text{Result before taxes + financial expenses}}{\text{Total assets - non-interest bearing liabilities (average)}} \times 100$	Operating Expenses	Sales and marketing, research and development, and administration costs
ROE, %	$\frac{\text{Result for the period}}{\text{Total equity (average)}} \times 100$	EBITDA	EBIT + depreciation, amortization and impairment
Gearing, %	$\frac{\text{Interest bearing liabilities - cash and cash equivalents and liquid financial assets}}{\text{Total equity}} \times 100$	Adjusted EBITDA	EBITDA +/- items affecting comparability
Earnings per share, euro	$\frac{\text{Profit attributable to equity holders of the company}}{\text{Weighted average number of outstanding shares}}$	Adjusted EBIT	EBIT +/- items affecting comparability
Shareholders' equity per share, euro	$\frac{\text{Equity attributable to equity holders of the company}}{\text{Number of outstanding shares at the end of period}}$	Annual Recurring Revenue (ARR)	Monthly Recurring Revenue of last month of the quarter x 12
P/E ratio	$\frac{\text{Closing price of the share, end of period}}{\text{Earnings per share}}$	Monthly Recurring Revenue (MRR)	Recognized revenue within the month excluding non-recurring revenues
Dividend per earnings, %	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$	Net Revenue Retention (NRR)	100 % x (MRR of last month of the quarter/MRR of same month last year for the same customers). NRR includes expansion revenue, downgrades and customer churn.



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