



# Interim Report

1 January – 31 March 2025

# Elements ARR growth continued, 70% ARR growth for Cloud Protection for Salesforce

## Interim report 1 January - 31 March 2025

### Highlights of January – March 2025 (“first quarter”)

- Annual Recurring Revenue (ARR)<sup>1</sup> for Elements Cloud products and services increased by 8% to EUR 86.6 million (EUR 80.5 million)
- Elements Cloud ARR increase from previous quarter was 4%
- Net Revenue Retention (NRR) for Elements Cloud was 103%
- Revenue for Elements Cloud increased by 6% to EUR 21.9 million (EUR 20.6 million)
- Adjusted EBITDA for Elements Company was EUR 0.9 million (EUR 0.7 million, restated)
- ARR for Cloud Protection for Salesforce increased by 70% to EUR 13.9 million (EUR 8.2 million)
- Net Revenue Retention (NRR) for CPSF was 133%
- Operative cash flow of the first quarter was EUR -2.6 million (EUR -2.4 million)
- Items affecting comparability (IAC) of adjusted EBITDA were EUR -0.2 million (EUR +0.1 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 and adjustments for one-off items

# Outlook for 2025 (unchanged)

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) (unchanged)

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



First quarter of 2025 was marked by many unusual events impacting the world politics and economy. Despite the turbulence, both of WithSecure's businesses remained on the growth track. Elements Cloud Annual Recurring Revenue (ARR) increased by 8% to EUR 86.6 million (EUR 80.5 million), and the Elements Cloud revenue grew by 6% to EUR 21.9 million (EUR 20.6 million). Cloud Protection for Salesforce, reported as a separate segment from the Elements, had a 70% ARR growth to EUR 13.9 million (EUR 8.2 million).

In a world where cyber security is not just a technical challenge but also a geopolitical one, we believe that how and where technology is built truly matters. Our strategy is to become a flagship for European cyber security, and we are positioning ourselves at the forefront of this transformation. Given the geopolitical situation, we have seen significant interest

in a European alternative among our partners and customers. We signed an agreement in the beginning of the second quarter to divest our Malaysian entity to a partner, who will become WithSecure's preferred distributor in the region. Once this transaction is complete, all WithSecure's products and services will be developed and delivered from Europe. We continue to develop our partner channel, and signed several new key partner agreements during the first quarter.

Inside Elements Cloud, the ARR for Elements Cloud software and co-security services increased by 14% to EUR 65.7 million (EUR 57.8 million). The growth is driven by both new customers and the expansion of existing customers. Especially the new portfolio items Exposure Management and Elements MDR, launched in May 2024, have already begun to contribute to the growth. The Managed services ARR declined by 8% to EUR 20.9 million (EUR 22.7 million). The ARR decline is mostly related to customers in the UK.

Elements Company Adjusted EBITDA in the first quarter was EUR 0.9 million (EUR 0.7 million, restated figure). Operative cash flow was EUR -2.6 million (EUR -2.4 million). Cash flow was impacted by the previous year's bonus payments, as well as the additional costs related to divestments.

Cloud Protection for Salesforce (CPSF) continued with a strong performance and achieved a 70% growth of ARR, to EUR 13.9 million (EUR 8.2 million). The growth was driven by many new enterprise customer logos, as well as smaller Salesforce users who want to protect their Salesforce Cloud from vulnerabilities caused by external content uploads. The CPSF segment became profitable for the

first time, with EUR 0.4 million Adjusted EBITDA (EUR -0.4 million). We continue to develop CPSF as an independent business inside WithSecure, while keeping the strategic review options open.

The divestment of our Cyber security consulting business, announced on 23 January 2025, is progressing as planned. The carve-out process is ongoing in collaboration with the buyer, and the target to close the transaction during the second quarter of 2025 remains valid.

# Financial performance - WithSecure Group

(mEUR)	1-3/2025	1-3/2024	Change %	1-12/2024	(mEUR)	1-3/2025	1-3/2024	Change %	1-12/2024
<b>Continuing operations</b>					<i>% of revenue</i>	-2.6 %	-7.0 %		-6.0 %
<b>Revenue</b>	<b>30.1</b>	<b>28.8</b>	<b>4%</b>	<b>116.0</b>	<b>Discontinued operations</b>				
Cost of revenue	-5.7	-5.9	-3%	-23.4	<b>Revenue</b>	<b>6.5</b>	<b>7.4</b>	<b>-13%</b>	<b>31.4</b>
Gross Margin	24.4	22.9	6%	92.6	<b>Adjusted EBITDA<sup>1</sup></b>	<b>-1.6</b>	<b>-0.2</b>	<b>-736%</b>	<b>1.1</b>
<i>% of revenue</i>	81.0 %	79.4 %		79.8 %	<i>% of revenue</i>	-24.4 %	-2.5 %		3.6 %
Other income for adjusted EBITDA <sup>1</sup>	0.1	0.4	-83%	2.0	Items affecting comparability (IAC)				
Operating expenses for adjusted EBITDA <sup>1</sup>	-23.1	-23.2	0%	-92.6	Divestments	0.6			1.1
Sales & Marketing	-11.8	-11.3	4%	-47.9	<b>EBIT</b>	<b>-2.3</b>	<b>-0.4</b>	<b>-548%</b>	<b>-29.3</b>
Research & Development	-8.1	-9.1	-11%	-35.0	<i>% of revenue</i>	-36.1 %	-4.9 %		-93.6 %
Administration	-3.2	-2.7	18%	-9.7	<b>Combined operations</b>				
<b>Adjusted EBITDA<sup>1</sup></b>	<b>1.3</b>	<b>0.2</b>	<b>618%</b>	<b>2.0</b>	<b>Revenue</b>	<b>36.6</b>	<b>36.2</b>	<b>1%</b>	<b>147.4</b>
<i>% of revenue</i>	4.5 %	0.7 %		1.7 %	<b>Adjusted EBITDA<sup>1</sup></b>	<b>-0.2</b>	<b>0.0</b>	<b>n/a</b>	<b>3.1</b>
Items affecting comparability (IAC)					<i>% of revenue</i>	-0.6 %	0.0 %		2.1 %
Other items	0.0	0.3	-100%	-1.0	Earnings per share, (EUR) <sup>3</sup>	-0.02	-0.01	-66%	-0.22
Divestments	0.0	-0.7	-95%	1.2	Deferred revenue	69.5	69.9	-1%	67.7
Restructuring	-0.1	0.4	-130%	-1.1	Cash flow from operations before financial items and taxes	-2.6	-2.4	-5%	2.1
<b>EBITDA</b>	<b>1.2</b>	<b>0.3</b>	<b>339%</b>	<b>1.1</b>	Cash and cash equivalents	22.7	32.3	-30%	27.3
<i>% of revenue</i>	3.9 %	0.9 %		1.0 %	ROI, %	-3.1 %	-7.1 %		-34.1 %
Depreciation & amortization, excluding PPA	-2.1	-2.2	-3%	-9.0	Equity ratio, %	60.4 %	77.1 %		59.1 %
PPA amortization <sup>2</sup>	-0.5	-0.6	-17%	-2.2	Gearing, %	7.3 %	-18.9 %		0.4 %
<b>EBIT</b>	<b>-1.5</b>	<b>-2.6</b>	<b>43%</b>	<b>-10.1</b>					
<i>% of revenue</i>	-4.9 %	-8.9 %		-8.7 %					
<b>Adjusted EBIT<sup>1</sup></b>	<b>-0.8</b>	<b>-2.0</b>	<b>61%</b>	<b>-7.0</b>					

(mEUR)	1-3/2025	1-3/2024	Change %	1-12/2024
Personnel, end of period	964	996	-3%	961

- <sup>1</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 breakdown of adjusted costs, see Note 6 (Reconciliation of alternative performance measures)
- <sup>2</sup> Amortization of intangible assets from business combinations (PPA, purchase price allocation, related amortizations).
- <sup>3</sup> Based on the weighted average number of outstanding shares during the period 176,098,739 (1-3/2025).

## WithSecure Group - Continued operations

### January - March 2025

#### Revenue

Revenue of WithSecure Group increased by 4% to EUR 30.1 million (EUR 28.8 million).

The revenue is analyzed in the segment reporting section. Continued operations revenue is the Elements Company and CPSF segment revenue. Cyber security consulting revenue is disclosed as Discontinued operations.

#### Gross margin

Gross margin of WithSecure Group improved to 81.0 % of revenue (79.4 %). Cost of revenue impacting Gross margin is the cost of using cloud platforms, royalties to external sources of cyber security data, and salary cost of personnel directly related to services. Gross margin improvement relates to continuous efforts on efficiency.

#### Operating expenses

Operating expenses (excluding depreciation, amortization and impairment and items impacting comparability) were EUR 23.1 million (EUR 23.2 million). The increase in operating expenses is a result of normal salary inflation, offset by continuous cost efficiency measures. Depreciation and amortization were EUR 2.1 million (EUR 2.2 million), amortization of PPA was EUR 0.5 million (EUR 0.6 million).

#### Profitability

Adjusted EBITDA of Continued operations was EUR 1.3 million (EUR 0.2 million). Improvement is a result of revenue growth and controlled increase of operating expenses.

Items affecting comparability (IAC) of EBITDA were EUR -0.2 million (EUR +0.1 million). Most of the IAC were related to restructuring activities, and some to the expenses related to ongoing divestments.

#### Cash flow (combined operations)

Cash flow from operating activities before financial items and taxes was EUR -2.6 million (EUR -2.4 million). Cash flow was driven by negative operative result and previous year's bonus payments as well as additional costs related to divestments.

Cash flow from investments EUR -0.6 million (EUR -0.6 million) is related to investments in intangible and tangible assets. Investments in intangible and tangible assets are mostly related ongoing IT projects.

Cash flow from financing activities EUR -0.8 million (EUR -1.3 million) related to repayments of lease liabilities EUR -0.6 million (EUR -1.3 million) and repurchase of own shares EUR -0.2 million. The decrease in repayments of lease liabilities is mainly due to the rent free periods related to new office in Helsinki.

Total change in cash was EUR -4.4 million (EUR -4.1 million), after deducting the payments of lease liabilities.

#### WithSecure Group - Discontinued operations

Discontinued operations revenue was EUR 6.5 million (EUR 7.4 million). Discontinued operations corresponds with the Cyber security consulting business, expected to be divested during second quarter of 2025. Difference to the former Cyber security consulting segment is caused by minor businesses excluded from or included to the divestment agreement, as well as the removal of the allocations of cost related to group functions. Comparative figures of 2024 for segments have been restated to ensure comparability.

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

(mEUR)	1-3/2025	1-3/2024	Change %	1-12/2024
Cash and cash equivalents	22.7	32.3	-30%	27.3
Financial assets at amortized cost				
Lease liabilities, non-current	21.1	4.8	337%	21.1
Other loans, non-current		3.6		
Lease liabilities, current	2.8	4.7	-40%	2.7
Other loans, current	3.7			3.8
Capital expenditure, excl. lease assets	0.6	1.6	-61%	5.9
Capitalized development expenses	0.5	0.4	20%	1.7
ROI, %	-3.1 %	-7.1 %		-34.1 %
Equity ratio, %	60.4 %	77.1 %		59.1 %
Gearing, %	7.3 %	-18.9 %		0.4 %

Liquidity remained at a solid level, but the operative loss, costs related to divestments 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 22.7 million (EUR 32.3 million) and an unused EUR 20 million revolving credit facility (RCF).



# Financial performance - Segments

In the first quarter segment reporting, segments are presented according to previously applied calculation principles. Comparative figures have been restated to reflect changes caused by divestment of Cyber security consulting business.

Reconciliation between the segments and the Continued/Discontinued operations result is included in the note [2 Segment information](#) and the note [6 Reconciliation of alternative performance measures](#).

## Elements Company

(mEUR)	1-3/2025	1-3/2024	Change %	1-12/2024
Revenue	26.8	26.8	0%	106.6
Elements Cloud	21.9	20.6	6%	83.3
On-premise	4.8	5.8	-17%	21.4
Other	0.1	0.4	-70%	1.8
Gross margin	21.6	21.2	2%	84.7
% of revenue	80.8%	79.2%		79.5%
Adjusted EBITDA	0.9	0.7	38%	2.9
% of revenue	3.5%	2.6%		2.8%
Cloud Annual Recurring Revenue (ARR)	86.6	80.5	8%	83.3
Elements Cloud SW and Co-Security Services	65.7	57.8	14%	61.9
Managed Services	20.9	22.7	-8%	21.4

Elements Company segment includes Elements Cloud (Elements Cloud software and Co-security services, Managed services), 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, Japan consulting revenue, as well as speaker fees and other occasional revenue streams.

## January - March 2025

### Revenue and ARR

Elements Company revenue stayed at previous year level of EUR 26.8 million (EUR 26.8 million). Elements Company revenue is the sum of growing Elements Cloud revenue and declining On-premise revenue.

Elements Cloud revenue increased by 6% to EUR 21.9 million (EUR 20.6 million).

Elements Cloud Annual Recurring Revenue (ARR) increased by 8% to EUR 86.6 million (EUR 80.5 million). The ARR related to Elements Cloud software and Co-security services was EUR 65.7 million (EUR 57.8 million). The growth of 14% was driven by both new customers and expansions to existing customers. New products launched in 2024, Exposure Management and Elements MDR, are beginning to contribute to the ARR growth. Managed services ARR was EUR 20.9 million (EUR 22.7 million). The 8% decline is mostly related to the customers in UK.

Elements Cloud NRR was 103%.

On-premise revenue declined by 17% to EUR 4.8 million (EUR 5.8 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 0.1 million (EUR 0.4 million).

### Profitability

Elements Company gross margin was 80.8% (79.2%) 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 0.9 million (EUR 0.7 million).

## Cloud Protection for Salesforce ("CPSF")

(mEUR)	1-3/2025	1-3/2024	Change %	1-12/2024
Revenue	3.3	2.0	63%	9.4
Gross margin	2.7	1.7	63%	7.9
% of revenue	82.5%	82.9%		83.4%
Adjusted EBITDA	0.4	-0.4	190%	-1.0
% of revenue	12.0%	-21.9%		-10.1%
Annual Recurring Revenue (ARR)	13.9	8.2	70%	12.8

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.

## January - March 2025

### Revenue and ARR

CPSF revenue increased by 63% and was EUR 3.3 million (EUR 2.0 million).

Annual Recurring Revenue (ARR) increased by 70% and was EUR 13.9 million (EUR 8.2 million). Focused efforts on improving sales efficiency resulted in the CPSF business reaching again its all-time-high ARR. Growth is driven by both new customers and expansions to existing customers. At the end of the first quarter, CPSF had approximately 290 customers.

CPSF NRR was 133%.

### Profitability

Gross margin of CPSF segment was 82.5% of revenue (82.9%). Cost of revenue impacting Gross margin is the cost of using cloud platforms. Adjusted EBITDA of CPSF was EUR 0.4 million (EUR -0.4 million). The improvement from previous year is mainly driven by the revenue growth.

# 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.

Recent geopolitical developments have increased the importance of European alternatives, of software vendors in particular. This development supports the WithSecure strategy, focusing on developing and delivering the products and services fully from

Europe. According to the current view, possible increases in customs tariffs will not directly affect WithSecure business.

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 964 employees (996). Of this, 731 (763) are employees of the Continuing operations, and 233 (233) are employees of the Discontinued operations.

## Global Leadership team

On 20 March 2025, Nina Laaksonen was appointed as Chief Product Officer of WithSecure.

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 Revenue Officer), Charlotte Guillou (Chief Culture and Performance Officer), Tom Jansson (Chief Financial Officer), Nina Laaksonen (Chief Product Officer), Tiina Sarhimaa (Chief Legal Officer), and Pilvi Tunturi (Chief Customer Officer).

# Shares, Shareholders' Equity, Own Shares

WithSecure has one share class. At the end of the first quarter the total number of shares was 176,098,739. Of this, 175,801,849 were outstanding and 296,890 were held by the company.

In the first quarter, 10.6 million (9.2 million) of WithSecure shares were traded on Nasdaq Helsinki. The highest trading price was EUR 1.03 (1.25), and the lowest price was EUR 0.71 (0.98). The volume weighted average price of WithSecure shares in the first quarter of 2025 was EUR 0.85 (1.09).

The share's closing price on the last trading day of the quarter, 31st March 2025, was EUR 0.92 (1.06). Based on that closing price, the market value of the company's shares, excluding the treasury shares held by the company, was EUR 162.1 million (EUR 187.3 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 18 March 2025. The General Meeting adopted the financial statements for the financial year 2024 and approved as advisory resolution the remuneration report and the updated remuneration policy for governing bodies. The members of the Board as well as 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 2024 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 (7). The following current Board members were re-elected: Risto Siilasmaa, Tuomas Syrjänen, Ciaran Martin, Amanda Bedborough and Niilo Fredrikson. Mervi Kerkelä-Hiltunen and Artturi Lehtiö, 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. Mervi Kerkelä-Hiltunen was nominated as the Chair of the Audit Committee and Ciaran Martin, Amanda Bedborough and Artturi Lehtiö 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, acts 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 18 March 2025.

# 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 Belarusian 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

On 14 April 2025, WithSecure published its intention to divest the Malaysian entity and business operations to LS Systems Group. The transaction is expected to close during the second quarter of 2025. The responsibilities of the Malaysia site will be transitioned to WithSecure's European locations. The transaction underscores WithSecure's commitment to the European way in cyber security, and ensures consolidation of all WithSecure's operations in Europe.

## Financial calendar

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

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

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	1-3/2025	1-3/2024	1-12/2024	PROFITABILITY	1-3/2025	1-3/2024	1-12/2024
<b>Continuing operations</b>				<b>Combined operations</b>			
<b>Revenue</b>	<b>30,094</b>	<b>28,819</b>	<b>116,002</b>	<b>Revenue</b>	<b>36,553</b>	<b>36,237</b>	<b>147,357</b>
Gross margin	24,367	22,896	92,585	<b>Adjusted EBITDA</b>	<b>-230</b>	<b>-1</b>	<b>3,135</b>
Gross margin, % of revenue	81.0%	79.4%	79.8%	<b>EBIT</b>	<b>-3,801</b>	<b>-2,916</b>	<b>-39,433</b>
Operating expenses	-25,911	-26,190	-105,918	EBIT % of revenue	-10.4 %	-8.0%	-26.8%
Operating expenses for adjusted EBITDA	-23,097	-23,155	-92,604	ROI, %	-3.1%	-7.1%	-34.1%
Other income for adjusted EBITDA	75	447	2,009	ROE, %	-4.3%	-8.4%	-44.1%
<b>Adjusted EBITDA</b>	<b>1,346</b>	<b>187</b>	<b>1,991</b>				
Adjusted EBITDA, % of revenue	4.5%	0.7%	1.7%				
<b>EBITDA</b>	<b>1,180</b>	<b>268</b>	<b>1,139</b>				
EBITDA, % of revenue	3.9%	0.9%	1.0%				
<b>Adjusted EBIT</b>	<b>-794</b>	<b>-2,023</b>	<b>-6,998</b>				
Adjusted EBIT, % of revenue	-2.6%	-7.0%	-6.0%				
<b>EBIT</b>	<b>-1,468</b>	<b>-2,556</b>	<b>-10,083</b>				
EBIT, % of revenue	-4.9%	-8.9%	-8.7%				
<b>Discontinued operations</b>							
<b>Revenue</b>	<b>6,459</b>	<b>7,418</b>	<b>31,355</b>				
<b>Adjusted EBITDA</b>	<b>-1,576</b>	<b>-188</b>	<b>1,144</b>				
<b>EBIT</b>	<b>-2,332</b>	<b>-360</b>	<b>-29,350</b>				
EBIT % of revenue	-36.1 %	-4.9%	-93.6%				

<b>CAPITAL STRUCTURE</b>	<b>1-3/2025</b>	<b>1-3/2024</b>	<b>1-12/2024</b>
<b>Combined operations</b>			
Equity ratio, %	60.4%	77.1%	59.1%
Gearing, %	7.3%	-18.9%	0.4%
Interest bearing liabilities	27,600	13,119	26,696
Cash and cash equivalents	22,709	32,308	27,275
<b>SHARE RELATED</b>	<b>1-3/2025</b>	<b>1-3/2024</b>	<b>1-12/2024</b>
<b>Combined operations</b>			
Earnings per share, basic and diluted	-0.02	-0.01	-0.22
Shareholders' equity per share, EUR	0.38	0.58	0.39
<b>OTHER</b>	<b>1-3/2025</b>	<b>1-3/2024</b>	<b>1-12/2024</b>
<b>Continuing operations</b>			
Capital expenditure, excl. lease assets <sup>1</sup>	599	1,555	5,929
Capitalized development expenses	474	395	1,716
Depreciation, amortization and impairment, excl. PPA amortization	-2,140	-2,211	-8,989
Depreciation, amortization and impairment	-2,648	-2,824	-11,222
Personnel, average	728	769	760
Personnel, period end	731	763	731

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

# Interim Report Q1 2025 table section

This Interim Report 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 interim report 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	1-3/2025	Restated 1-3/2024	Change %	1-12/2024
Revenue	30,094	28,819	4%	116,002
Cost of revenue	-5,727	-5,923	-3%	-23,416
<b>Gross margin</b>	<b>24,367</b>	<b>22,896</b>	<b>6%</b>	<b>92,585</b>
Other operating income <sup>1</sup>	75	738	-90%	3,249
Sales and marketing	-12,684	-12,292	3%	-51,772
Research and development	-9,360	-10,372	-10%	-40,092
Administration	-3,867	-3,526	10%	-14,054
<b>EBIT</b>	<b>-1,468</b>	<b>-2,556</b>	<b>43%</b>	<b>-10,083</b>
Financial net	-761	305	-349%	-218
<b>Result before taxes</b>	<b>-2,230</b>	<b>-2,250</b>	<b>1%</b>	<b>-10,301</b>
Income taxes	854	488	75%	1,125
<b>Result for the period, continuing operations</b>	<b>-1,376</b>	<b>-1,762</b>	<b>22%</b>	<b>-9,175</b>
<b>Result for the period, discontinued operations<sup>2</sup></b>	<b>-2,208</b>	<b>-398</b>	<b>-454%</b>	<b>-28,804</b>
<b>Result for the period, group total</b>	<b>-3,584</b>	<b>-2,161</b>	<b>-66%</b>	<b>-37,979</b>
<b>Other comprehensive income</b>				
Exchange differences on translating foreign operations, continuing operations	286	498	-43%	2,049
<b>Total other comprehensive income, continuing operations</b>	<b>-1,090</b>	<b>-1,265</b>	<b>14%</b>	<b>-7,127</b>
<b>Total other comprehensive income, discontinued operations</b>	<b>-2,208</b>	<b>-398</b>	<b>-454%</b>	<b>-28,804</b>

  

Income statement	1-3/2025	Restated 1-3/2024	Change %	1-12/2024
<b>Total other comprehensive income, group (parent company owners)</b>	<b>-3,298</b>	<b>-1,663</b>	<b>-98%</b>	<b>-35,931</b>

<sup>1</sup> Other operating income includes impact of revised deferred consideration from divestments (EUR 0.3 million in the first quarter of 2024 and 0.8 million in 2024).

<sup>2</sup> Discontinued operations' result includes also the cost associated with the sale of consulting business.

Earnings per share	1-3/2025	Restated 1-3/2024	Change %	1-12/2024
Earnings per share, basic and diluted, EUR, combined operations	-0.02	-0.01	-66%	-0.22
Earnings per share, basic and diluted, EUR, continuing operations	-0.01	-0.01	-22%	-0.05
Earnings per share, basic and diluted, EUR, discontinued operations	-0.01	0.00	-458%	-0.16

# Condensed Statement of financial position

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

Assets	31 Mar 2025	31 Mar 2024	31 Dec 2024	Shareholders' equity and liabilities	31 Mar 2025	31 Mar 2024	31 Dec 2024
Tangible assets	23,409	12,578	23,999	<b>Equity</b>	<b>66,393</b>	<b>101,719</b>	<b>69,233</b>
Intangible assets	15,827	17,046	16,766	Interest bearing liabilities, non-current	20,780	8,457	20,653
Goodwill	35,650	81,486	35,848	Deferred tax liability	929	1,419	1,279
Deferred tax assets	12,724	10,604	12,115	Deferred revenue, non-current	19,812	22,300	18,478
Interest bearing receivables, non-current <sup>1</sup>	4,211	5,822	4,188	Other non-current liabilities	263	402	274
Other receivables	1,070	1,064	1,100	<b>Total non-current liabilities</b>	<b>41,785</b>	<b>32,579</b>	<b>40,685</b>
<b>Total non-current assets</b>	<b>92,890</b>	<b>128,600</b>	<b>94,015</b>	Interest bearing liabilities, current	6,010	4,662	6,042
Accrued income	998	6,141	1,261	Trade and other payables	11,201	16,218	14,320
Trade and other receivables	25,799	33,549	24,646	Provisions	0	769	0
Income tax receivables	346	1,880	456	Income tax liabilities	396	798	407
Interest bearing receivables, current <sup>1</sup>	6,559	1,880	6,642	Deferred revenue, current	44,782	47,641	43,704
Other financial asset at fair value through profit and loss	22	26	26	<b>Total current liabilities</b>	<b>62,389</b>	<b>70,089</b>	<b>64,473</b>
Cash and cash equivalents	22,709	32,308	27,275	<b>Liabilities directly associated with the assets held for sale</b>	<b>8,954</b>		<b>10,423</b>
<b>Total current assets</b>	<b>56,432</b>	<b>75,785</b>	<b>60,307</b>	<b>Total liabilities and equity</b>	<b>179,512</b>	<b>204,385</b>	<b>184,814</b>
<b>Assets held for sale</b>	<b>30,190</b>		<b>30,492</b>				
<b>Total assets</b>	<b>179,512</b>	<b>204,385</b>	<b>184,814</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.

# Condensed Cash flow statement

Cash flow statement includes both continuing and discontinued operations.

	1-3/2025	1-3/2024	1-12/2024		1-3/2025	1-3/2024	1-12/2024
<b>Cash flow from operations</b>				<b>Cash flow from investments</b>	<b>-595</b>	<b>-623</b>	<b>-3,582</b>
Result from the continuing operations	-1,376	-1,762	-9,175				
Result from the discontinued operations	-2,208	-398	-28,804	<b>Cash flow from financing activities</b>			
Adjustments	3,161	2,420	40,057	Repayments of lease liabilities	-606	-1,280	-6,443
Depreciation and amortization	2,847	2,996	40,629	Acquisition of own shares	-201		
Financial income and expenses	823	-272	370	<b>Cash flow from financing activities</b>	<b>-807</b>	<b>-1,280</b>	<b>-6,443</b>
Income taxes	-1,040	-482	-1,823				
Other adjustments	530	179	881	<b>Change in cash</b>	<b>-4,434</b>	<b>-4,121</b>	<b>-9,412</b>
<b>Cash flow from operations before change in working capital</b>	<b>-423</b>	<b>259</b>	<b>2,077</b>	Cash and cash equivalents at the beginning of the period	27,275	36,604	36,604
Change in net working capital	-2,142	10	3,707	Effect of exchange rate changes on cash	-137	-177	83
Change in provisions		-2,717	-3,721	Cash and cash equivalents at period end	22,709	32,308	27,275
<b>Cash flow from operating activities before financial items and taxes</b>	<b>-2,565</b>	<b>-2,448</b>	<b>2,063</b>				
Net financial items	-499	27	-1,103				
Taxes	32	203	-347				
<b>Cash flows from operating activities</b>	<b>-3,033</b>	<b>-2,218</b>	<b>613</b>				
<b>Cash flow from investments</b>							
Net investments in tangible and intangible assets	-599	-1,555	-5,929				
Divestments of businesses, net of cash		931	2,347				
Net cash flow from investments into financial instruments	4						



# Condensed Statement of changes in shareholders' equity

	Share capital	Unrestricted equity reserve	Treasury shares	Retained earnings	Translation difference	Total
<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				-1,762	498	-1,265
Total comprehensive income for the year, discontinued operations				-398		-398
Share based payments				401		401
<b>Equity 31 Mar 2024</b>	<b>80</b>	<b>83,638</b>	<b>-155</b>	<b>18,463</b>	<b>-308</b>	<b>101,719</b>
	Share capital	Unrestricted equity reserve	Treasury shares	Retained earnings	Translation difference	Total
<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>
Total comprehensive income for the year, continuing operations				-1,376	286	-1,090
Total comprehensive income for the year, discontinued operations				-2,208		-2,208
Acquisition of treasury shares			-201			-201
Share based payments				659		659
<b>Equity 31 Mar 2025</b>	<b>80</b>	<b>83,638</b>	<b>-355</b>	<b>-18,499</b>	<b>1,529</b>	<b>66,394</b>

# Notes to the interim financial statements

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

One Euro is	Average rates			End rates		
	1-3/2025	1-3/2024	1-12/2024	31 Mar 2025	31 Mar 2024	31 Dec 2024
USD	1.0398	1.0706	1.0863	1.0815	1.0875	1.0389
GBP	0.8304	0.8816	0.8483	0.8354	0.8792	0.8292
JPY	160.34	142.39	150.98	161.60	144.83	163.06

Effect of changes in exchange rates on profit before taxes

+/- 10 % FX rate change, mEUR	1-3/2025	1-3/2024	1-12/2024
USD	+0,3/-0,4	+0,2/-0,3	+0,4/-0,4
GBP	+0,0/-0,0	-0,3/+0,4	-0,1/+0,1
JPY	-0,2/0,2	+0,0/-0,0	-0,2/0,2

Group has forward contracts to hedge internal loan receivable in USD. As of 31 March 2025 the nominal value of the forward contracts was EUR 5 million and the market value was EUR -39 thousand.

## 2 Segment information

WithSecure Group reports two segments: Elements Company, 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 segment includes all Elements Cloud software, Co-security services, and managed services, as well as on-premise software and Other products. Revenue for Elements Company is disclosed separately for Elements 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.

Third segment, Cyber security consulting, is transferred to Discontinued operations following its divestment announcement on 23 January 2025. WithSecure's intention is to close the transaction during second quarter of 2025.

Revenue by segment	1-3/2025	Restated 1-3/2024	Restated 1-12/2024
Elements Company	26,792	26,798	106,562
Elements Cloud	21,890	20,627	83,277
On-premise	4,781	5,766	21,443
Other	121	405	1,842
Cloud Protection for Salesforce	3,302	2,020	9,440
<b>Total revenue, continuing operations</b>	<b>30,094</b>	<b>28,819</b>	<b>116,002</b>
Discontinued operations	6,459	7,418	31,355
<b>Total revenue, WithSecure</b>	<b>36,553</b>	<b>36,237</b>	<b>147,357</b>

Gross margin by segment	1-3/2025	Restated 1-3/2024	Restated 1-12/2024
Elements Company	21,643	21,221	84,711
% of revenue	80.8%	79.2%	79.5%
Cloud Protection for Salesforce	2,725	1,675	7,874
% of revenue	82.5%	82.9%	83.4%
<b>Total gross margin, continuing operations</b>	<b>24,367</b>	<b>22,896</b>	<b>92,585</b>
Discontinued operations	1,856	2,782	13,547
<b>Total gross margin, WithSecure</b>	<b>26,223</b>	<b>25,677</b>	<b>106,133</b>

Adjusted EBITDA by segment	1-3/2025	Restated 1-3/2024	Restated 1-12/2024
Elements Company	949	686	2,949
% of revenue	3.5%	2.6%	2.8%
Cloud Protection for Salesforce	396	-442	-958
% of revenue	12.0%	-21.9%	-10.1%
<b>Total adjusted EBITDA, continuing operations</b>	<b>1,345</b>	<b>187</b>	<b>1,991</b>
Items affecting comparability	-166	81	-852
<b>EBITDA, continuing operations</b>	<b>1,180</b>	<b>268</b>	<b>1,139</b>
Depreciation and amortization	-2,648	-2,824	-11,222
Finance Income	558	819	2,867
Finance Expense	-1,320	-513	-3,085
<b>Profit (loss) before taxes, continuing operations</b>	<b>-2,230</b>	<b>-2,250</b>	<b>-10,301</b>
<b>Profit (loss) before taxes, discontinued operations</b>	<b>-2,394</b>	<b>-393</b>	<b>-29,503</b>

Revenue by geographical area is presented for continuing operations only.

Revenue by geographical area	1-3/2025	Restated 1-3/2024	Restated 1-12/2024
Nordic countries	7,028	7,623	29,402
Rest of Europe	15,341	14,392	58,477
North America	2,880	2,258	9,638
Rest of the world	4,846	4,547	18,485
<b>Total revenue</b>	<b>30,094</b>	<b>28,819</b>	<b>116,002</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. 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 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 Mar 2025	31 Mar 2024	31 Dec 2024
<b>Book value at the beginning of the financial year</b>	<b>76,613</b>	<b>111,642</b>	<b>111,642</b>
Additions	1,388	2,851	30,730
Disposals	-575	-1,526	-10,469
Assets held for sale			-17,395
Depreciation and amortization	-2,324	-2,996	-12,791
Impairment			-28,887
Translation differences	-217	1,139	3,782
<b>Book value at the end of the period</b>	<b>74,885</b>	<b>111,110</b>	<b>76,613</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.

<b>Goodwill</b>	31 Mar 2025	31 Mar 2024	31 Dec 2024
Elements company goodwill 1.1.	<b>35,848</b>	<b>35,032</b>	<b>35,032</b>
Cyber security consulting goodwill 1.1.		43,026	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	-198	3,428	2,698
<b>Total</b>	<b>35,650</b>	<b>81,486</b>	<b>35,848</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 Mar 2025	31 Mar 2024	31 Dec 2024
<b>Financial assets at fair value through profit or loss</b>				
Current				
Investments in unlisted shares	Level 3	22	26	26
<b>Financial assets at amortized cost</b>				
Non-current				
Interest bearing receivables <sup>1</sup>	Level 3	4,211	5,822	4,188
Current				
Interest bearing receivables <sup>1</sup>	Level 3	6,559	1,880	6,642
Trade receivables	Level 2	18,618	23,356	18,623
Cash and cash equivalents		22,709	32,308	27,275
<b>Total</b>		<b>52,118</b>	<b>63,393</b>	<b>56,754</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 Mar 2025	31 Mar 2024	31 Dec 2024
<b>Financial liabilities at amortized cost</b>				
Non-current				
Interest bearing liabilities				
Other loans <sup>1</sup>	Level 3		3,624	
Current				
Interest bearing liabilities				
Other loans <sup>1</sup>	Level 3	3,660		3,757
Trade and other payables		1,950	3,234	3,506
<b>Total</b>		<b>5,611</b>	<b>6,858</b>	<b>7,262</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 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 quarter.

<b>Contractual maturities of financial liabilities</b>	<b>Less than 1 year</b>	<b>1 to 2 years</b>	<b>2 to 3 years</b>	<b>3 to 4 years</b>	<b>4 to 5 years</b>	<b>over 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying amount</b>
Lease liabilities	2,257	3823	3211	2391	2071	9436	23,189	23,189
Trade and other payables	1,950						1,950	1,950
Other loans	3,660						3,660	3,660
<b>Total financial liabilities</b>	<b>7,868</b>	<b>3,823</b>	<b>3,211</b>	<b>2,391</b>	<b>2,071</b>	<b>9,436</b>	<b>28,800</b>	<b>28,800</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.

	1-3/2025	Restated 1-3/2024	Restated 1-12/2024
<b>Continuing operations</b>			
<b>Adjusted EBITDA</b>	<b>1,346</b>	<b>187</b>	<b>1,991</b>
Adjustments to EBITDA			
Other items		-653	-971
Divestments	-35	291	1,240
Restructuring	-131	442	-1,121
<b>EBITDA</b>	<b>1,180</b>	<b>268</b>	<b>1,139</b>
Depreciation, amortization and impairment losses	-2,648	-2,824	-11,222
<b>EBIT</b>	<b>-1,468</b>	<b>-2,556</b>	<b>-10,083</b>

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.

	1-3/2025	Restated 1-3/2024	Restated 1-12/2024
<b>Continuing operations</b>			
<b>Adjusted EBIT</b>	<b>-794</b>	<b>-2,023</b>	<b>-6,998</b>
Adjustments to EBIT			
Other items		-653	-971
Divestments	-131	291	1,240
Restructuring	-35	442	-1,121
PPA amortization	-508	-614	-2,233
<b>EBIT</b>	<b>-1,468</b>	<b>-2,556</b>	<b>-10,083</b>



## Classification of adjusted costs in operating expenses

	Operating Expenses Q1 2025	Restructuring	Divestments	Expenses for adjusted EBIT	Depreciation	PPA amortization	Operating Expenses for Adjusted EBITDA Q1 2025
Sales and marketing	-12,684			-12,684	921		-11,763
Research and development	-9,360			-9,360	1,219		-8,141
Administration	-3,867	131	35	-3,701		508	-3,193
<b>Operating expenses</b>	<b>-25,911</b>	<b>131</b>	<b>35</b>	<b>-25,745</b>	<b>2,140</b>	<b>508</b>	<b>-23,097</b>

	Operating Expenses Q1 2024	Restructuring	Other items	Expenses for adjusted EBIT	Depreciation	PPA amortization	Operating Expenses for Adjusted EBITDA Q1 2024
Sales and marketing	-12,292			-12,292	959		-11,333
Research and development	-10,372			-10,372	1,251		-9,121
Administration	-3,526	-442	653	-3,316		614	-2,702
<b>Operating expenses</b>	<b>-26,190</b>	<b>-442</b>	<b>653</b>	<b>-25,980</b>	<b>2,210</b>	<b>614</b>	<b>-23,156</b>

	<b>Operating Expenses</b>	<b>Restructuring</b>	<b>Other items</b>	<b>Expenses for adjusted EBIT</b>	<b>Depreciation</b>	<b>PPA amortization</b>	<b>Operating Expenses for Adjusted EBITDA</b>
	<b>1-12/2024</b>						<b>1-12/2024</b>
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>

### Classification of adjusted income in other operating income

	<b>Other operating income</b>	<b>Divestments</b>	<b>Other income for adjusted EBITDA</b>
Other operating income, 1-3/2025	75		75
Other operating income, 1-3/2024	738	-291	447
Other operating income, 1-12/2024	3,249	-1,240	2,009

## 7 Discontinued operations

On 23 January 2025, WithSecure announced the decision to sell its cybersecurity consulting business. The transaction is executed by the sale of shares of the parent company of a to-be-established WithSecure cybersecurity 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.

	1-3/2025	1-3/2024	1-12/2024
<b>Revenue</b>	<b>6,459</b>	<b>7,418</b>	<b>31,355</b>
Cost of revenue	-4,603	-4,636	-17,808
<b>Gross margin</b>	<b>1,856</b>	<b>2,782</b>	<b>13,547</b>
Sales and marketing	-2,538	-2,193	-9,265
Administration	-1,650	-949	-33,632
<b>EBIT</b>	<b>-2,332</b>	<b>-360</b>	<b>-29,350</b>
Financial net	-62	-33	-152
<b>Result before taxes</b>	<b>-2,394</b>	<b>-393</b>	<b>-29,502</b>
Income taxes	186	-6	698
<b>Result for the period</b>	<b>-2,208</b>	<b>-398</b>	<b>-28,804</b>

<b>Assets</b>	<b>31 Mar 2025</b>	<b>31-Dec-24</b>
Tangible assets	1,312	1,374
Goodwill	15,933	16,021
Deferred tax assets	1,506	1,335
<b>Total non-current assets</b>	<b>18,750</b>	<b>18,730</b>
Accrued income	6,125	5,636
Trade and other receivables	5,314	6,125
<b>Total non-current assets</b>	<b>11,440</b>	<b>11,762</b>

<b>Assets</b>	<b>31 Mar 2025</b>	<b>31-Dec-24</b>
<b>Total assets</b>	<b>30,190</b>	<b>30,492</b>
<b>Liabilities</b>	<b>31 Mar 2025</b>	<b>31-Dec-24</b>
Non-current interest bearing liabilities	363	418
Other non-current liabilities	265	281
<b>Total non-current liabilities</b>	<b>628</b>	<b>699</b>
Current interest bearing liabilities	447	436
Trade and other payables	2,866	3,695
Deferred revenue, current	4,933	5,541
Income tax liabilities	79	52
<b>Total current liabilities</b>	<b>8,325</b>	<b>9,724</b>
<b>Total liabilities</b>	<b>8,954</b>	<b>10,423</b>

	1-3/2025	1-3/2024	1-12/2024
Net cash flow from operating activities	-1,376	-244	1,137
Net cash flow from investing activities	-46	-18	-85
Net cash flow from financing activities	-81	-30	-210

## 8 Events after period end

On 14 April 2025, WithSecure published its intention to divest the Malaysian entity and business operations to LS Systems Group. The transaction is expected to close during the second quarter of 2025. The responsibilities of the Malaysia site will be transitioned to WithSecure's European locations. The transaction underscores WithSecure's commitment to the European way in cyber security, and ensures consolidation of all WithSecure's operations in Europe.

# 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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