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WHAT SSH IS ABOUT

1. Inventor of the SSH protocol – the backbone of Internet security
2. 3000+ demanding customers worldwide
3. 100+ patents
4. Industry-leading products
5. 20+ years of engineering excellence
Q2 FINANCIAL REPORT
Q2/17 KEY FINANCIALS

Key financials

<table>
<thead>
<tr>
<th></th>
<th>2Q16</th>
<th>3Q16</th>
<th>4Q16</th>
<th>1Q17</th>
<th>2Q17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (M€)</td>
<td>4,7</td>
<td>3,7</td>
<td>4,1</td>
<td>3,1</td>
<td>3,7</td>
</tr>
<tr>
<td>OPEX (M€)</td>
<td>5,8</td>
<td>5,5</td>
<td>7,8</td>
<td>4,5</td>
<td>4,2</td>
</tr>
<tr>
<td>P/L from Ops (M€)</td>
<td>-1,6</td>
<td>-2,3</td>
<td>-4,6</td>
<td>-1,7</td>
<td>-0,7</td>
</tr>
<tr>
<td>% P/L from Ops</td>
<td>-33,1</td>
<td>-63,8</td>
<td>-113,7</td>
<td>-53,8</td>
<td>-18,9</td>
</tr>
<tr>
<td>Personnel</td>
<td>114</td>
<td>115</td>
<td>84</td>
<td>80</td>
<td>86</td>
</tr>
</tbody>
</table>

Comments

Mixed YoY performance
- Net sales decreased 21.1% YoY
- Loss narrowed by 45.5% YoY

Clear QoQ improvement
- Net sales grew by 20.8% QoQ
- Loss narrowed by 51.8% QoQ

Regional performance varied
- Americas and APAC improving
- EMEA softer

Sales by region (M€)

- EMEA+RoW
- APAC
- Americas
CASH POSITION STRONG

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>YTD Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance Sheet</strong></td>
<td>M€</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>17,5</td>
<td>21,8</td>
<td>21,8</td>
<td>21,0</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>M€</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,1</td>
<td>11,3</td>
<td>7,8</td>
<td>11,6</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td>M€</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,8</td>
<td>0,3</td>
<td>-8,1</td>
<td>-1,7</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>%</td>
<td>4</td>
<td>-40</td>
<td>-112</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-26</td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td>%</td>
<td>63</td>
<td>67</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>86</td>
</tr>
<tr>
<td><strong>Gearing</strong></td>
<td>%</td>
<td>-77</td>
<td>-99</td>
<td>-95</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-96</td>
</tr>
<tr>
<td><strong>Profit/loss per share</strong></td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-0,00</td>
<td>-0,15</td>
<td>-0,36</td>
<td>-0,09</td>
</tr>
<tr>
<td><strong>Equity per share</strong></td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0,25</td>
<td>0,36</td>
<td>0,24</td>
<td>0,32</td>
</tr>
</tbody>
</table>

- Negative cash flow from operations but losses decreasing
- Successful EUR 7 M share issue in June
- Good cash position
HIGHLIGHTS FROM Q2

Key deals closed
- UKM and CryptoAuditor subscriptions to global technology industry leaders
- a major Tectia deal to a US Fed agency
- a large new CryptoAuditor deal to China
- continued expansion of our footprint at a leading Singapore bank
- a new CryptoAuditor deal to a UK-based national infrastructure player

Strong subscription growth
- Subscription revenue growth 105% YoY

Products:
New versions: UKM 2.0 and CrA 2.4
Launch of PrivX™ On-Demand Access Manager

Firewall:
- Pilot projects continuing, approvals process started
### SOME RESULTS OF IMPROVEMENT ACTIONS

<table>
<thead>
<tr>
<th>DIGITAL MARKETING</th>
<th>FOCUS ON CRYPTOAUDITOR</th>
<th>INCREASED APAC SUPPORT</th>
</tr>
</thead>
</table>
| • Fast improving digital footprint  
  • Website visits +600% YoY  
  • 200% QoQ  
  • Future focus on conversions | • Most CrA deals of any single quarter  
  • Sales cycles faster and more predictable than UKM | • Highest ever quarterly sales in APAC  
  • Highest average deal size |
| Improved visibility to strengthen pipeline | More balanced sales, wider customer base | APAC market maturing |
## Upcoming Improvement Actions

<table>
<thead>
<tr>
<th>Stronger US Channel Focus</th>
<th>Lead Generation Boost</th>
<th>European Sales Hires</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Start of a focused effort to recruit especially US-based channel partners</td>
<td>• Lead and opportunity generation campaigns across all regions</td>
<td>• Senior sales and sales engineering hires in Germany and UK</td>
</tr>
<tr>
<td>More boots on the ground, wider reach</td>
<td>Fattening of sales pipeline</td>
<td>More sales power in the EMEA theater</td>
</tr>
</tbody>
</table>
## OUR IPR PORTFOLIO

<table>
<thead>
<tr>
<th>OUR PORTFOLIO</th>
<th>PRODUCT COVERAGE</th>
<th>VALUE CREATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>• We have a strong IPR portfolio, based on our 20+ years of industry leading expertise</td>
<td>• Core Internet communications&lt;br&gt;• Universal Key Manager®&lt;br&gt;• CryptoAuditor®&lt;br&gt;• Firewall&lt;br&gt;• PrivX™ On-Demand Access Manager</td>
<td>• Active patent licensing program for revenue&lt;br&gt;• Differentiation &amp; barrier to entry for competitors&lt;br&gt;• Freedom to operate</td>
</tr>
<tr>
<td>• 100+ patents and patent applications globally</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Strong portfolio especially in US and Europe</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
UK Infringement Case
• Permission to appeal granted

German Infringement Case
• High court overturned the first instance non-infringement decision
• Final decision awaits validity ruling

German Validity Case
• Decision expected in H1/18

USPTO Inter Partes Review
• Patent found invalid
• SSH has filed a request a rehearing

Amended US Patent Granted
• Covers key aspects of the above patent, problematic issues corrected

Further patents filed for
• Protection for key features of PrivX™ On-Demand Access Manager

Licensing negotiations ongoing
OUR STRATEGIC DIRECTION
### Why Enterprises Must Embrace the Cloud

- The cloud is not about technology – it is about business acceleration and enablement.
- The cloud is becoming a must-have resource for enterprises to remain competitive.

### What Is Hindering Enterprises On the Cloud Journey

- Data security, compliance, and insider threats are the biggest bottlenecks in the transition.
- Traditional access management does not scale with the needs of the cloud.

### The cloud is a Trillion Dollar trend

### SSH will be a pivotal player in enabling Cloud transformation
### CORNERSTONES OF OUR DIRECTION

<table>
<thead>
<tr>
<th>DISRUPTIVE INNOVATION</th>
<th>MORE RELEVANT POSITIONING</th>
<th>MARKET EXPANSION</th>
<th>IPR MONETIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>• PrivX™ On-Demand Access Manager</td>
<td>• Disruptive Privileged Access Management player</td>
<td>• Leveraging the cloud opportunity</td>
<td>• Continue aggressive value extraction to gain licensing revenue and strengthen SSH products’ market position</td>
</tr>
<tr>
<td>• Wider product offering</td>
<td>• Move upstream to Cloud IAM space</td>
<td>• Supplement direct sales with a SaaS offering</td>
<td></td>
</tr>
<tr>
<td>• Upcoming technologies and products</td>
<td></td>
<td>• Increasing transition into subscription model even in on-premises deals</td>
<td></td>
</tr>
</tbody>
</table>

**Most compelling offering in the industry**  
**Significantly larger addressable market**  
**Tap the Cloud, wider customer reach**  
**Turn innovation and expertise into value**

20 July 2017  
SSH Communications Security
FIRST DISRUPTION: PRIVX™ ON-DEMAND ACCESS MANAGER
INTRODUCING PRIVX™ ON-DEMAND ACCESS MANAGER

PRIVX™ INDUSTRY FIRSTS

- Farewell to credentials
- Once-and-forget server configuration
- Adaptive role-based access control
- No workflow or workstation changes
- Clientless workflow

ROLE AND ATTR. DATABASE (AD/ LDAP/ AWS IAM)

1. IT admin Connects
2. Check and validate the role and identity
3. Create temporary role based credentials
4. Access is granted based on the role

CLOUD AND ON-PREM INFRA

A USER

IT ADMIN

DEVELOPER

IT ADMIN

DEVELOPER
# THE PRIVX™ ON-DEMAND ACCESS MANAGER DIFFERENCE

<table>
<thead>
<tr>
<th>THE OLD WAY</th>
<th>THE PRIVX WAY</th>
<th>WHY THE DIFFERENCE MATTERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Static credentials (keys or passwords) that must be managed and are often compromised</td>
<td>• On-demand, single-use credentials that are not stored and cannot be stolen</td>
<td>• Better security</td>
</tr>
<tr>
<td>• Manual server configuration changes</td>
<td>• Servers are configured once, no manual changes</td>
<td>• Less administrative work both in server configuration and access granting</td>
</tr>
<tr>
<td>• Workflow and client modifications required</td>
<td>• No workflow or client modifications</td>
<td>• Vastly better scalability</td>
</tr>
<tr>
<td>• Access granted per individual</td>
<td>• Dynamic role-based access granting for simplicity and speed</td>
<td>• No changes to business flow</td>
</tr>
</tbody>
</table>

**FAST, SCALABLE, AUTOMATED, SECURE, MORE COST-EFFECTIVE**
PRIVX™ ON-DEMAND ACCESS MANAGER ROADMAP

Q2-2017
Launch and commercial availability
Selected customer pilots

Q3-2017
Wider customer trials and proof-of-concept deliveries

Q4 2017
Version 2.0

2018
New versions and new PrivX offerings