

WELCOME TO F-SECURE'S ANNUAL GENERAL MEETING



MATTERS ON THE AGENDA

- 1. Opening of the meeting**
- 2. Calling the meeting to order**
- 3. Election of persons to scrutinize the minutes and to supervise the counting of votes**
- 4. Recording the legality of the meeting**
- 5. Recording the attendance at the meeting and adoption of the list of votes**
- 6. Presentation of the annual accounts, the report of the Board of Directors and the auditor's report for the year 2016**

Review by the CEO



Annual General Meeting, 5 April 2017

REVIEW BY THE CEO

HIGH LEVEL TRENDS IN SECURITY



EXPANDING ATTACK SURFACE



DISAPPEARING PERIMETERS



SOPHISTICATED ATTACKS

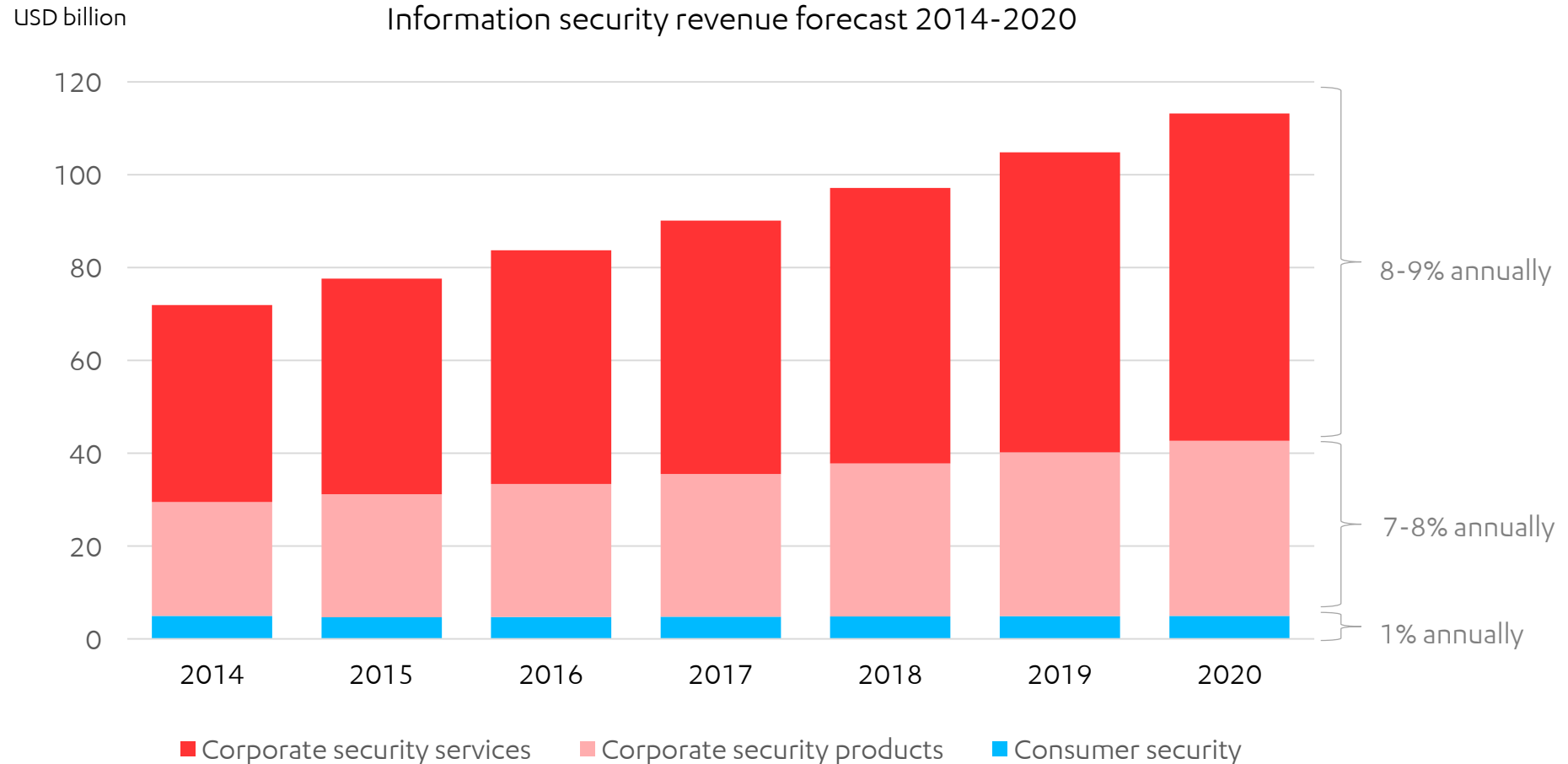
**HIGHTENED RISK
AWARENESS**

SEVERAL FACTORS DRIVE DEMAND



EU's General Data Protection Regulation (GDPR)
- increasing fines for poor security governance

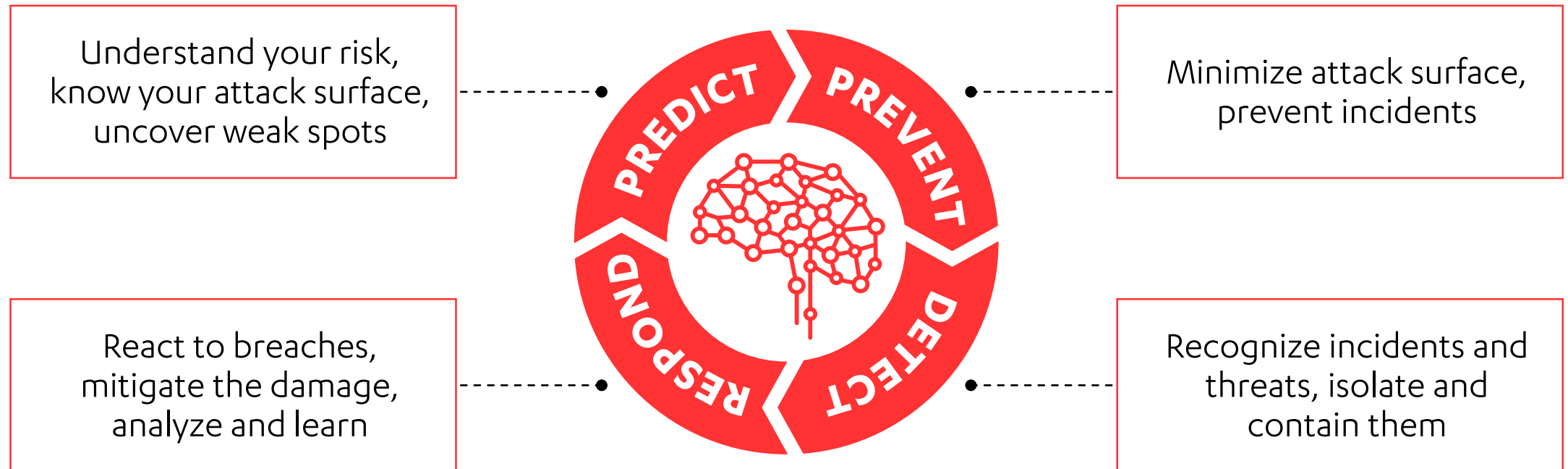
CORPORATE SECURITY CONTINUES TO DRIVE THE GROWTH



Source: Gartner, January 2017

F-SECURE'S STRATEGIC FOCUS

F-SECURE'S APPROACH TO CYBER SECURITY














OUR CORPORATE SECURITY OFFERING

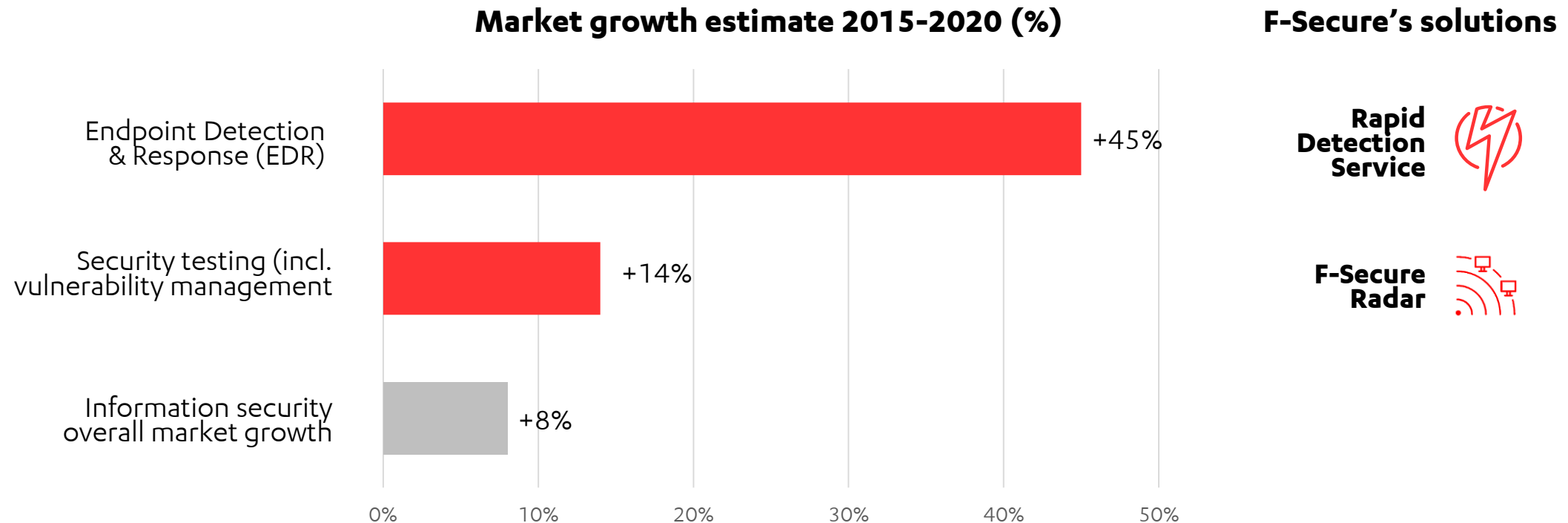


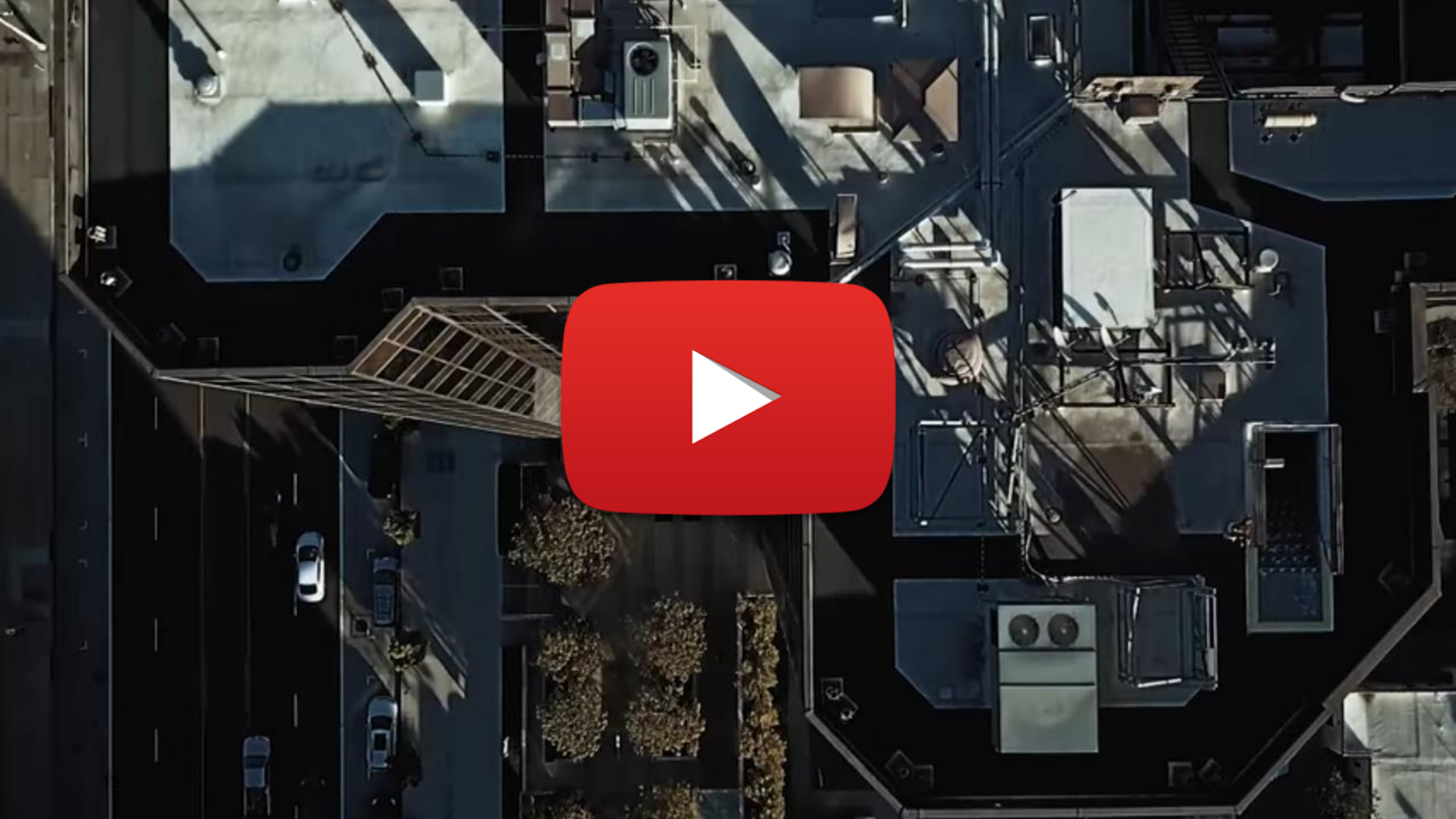
**PARTNERING WITH
4,000+ RESELLERS AND
SERVICES PROVIDERS**

FOCUSING ON THE MID-MARKET IN CORPORATE SECURITY

	Small businesses	Mid-sized businesses & Local enterprises	Global enterprises
Protection Service for Business & Business Suite 			
Rapid Detection Service 		 NEW!	
F-Secure Radar 		 NEW!	
Cyber security services 			

NEW CORPORATE PRODUCTS ARE TARGETING RAPIDLY GROWING SEGMENTS





MERGING MAN & MACHINE

CYBER SECURITY
EXPERTS



Our world-renowned labs research team, security consultants and ethical hackers constantly feed new lessons, insights and tactics from their frontline experiences into our solutions



Our **Live Security**-approach combines the latest human expertise with scalable, automated software to rapidly and continuously improve the security of our customers.

SECURITY
TECHNOLOGY



Our tens-of-millions of security solutions out in the field detect and block known and unknown threats. They feed real-time threat information back to our Security Cloud, to ensure it is immediately available to all our products and services

COMBINING PRODUCTS & SERVICES IS A SIGNIFICANT COMPETITIVE ADVANTAGE



We are the only cyber security company ever to have won the **Best Protection Award** by AV-TEST five times.

IN CONSUMER SECURITY INCREASED BUNDLING WITH OPERATOR PARTNERS



TOTAL SECURITY AND PRIVACY



F-SECURE SAFE

+



F-SECURE FREEDOME

200+ OPERATOR PARTNERS



*Bundling enables cross-selling to leverage the power of portfolio,
and increase average revenue per customer.*

F-SECURE SENSE PROTECTING YOUR CONNECTED HOME



**PROTECT YOUR
CONNECTED HOME**



**EASY TO CONTROL
AND MONITOR**



**PRIVACY FOR YOUR
CONNECTED HOME**



**PROTECTION
ON THE GO**



F-SECURE'S BUSINESS PERFORMANCE

IMPORTANT NUMBERS FROM 2016

Total revenue growth

+7%

Corporate security revenue growth

+20%

Consumer security revenue growth

+0%

EBIT as % of revenue

12%

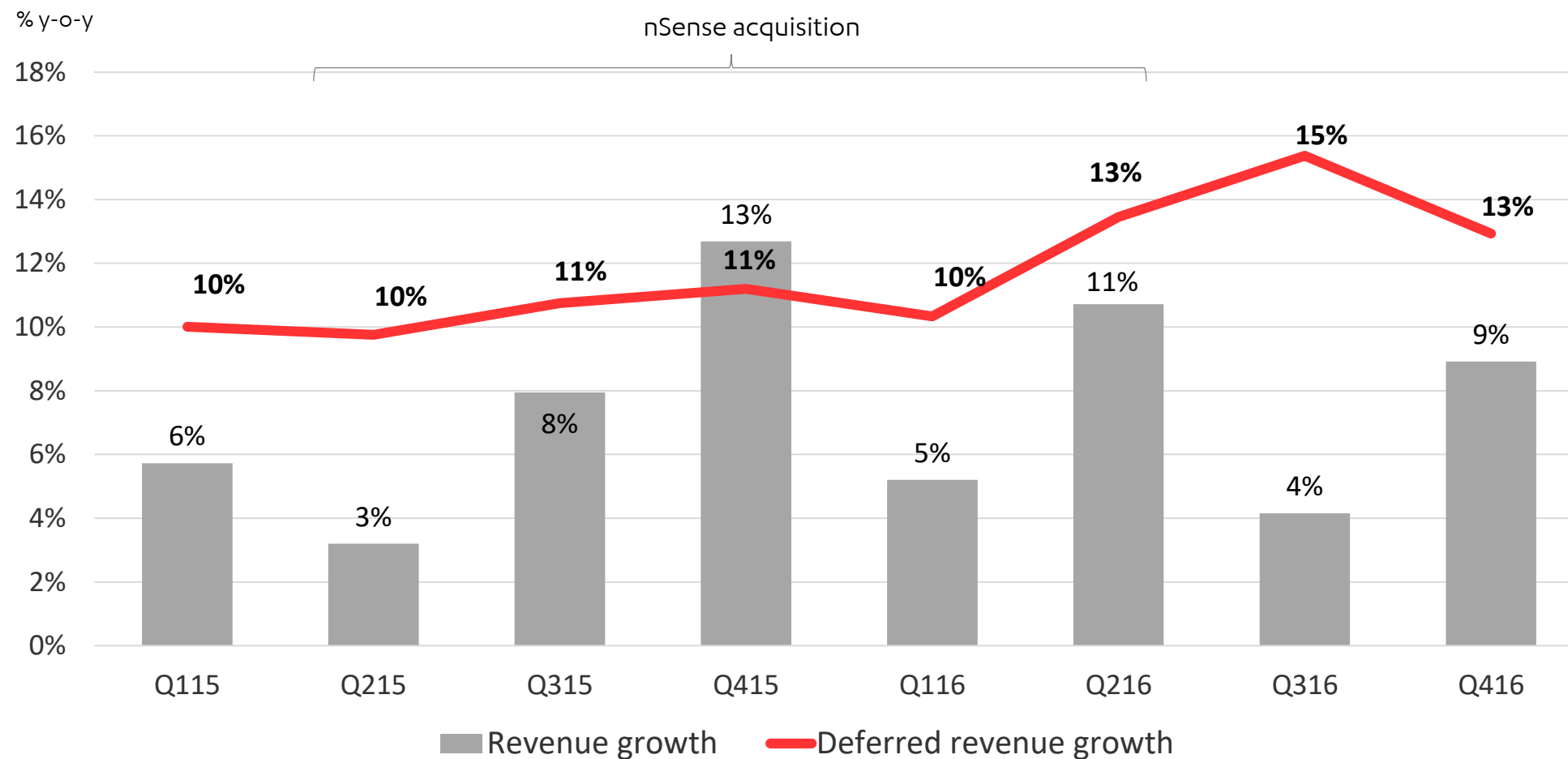
Number of active corporate resellers

+13%

Net addition in staff

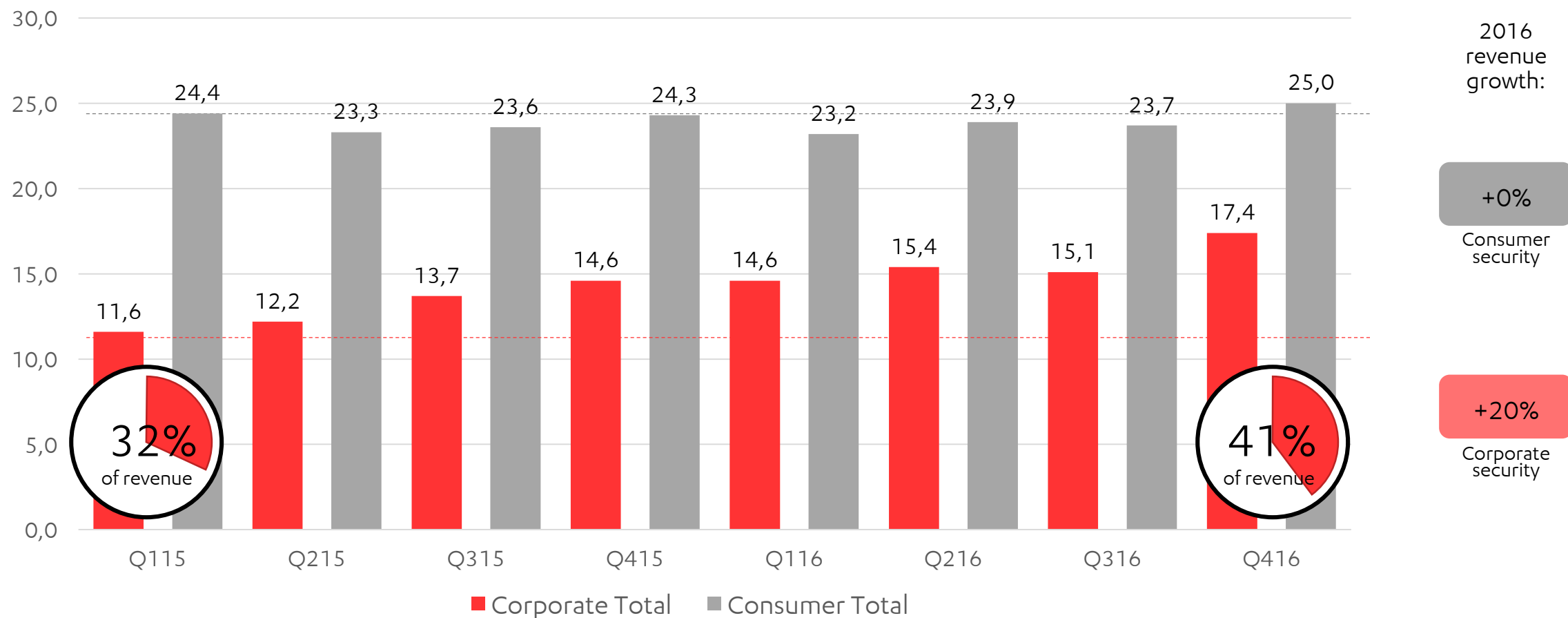
+100

SALES GROWTH EXCEEDS REVENUE GROWTH



CORPORATE SECURITY DRIVES GROWTH

EUR million



STRONG GROWTH IN CORPORATE SECURITY

**Revenue from corporate security increased
by 20% to EUR 62.5 million**

- The number of active resellers increased by 13% to over 4,000
- Endpoint protection in double-digit growth
- Expanded offering with RDS and F-Secure Radar; already showing strong demand
- Consultancy sales continued to be in very strong double digit growth, even exceeding expectations
- Europe remains in focus, but nearly a third of the growth came from North America and Asia-Pacific
- Announced Cloud Protection for Salesforce

IT RESELLERS

Protection
Service for
Business &

Business
Suite

ENDPOINT
PROTECTION

F-Secure
Radar

VULNERABILITY
MANAGEMENT

Rapid
Detection
Service

ENDPOINT DETECTION
& RESPONSE

Cyber
Security
Services

100,000 corporate customers

2016

STEADY DEVELOPMENT IN CONSUMER SECURITY

**Revenue from consumer security was
EUR 95.8 million, at previous year's level**

- Majority of consumer security revenues from SAFE through the operator channel
- Increasingly promoting Freedom and F-Secure SAFE as a bundled offering – better security, increased revenue per user
- Focus on improving operational excellence with partners, achieving promising results in end-user take-up rates
- Regionally best performance in North and South America, Europe stable

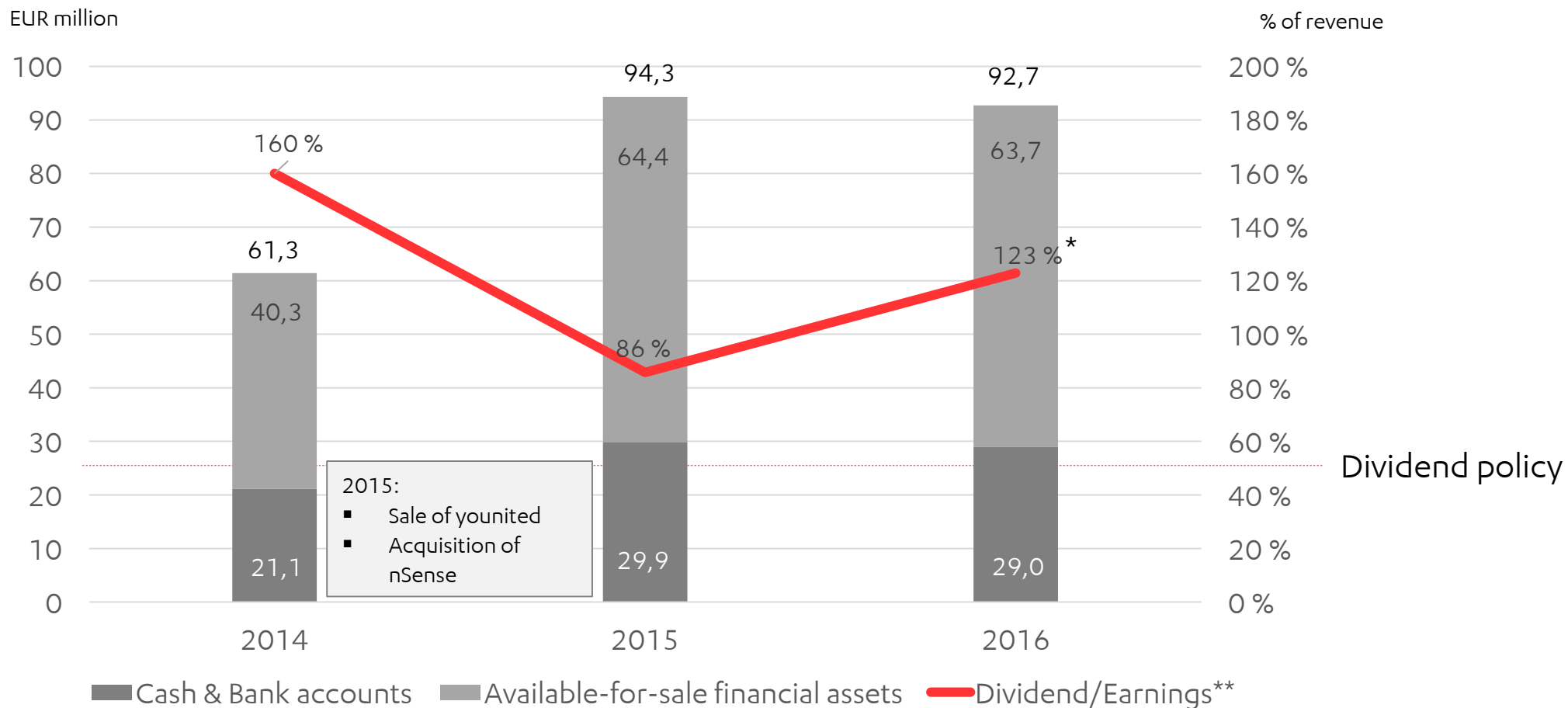
OPERATORS

**DIRECT
SALES**

Total security and privacy

Tens of millions of customers

SOLID CASH FLOW & STABLE DIVIDENDS



* Proposed dividend

** Including continuing and discontinued operations

THE OPPORTUNITY IS THERE WE WILL INVEST MORE TO ACCELERATE GROWTH

2016

Our model works

- ✓ Very competitive portfolio
- ✓ Fast growing channel
- ✓ Security capabilities best-in-class



2017

Seize the opportunity

- ✓ Boost product development
- ✓ More cross-selling
- ✓ Expand channel
- ✓ Recruit best people



OUTLOOK 2017

Encouraged by the results from our growth investments in corporate security in 2016, we have decided to make a meaningful additional investment in both product development and go to market in 2017

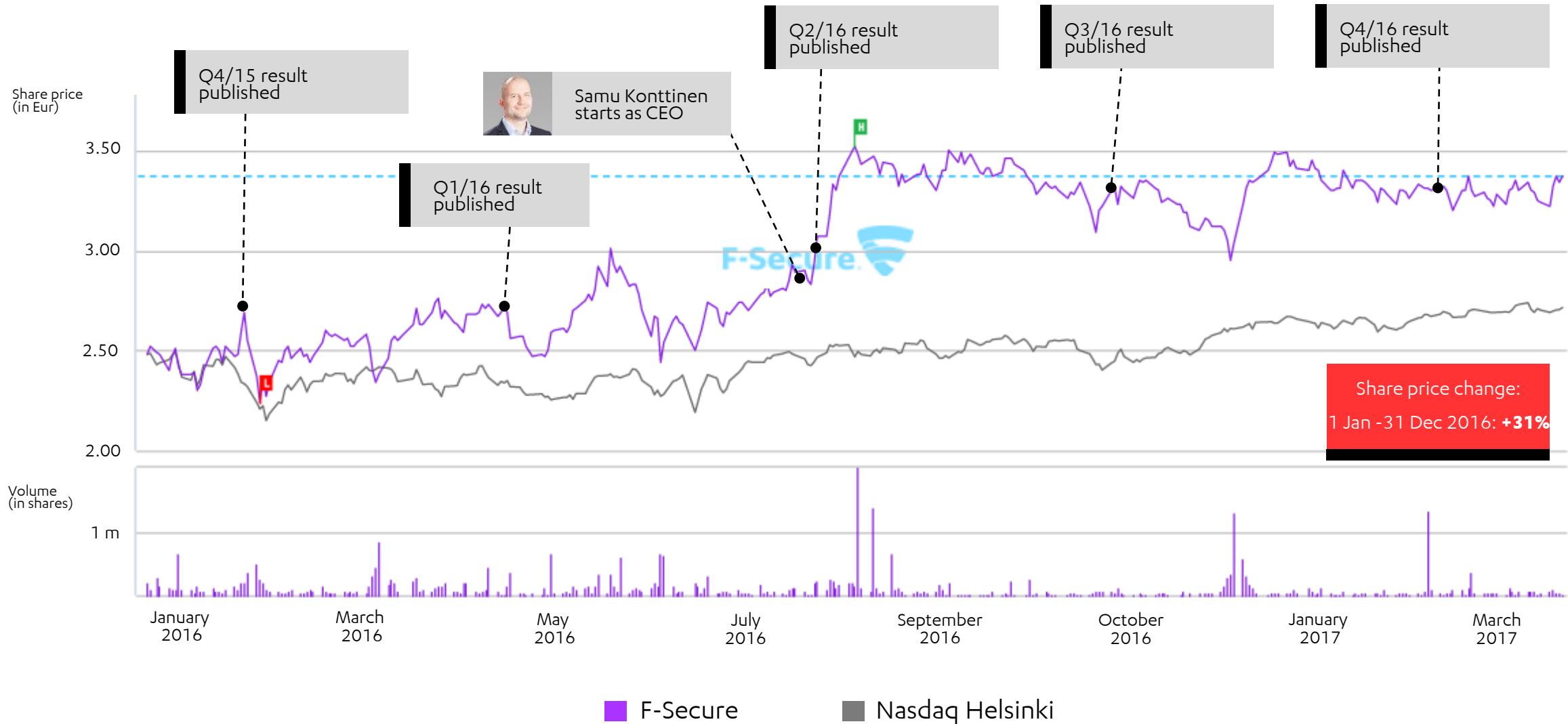
- Revenue is anticipated to grow from the previous year's level (2016: EUR 158.3 million)
- Operating profit is anticipated to be EUR 8-12 million (2016: EUR 19.2 million, 12% of revenue); profitability in the first quarter of 2017 is foreseen to be lowest during the year following typical seasonality, and clearly better towards the year-end

OUTLOOK

STRATEGY PERIOD 2017-2020

Driven by the anticipated revenue growth and scalability of the high gross margin product based business model, profitability is expected to improve clearly above the level achieved last year (2016: 12% of revenue) towards the end of the 2017-2020 strategy period.

F-SECURE SHARE PRICE 1.1.2016-



QUESTIONS?

F-SECURE CORPORATION **AUDIT 2016**

Annual General Meeting

April 5th 2017

KEY AUDIT MATTERS OF F-SECURE CORPORATION 2016 AUDIT

- Revenue recognition
- Creditability of foreign withholding taxes paid related to software products sold in foreign countries in parent company's taxation

OPINIONS IN THE AUDITOR'S REPORT

In our opinion,

- the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Helsinki February 15th 2017

PricewaterhouseCoopers Oy, Authorised Public Accountants

Janne Rajalahti, Authorised Public Accountant

Thank You

7. Adoption of the annual accounts

8. Resolution on the use of the profit shown on the balance sheet and the payment of dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.06 and an extra dividend of EUR 0.06 per share be paid based on the adopted balance sheet for the financial year 2016. The total amount of dividends would be approximately EUR 18.8 million.

9. Resolution on the discharge of the members of the Board of Directors and the CEO from liability

10. Resolution on the remuneration of the members of the Board of Directors

The Board of Directors' Executive Committee proposes to the Annual General Meeting that annual remuneration of the Board members would be as follows:

- Chairman **55 000 eur**
- Chairman of committees **40 000 eur**
- Other members **30 000 euroa**
- Member employed by the Company **10 000 eur**

Approximately 40% of the annual remuneration would be paid as company shares

11. Resolution on the number of members of the Board of Directors

The Executive Committee proposes to the Annual General Meeting that the Board of Directors would consist of **seven (7) members**.

12. Election of members of the Board of Directors

The Executive Committee proposes that **Risto Siilasmaa, Pertti Ervi, Matti Heikkonen** and **Bruce Oreck** would be re-elected.

The Executive Committee further proposes that **Päivi Rekonen, Sofie Nystrom** and **Ari Inki, a candidate elected from F-Secure Corporation's personnel**, would be elected as new members to the Board of Directors.

13. Resolution on the remuneration of the Auditor

The company's Audit Committee proposes that Auditors' fee would be paid against approved invoice.

14. Election of Auditor

The company's Audit Committee proposes to the Annual General Meeting that Pricewaterhouse Coopers Oy, authorized public accountants, be elected as the company's Auditor.

15. Authorizing the Board of Directors to decide on the repurchase of the company's own shares

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to decide on the repurchase of a maximum of **10,000,000** own shares of the company.

The repurchased shares will be used for making acquisitions or implementing other arrangements related to the company's business, for improving the company's financial structure, for use as part of the company's incentive scheme or otherwise for further assigning or cancelling the shares.

16. Authorizing the Board of Directors to decide on the issuance of shares and other special rights entitling to shares

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to decide on the issuance of a maximum of **31,000,000** shares, representing **19.5** per cent of the company's shares entered in the Trade Register.

The authorization can be used for implementing potential acquisitions, other arrangements or equity-based incentive plans or for other purposes decided by the Board of Directors.

17. Closing of the meeting

**AT YOUR SIDE,
WATCHING YOUR BACK.**