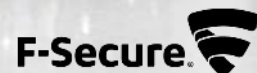


F-Secure Corporation
Interim Report Q4/2015

HIGH DEMAND FOR CYBER SECURITY SERVICES, CORPORATE SECURITY GROWTH CONTINUES

Christian Fredrikson, CEO
5 February 2015



AGENDA

- Highlights from Q4 and FY2015
- Market review
- Business updates
- Outlook
- Financials



WE'VE CHANGED THE WAY WE REPORT OUR REVENUE SPLIT

**CONSUMER
SECURITY**

**CORPORATE
SECURITY**

OPERATORS

DIRECT SALES

RESELLERS

**CYBER SECURITY
SERVICES**

Old way

Operators 49%

Other channels (Direct-to-consumer and Corporate security) 51%

New way

Consumer security 61%

Corporate security 39%

FINANCIAL HIGHLIGHTS

October-December

- Revenues 38.9M (+13%)
- Consumer revenue 23.9M (+3.5%)
- Corporate revenue 15.0M (+31%), organic and acquired
- EBIT (non-IFRS) 5.9M, 15% of revenues (6.2 M, 18%)

Full year 2015

- Revenues 147.6M (+7%)
- Consumer revenue 93.8M (+2%)
- Corporate revenue 53.8M (+18%), organic and acquired
- EBIT (non-IFRS) 22.3M, 15% of revenues (23.3 M, 17%)

All figures for continuing operations,
All figures in Euros



OTHER HIGHLIGHTS

Strategy

- F-Secure amended its strategy and confirmed becoming the leading European cyber security company as its key target

Plan for dividend proposal

- The Board plans to propose to the Annual General Meeting the distribution of a EUR 0.06 dividend and a EUR 0.06 extra dividend per share for 2015

Taxation

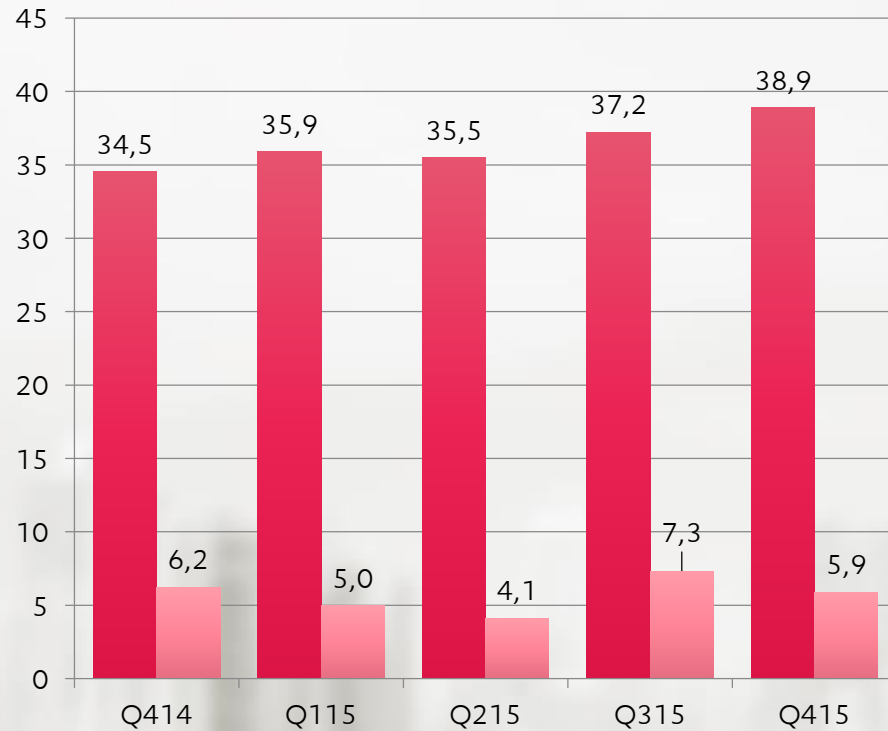
- F-Secure has received debit decisions relating to foreign tax credits on withholding taxes from 2009-2011 amounting to EUR 3.0 million added with late payment interest of EUR 0.9 million; F-Secure will appeal the decisions with the Tax Administration's Board of Adjustment



KEY FIGURES

Revenues

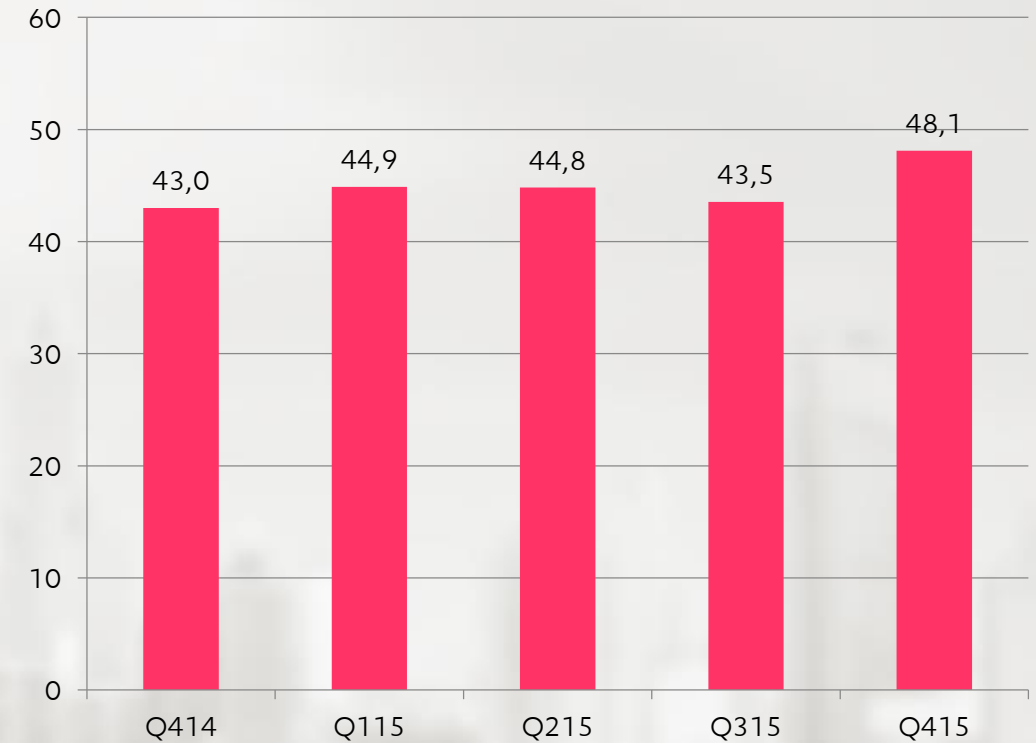
Eur million



■ Revenues ■ EBIT (non-IFRS)

Deferred revenues

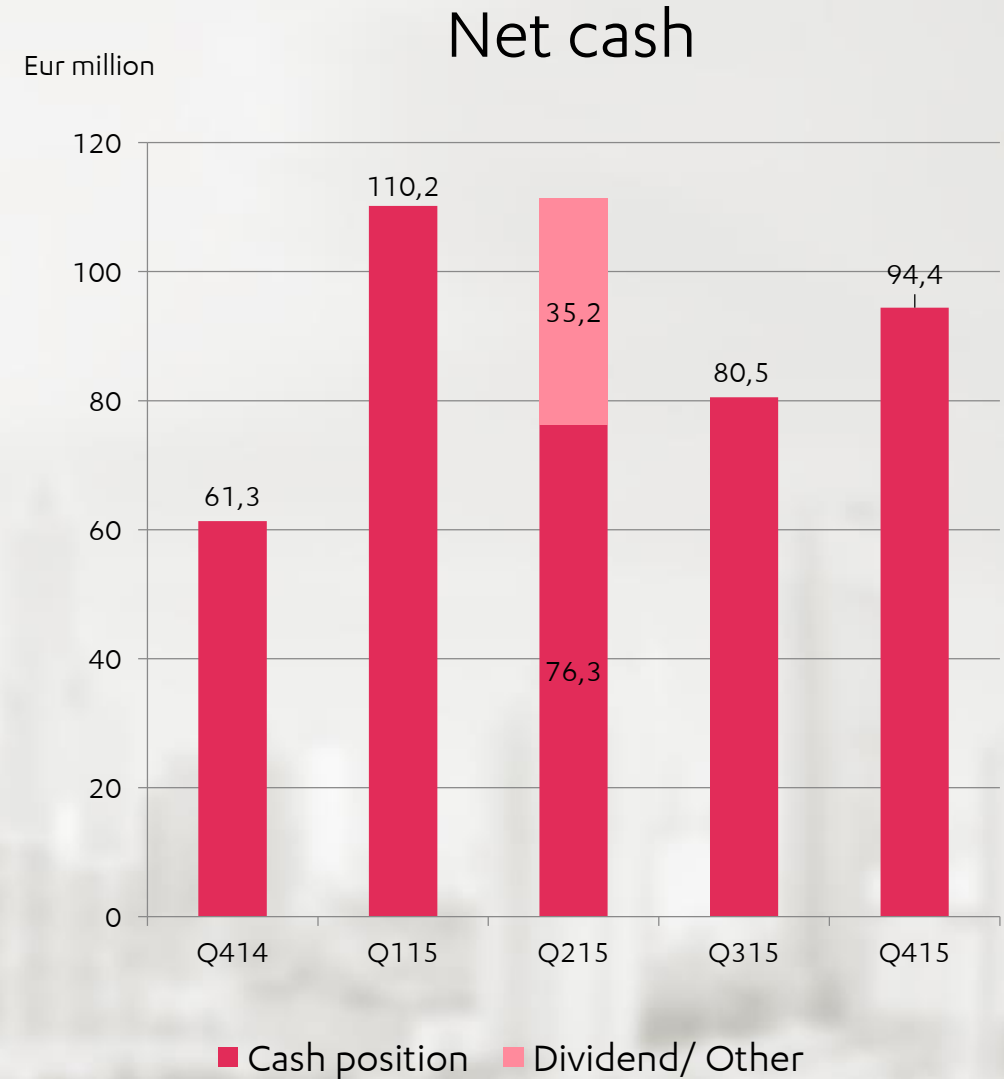
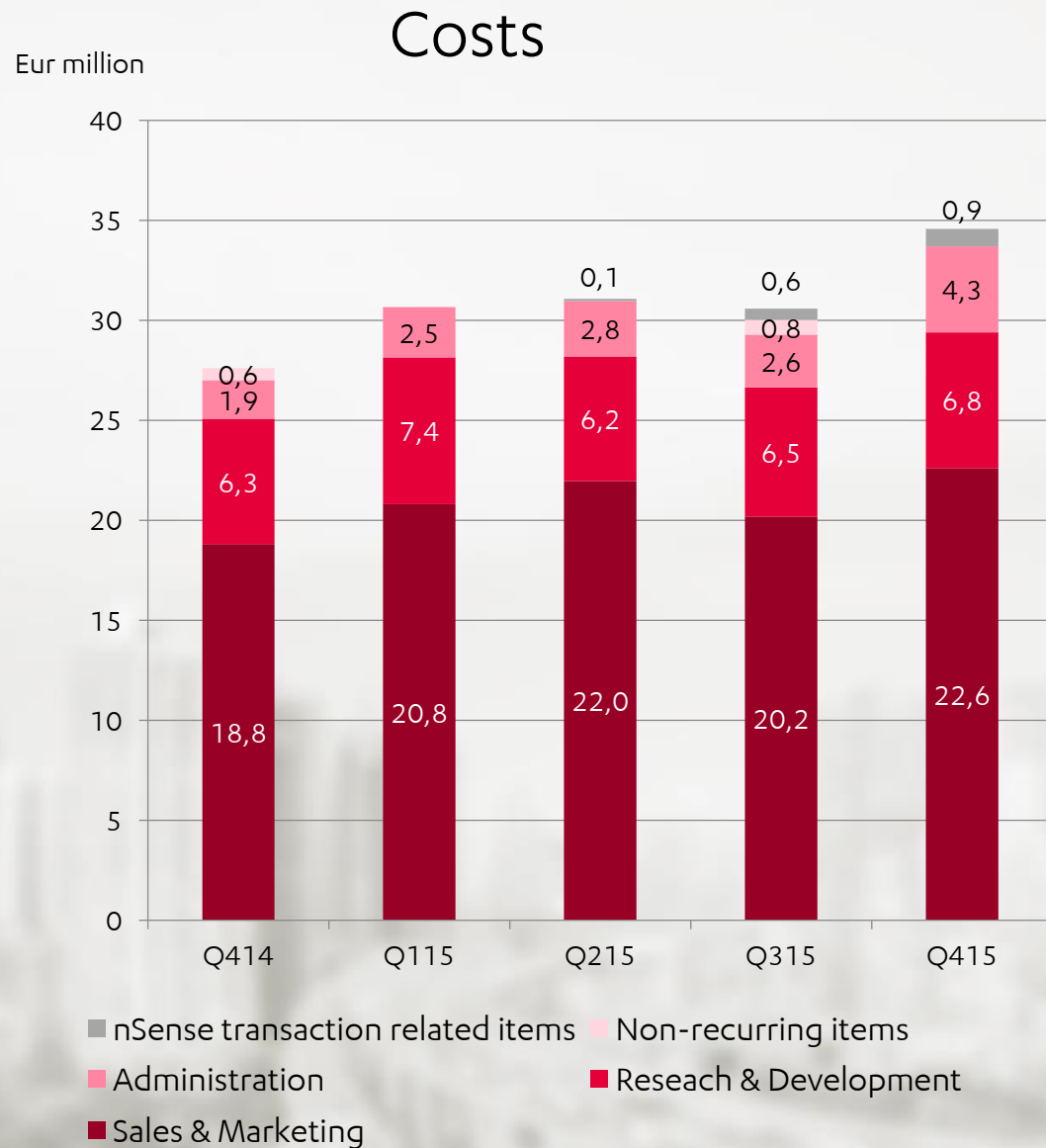
Eur million



■ Deferred revenue

EBIT (non-IFRS) calculated for continuing operations excluding costs associated with the deferred payment and earn-out of the nSense acquisition and non-recurring items

KEY FIGURES



ADVANCED ATTACKS ARE DRIVING THE SECURITY TECHNOLOGY

Top breaches in 2015

Anthem (80 million people affected)
Ashley Madison (37m)
**Office of Personnel
Management** (25m)
Experian/T-Mobile (15m)
Premiera (11m)
LastPass (7m)
CareFirst (1,1m)
The hacking team (1m)
Slack (0,5m)

Source: Forbes

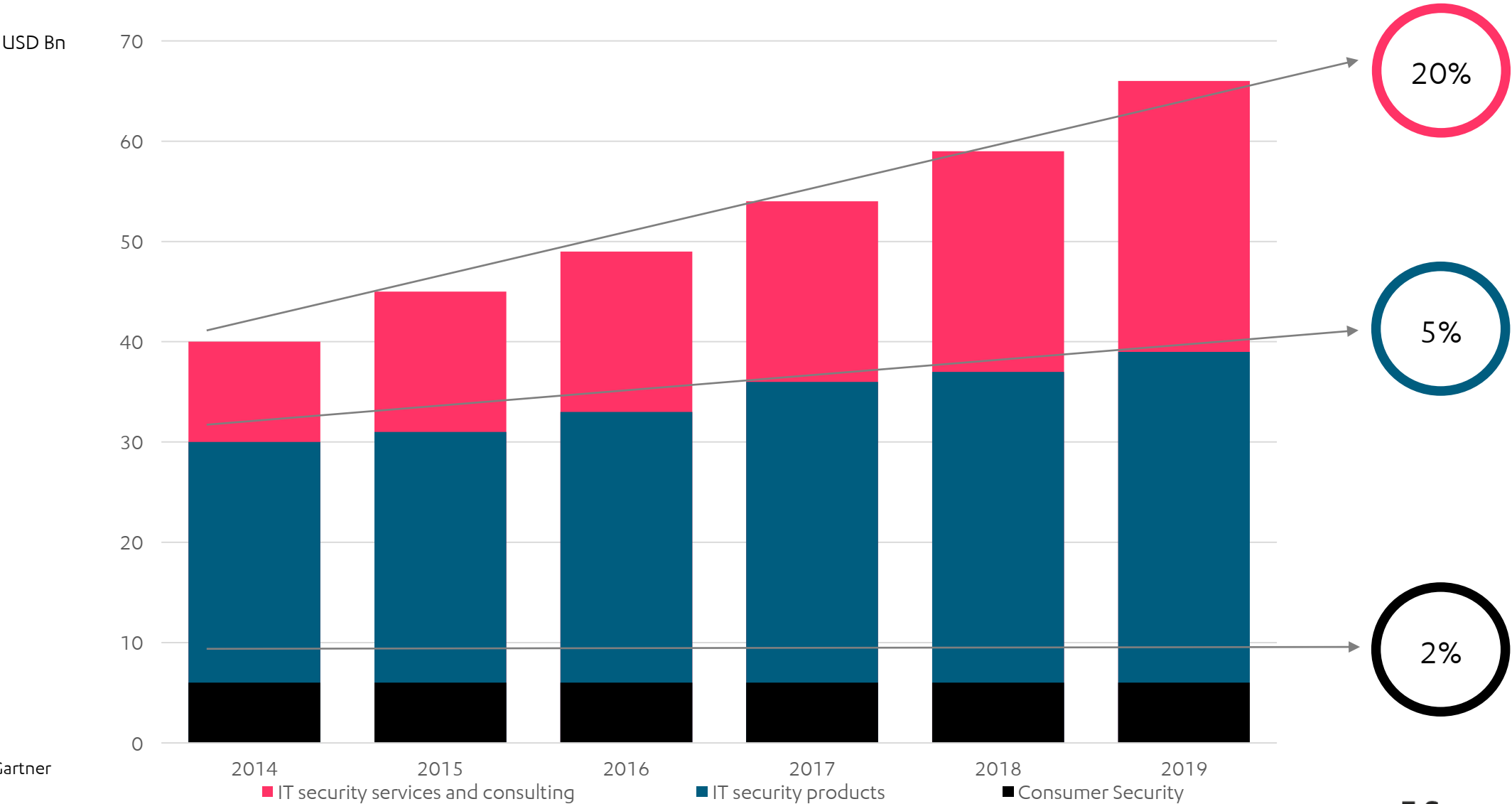


THE AMOUNT OF CONNECTED DEVICES IS EXPECTED TO EXPLODE

	2015	2020	2030
Number of connected devices	13B	33B	?
Number of smartphones	2,6B	6B	?
Number of PCs	2B	2B	?

Source: Juniper research, IDC research, Gartner

SECURITY SERVICES AND CONSULTING ARE DRIVING THE FUTURE GROWTH



WE AIM TO BECOME THE LEADING EUROPEAN CYBER SECURITY COMPANY

**“We are recruiting
over a hundred
new employees
this year.”**



Maximize the commercial impact of F-Secure’s technical expertise and multiple sales channels

Overall corporate security focus in selected European markets and Japan

Cyber Security Services focus in Northern Europe and selected verticals

Consumer security aims for profitable growth

CORPORATE SECURITY IN Q4

GOOD QUARTER FOR THE RESELLER BUSINESS

- Germany, Japan and North America developed particularly well
- Customer and seller satisfaction (NPS) exceed or at par with levels of best competitors
- All-time-high revenue in Q4

DEMAND FOR CYBER SECURITY SERVICES HIGH

- Strong growth both year-on-year (pro forma) and quarter-on-quarter
- Last quarter is typically seasonally the strongest
- Sales of Karhu, vulnerability management tool, progressing well

INVESTING IN GROWTH CONTINUES

- Recruiting sales people, developers and cyber security consultants
- Investments in sales in focus countries continued
- Advanced Threat Protection product in development (see next slide)

ADVANCED THREAT PROTECTION A SOLUTION UNDER DEVELOPMENT

ATTACK SURFACE ASSESSMENT

- Threat level assessment
- Attack surface mapping

SERVICES

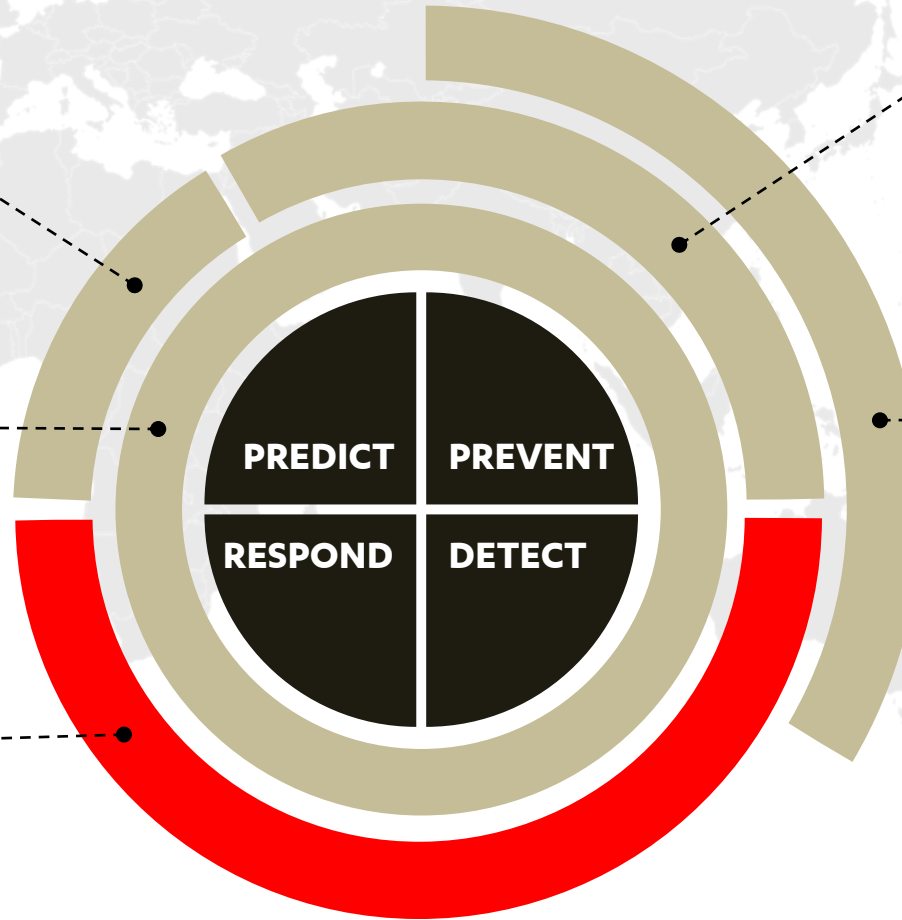
- Professional services
- Consulting & coaching
- For all areas of the security strategy

ADVANCED THREAT PROTECTION

[Expected in H1 / 2016]

Incident detection & response service platform

- Security monitoring & alerting
- Incident response



VULNERABILITY & PATCH MGMT

Karhu

- Vulnerability scanning
 - Vulnerability management
- Software Updater
- Automatic patch management

END-POINT & NETWORK SECURITY SUITES

Protection Service for Business

- Device & server security
- Mobile security
- Central management
- As a service

Business Suite

- Device & server security
- Virtual Security
- Central management
- On-premise

CONSUMER SECURITY IN Q4

DIRECT-TO-CONSUMER DELIVERED GROWTH

- Direct-to-consumer continues to deliver growth driven by SAFE
- Operator revenue flat, SAFE roll-out continues with several operators
- New products (Freedom) increase share of revenue

NEW SIGNIFICANT PARTNERSHIPS SIGNED

- Global device manufacturers ACER and TCL/Alcatel to preinstall Freedom in 2016
- New retailer deals signed in Nordics (Expert, Mediamarkt)

INVESTING IN NEW PRODUCTS

- **F-Secure Sense** announced in November at Slush
- First deliveries expected in the summer



At home, traffic is routed through F-Secure SENSE...



Own or operator provided router



Ethernet or Wi-Fi connection



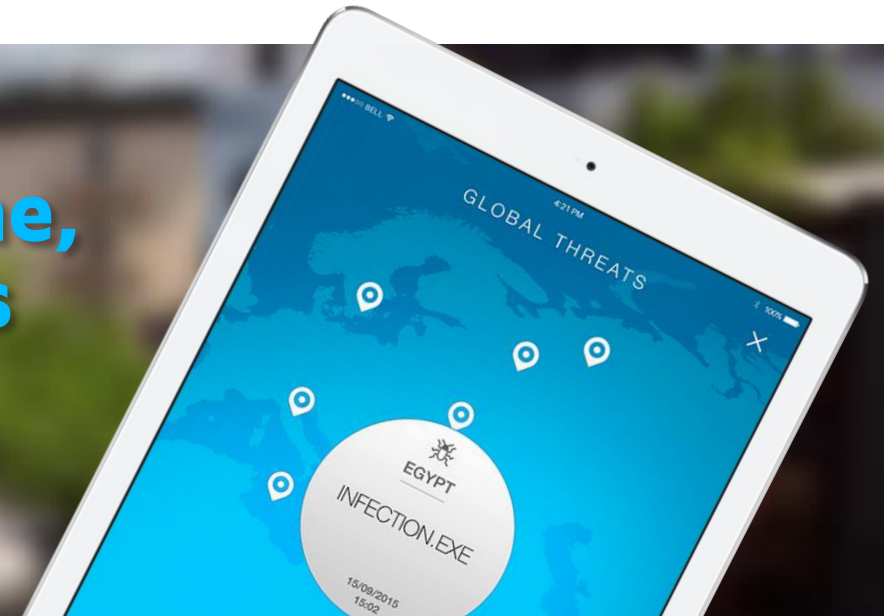
F-Secure
SENSE



Ethernet or Wi-Fi connection



... and outside the home,
the Sense app provides
security and privacy



OUTLOOK FOR 2016

- F-Secure anticipates its overall security revenues to grow in 2016 compared to the year before (2015: EUR 148 million).
- EBIT for continuing operations is estimated to be EUR 17-21 million (2015: EUR 20 million).

FURTHER DESCRIPTIONS

In 2015 F-Secure gave its profitability guidance as EBIT (non-IFRS), in which the cost impact of the deferred payment and earn-out elements of the nSense acquisition were excluded. In 2016, the EBIT guidance includes an estimated EUR 3 million cost impact from these elements, hence the guided figure is not directly comparable to that given in 2015.

Revenue growth is expected to continue especially in the Company's cyber security services, corporate security products (in particular Protection Service for Business) sold through the reseller channel, and direct-to-consumer sales of F-Secure's multi-device security offering SAFE and the privacy product Freedome. Sales of consumer security through the operator channel are expected to remain largely flat. The revenue outlook is based on the sales pipeline at the time of this outlook, existing subscriptions and contracts, as well as current exchange rates.

F-Secure is actively investing in the development and commercialization of several new products. The cost of development as well as expenses relating to commercial launches are likely to have an impact on the Company's overall profitability in the short to medium term while the revenues from the new products, including Sense for the protection of smart homes and an advanced threat protection solution for enterprises, are difficult to estimate and may remain low. This cost impact has been taken into account in the Company's profitability guidance and is in line with the Company's principle to prioritize growth over short-term profitability.

FINANCIALS

Q4 / 2015





As of the beginning of 2015 the personal cloud storage business (younited), which was sold to Synchronoss Technologies in February, is reported as discontinued operations. Consequently, comparison figures related to the statement of income have been restated. Comparison figures in the text refer to continuing operations only and the corresponding period of the previous year, unless otherwise stated.

As of 2 June 2015 the acquired cyber security services business (nSense) has been consolidated into the F-Secure Group accounts.

REVENUES

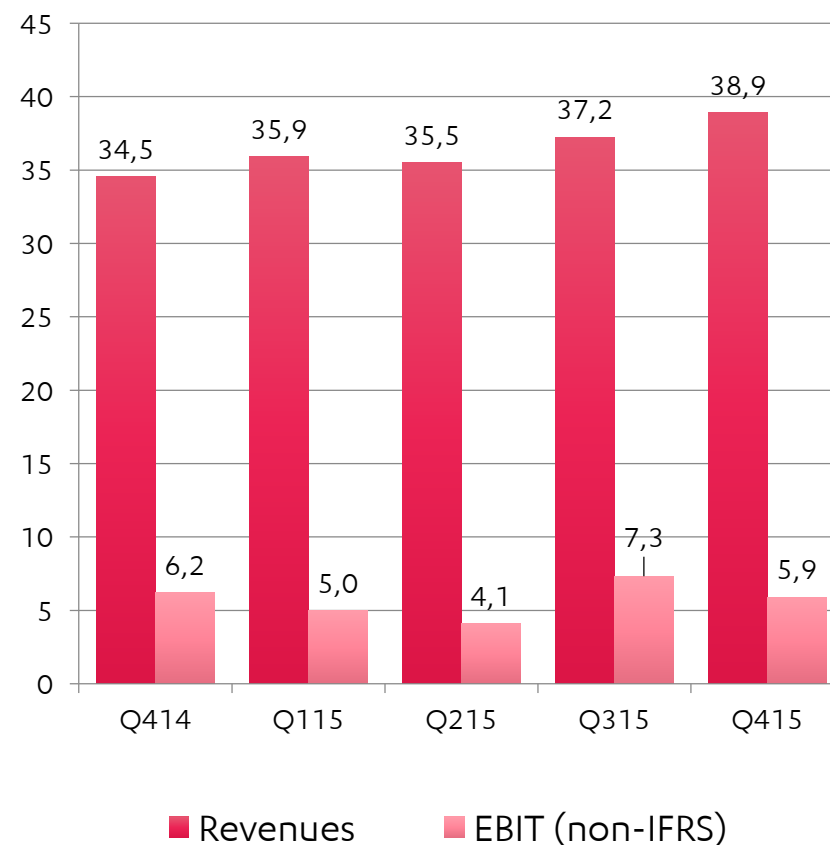
Q4 Revenues increased by 13% y-o-y

- Total quarterly revenues 38.9m (Q414: 34.5 m)
- Revenues from consumer security increased by 3.5% and were EUR 23.9 million (23.1 m)
- Revenues from corporate security increased by 31% totaling EUR 15.0 million (11.5 m)

2015 Full year revenues increased by 7% y-o-y

- Total annual revenues 147.6m (137.4 m)
- Revenues from consumer security increased by 2% and were EUR 93.8 million (91.9 m)
- Revenues from corporate security increased by 18% totaling EUR 53.8 million (45.5 m)

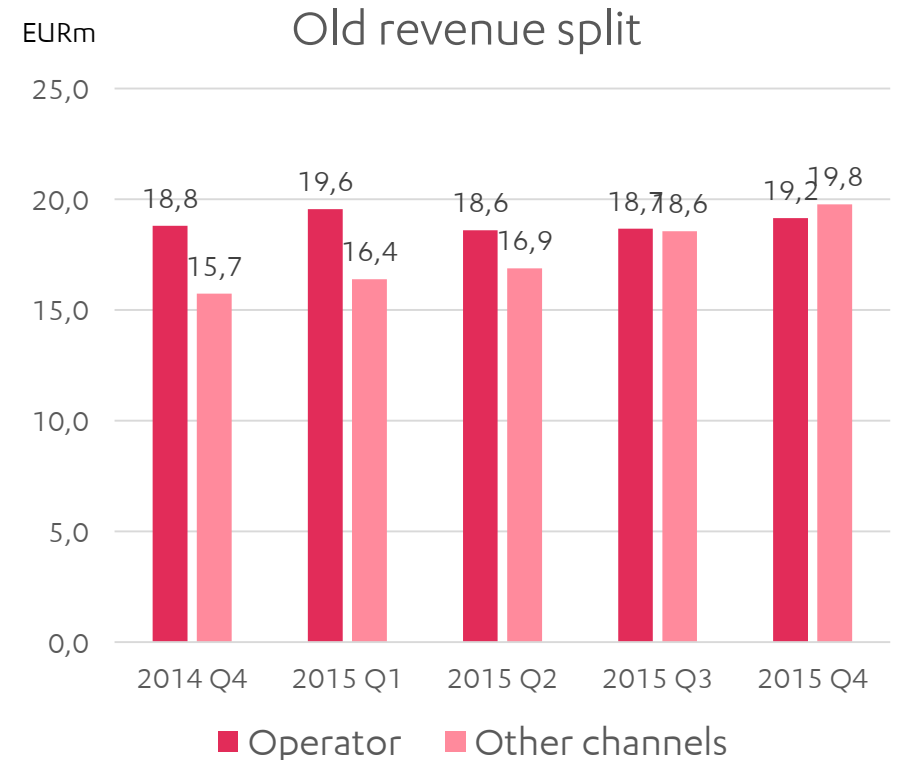
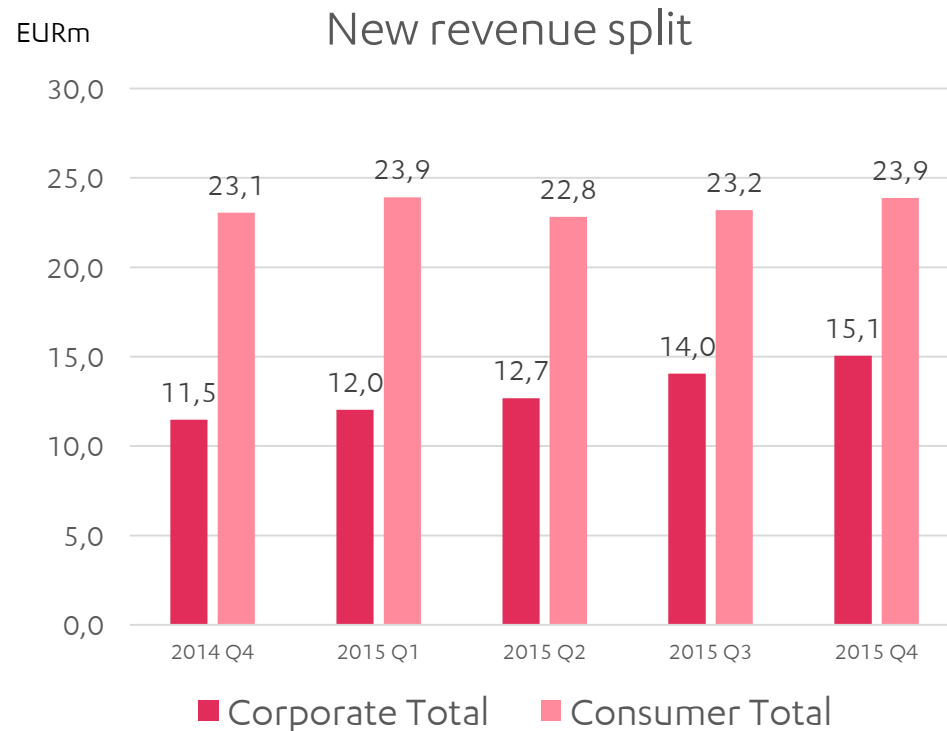
EURm



REVENUE SPLIT

F-Secure has decided to change its reporting on revenue. As of Q4 2015, the revenue split will be reported between consumer security revenue (including operator and direct-to-consumer businesses) and corporate security revenue (including corporate reseller and cyber security services business).

The previous split between operator and non-operator businesses is used in parallel with the new revenue reporting in this Q4 2015 interim report, but will be discontinued thereafter.



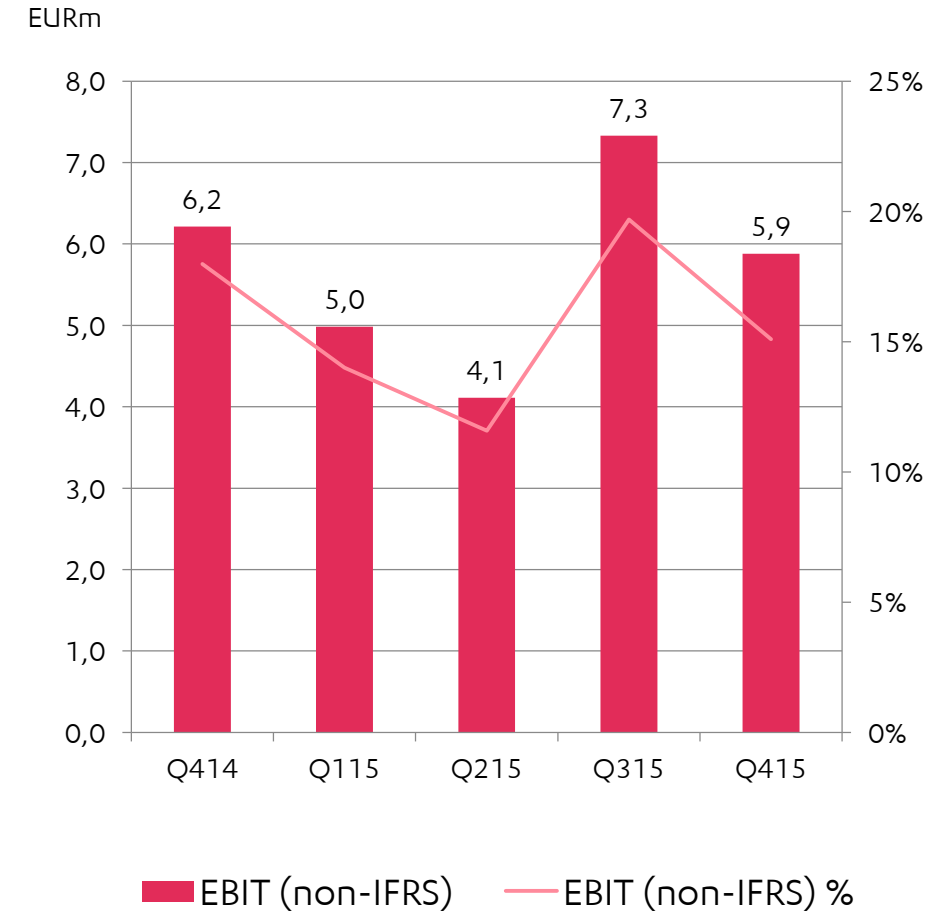
PROFITABILITY

Q4 Operating Profit

- EBIT (non-IFRS) 5.9m, 15% of revenues (Q414: 6.2m, 18%)
- EBIT (IFRS) 5.0m, 13% (Q414: 5.6m, 16%)
- Earnings per share for continuing operations EUR 0.00 (EUR 0.03)
- Earnings per share EUR 0.00 (EUR 0.03)

2015 Full year Operating Profit

- EBIT (non-IFRS) 22.3m, 15% of revenues (23.3m, 17%)
- EBIT (IFRS) 20.0m, 14% (22.3m, 16%)
- Earnings per share for continuing operations EUR 0.08 (EUR 0.12)
- Earnings per share EUR 0.14 (EUR 0.10)



COSTS

Q4 costs

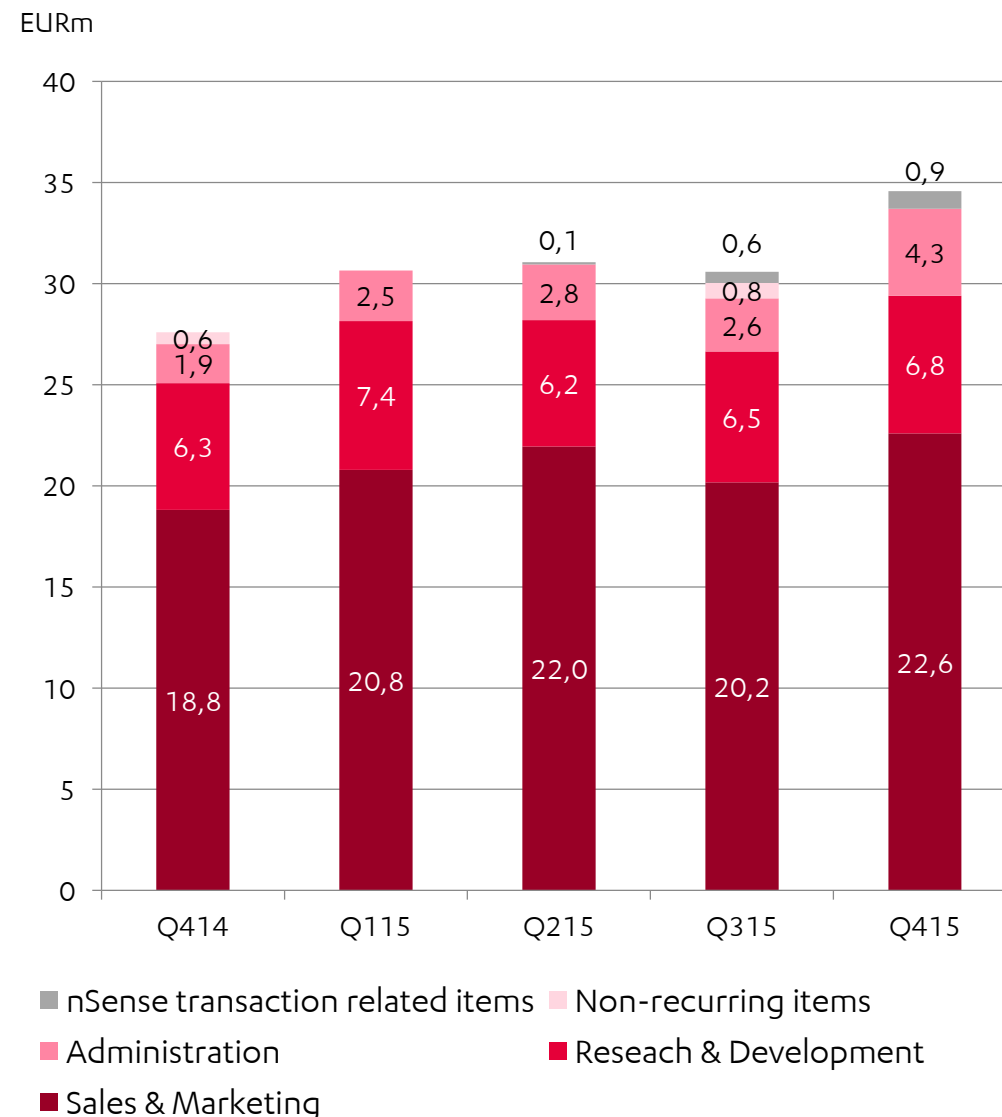
Costs 33.8m (Q414: 27.6m), +22% y-o-y

- The increase is mainly related to personnel related expenses, external services and costs incurred by the acquired nSense business
- Depreciations from past capitalized expenses decreased to 1.4m (Q414: 2.0m)
- Capitalized R&D expenses were 0.8m (Q414: 0.7m)

2015 Full year costs

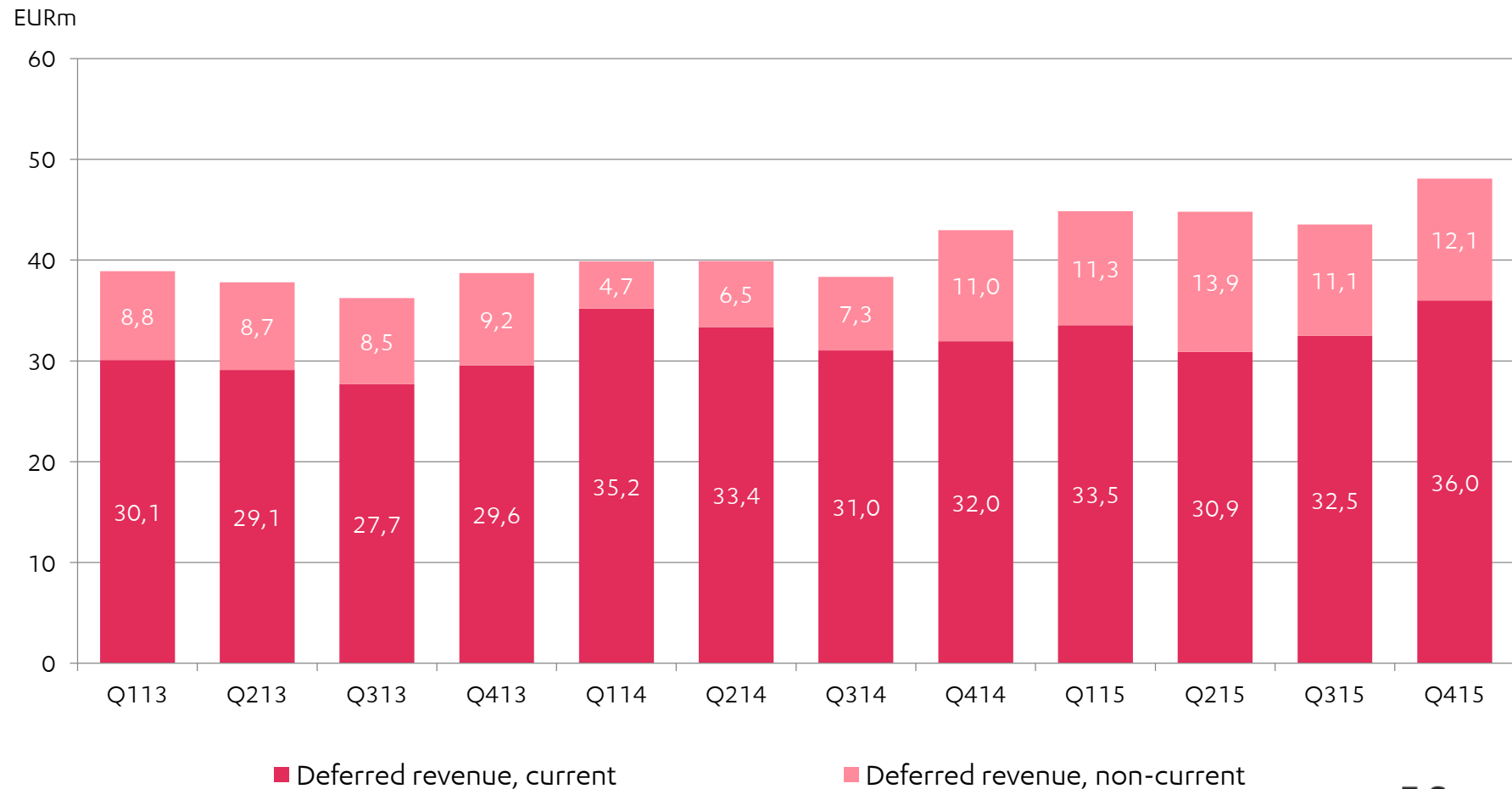
Costs 126.0m (109.7m), +15% y-o-y

- The increase is mainly related to personnel related expenses, external services, costs incurred by the acquired nSense business and investments in sales and marketing activities
- Depreciations from past capitalized expenses decreased to 5.9m (7.9m)
- Capitalized R&D expenses were 2.3m (2.3m)



DEFERRED REVENUES

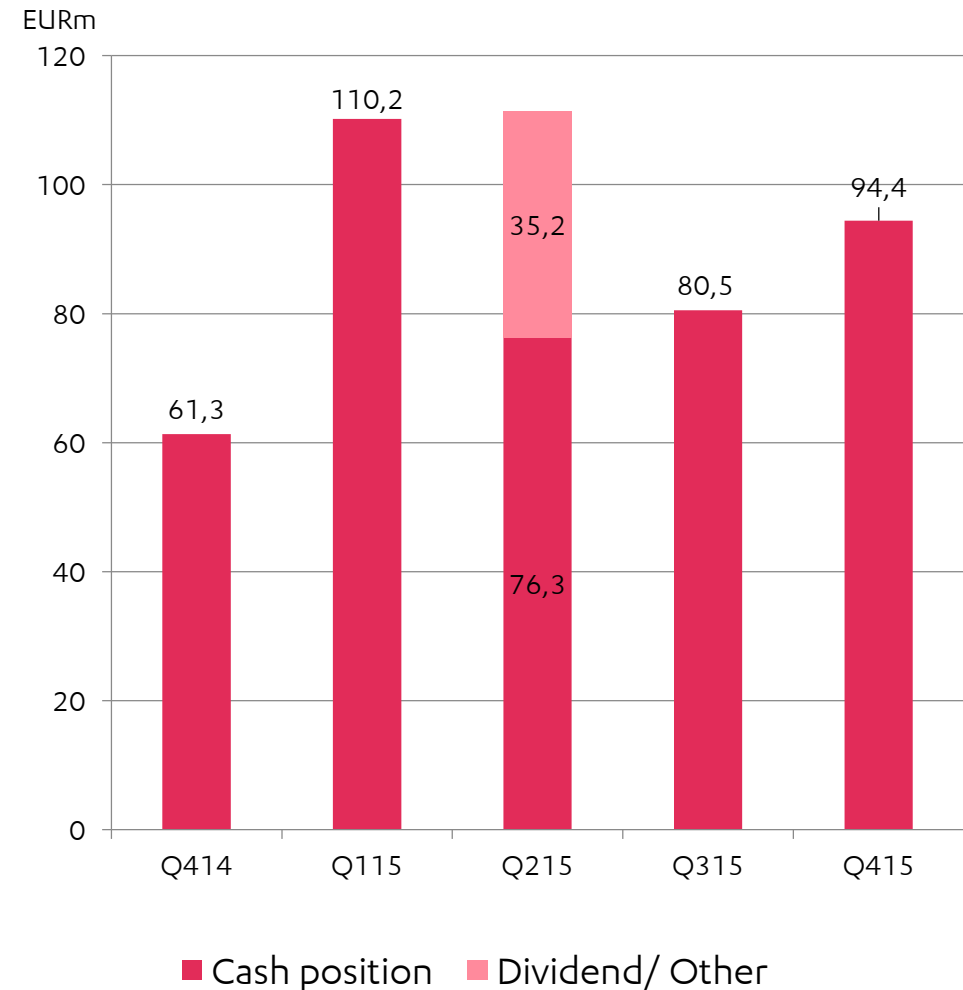
- Q4 Deferred revenues increased to 48.1m (43.0m)



SOLID CASH POSITION

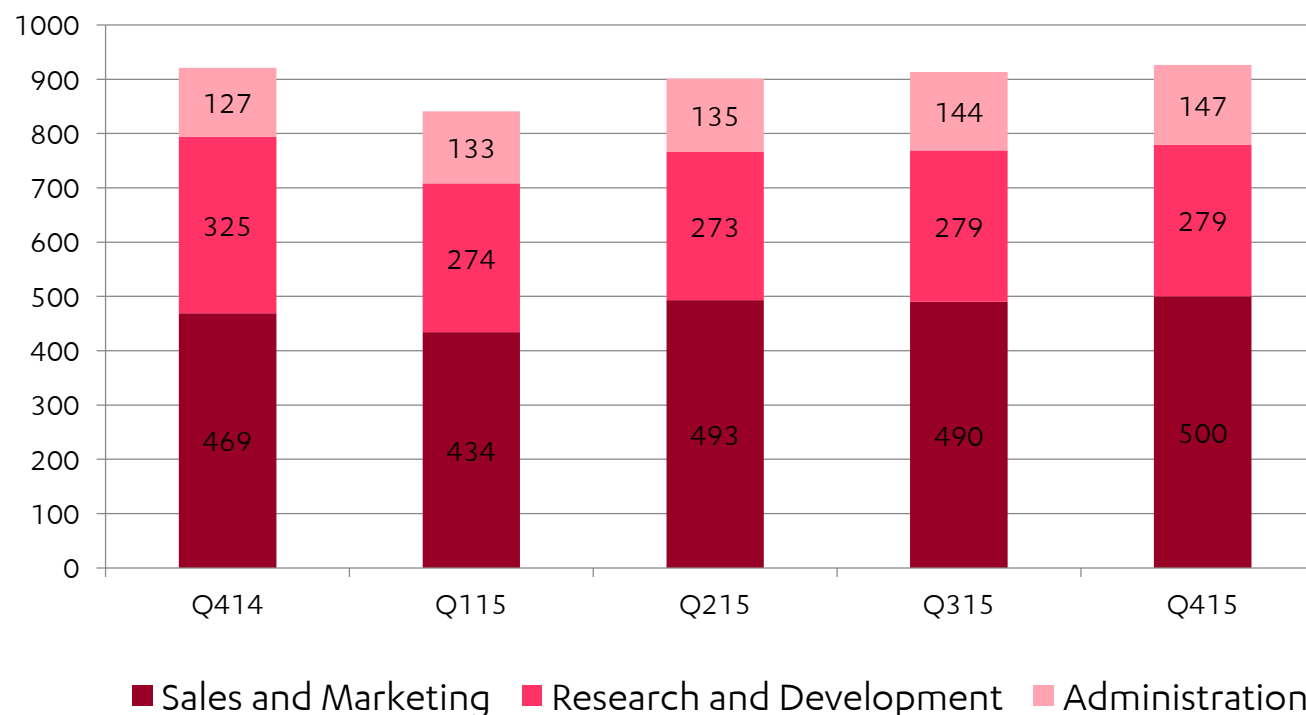
- Solid operational cash flow in Q4
 - Cash flow from operations 14.3m* (Q414: 11.6m)
- Market value of liquid assets on 31 December 94.3m (Q414 : 61.3m)

* Including discontinued business



NUMBER OF PERSONNEL

- Number of personnel 926 (Q414: 921) at the end of the quarter



REGIONAL REVENUE

% of revenue

