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
REVIEW BY THE CEO
HIGH LEVEL TRENDS IN SECURITY

EXPANDING ATTACK SURFACE

DISAPPEARING PERIMETERS

SOPHISTICATED ATTACKS

HIGHTENED RISK AWARENESS
SEVERAL FACTORS DRIVE DEMAND

Targeted attacks - almost anything seems possible

The cloud industry grows – vulnerable with simple encryption

Email continues to be a popular attack vector

Ransomware for the cloud era and IoT?

Emerging attacks for IoT

Governmental cyber strikes

EU’s General Data Protection Regulation (GDPR) - increasing fines for poor security governance
CORPORATE SECURITY CONTINUES TO DRIVE THE GROWTH

Information security revenue forecast 2014-2020

Source: Gartner, January 2017
F-SECURE’S STRATEGIC FOCUS
F-SECURE’S APPROACH TO CYBER SECURITY

Understand your risk, know your attack surface, uncover weak spots

React to breaches, mitigate the damage, analyze and learn

Minimize attack surface, prevent incidents

Recognize incidents and threats, isolate and contain them
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

F-Secure Radar

Cyber security services

NEW!
NEW CORPORATE PRODUCTS ARE TARGETING RAPIDLY GROWING SEGMENTS

Market growth estimate 2015-2020 (%)

- Endpoint Detection & Response (EDR): +45%
- Security testing (incl. vulnerability management): +14%
- Information security overall market growth: +8%

F-Secure’s solutions

F-Secure Radar

Rapid Detection Service
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.

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

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

Revenue growth vs. Deferred revenue growth
CORPORATE SECURITY DRIVES GROWTH

2016 revenue growth:

+20% Corporate

+0% Consumer

32% of revenue

41% of revenue
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
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 Freedome 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
SOLID CASH FLOW & STABLE DIVIDENDS

2015:
- Sale of younited
- Acquisition of nSense

Dividend policy

* 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
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
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.
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 Nystrøm 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.