



2018 Financial Statement Release

Kaisa Olkkonen, CEO

One-Sentence Summary

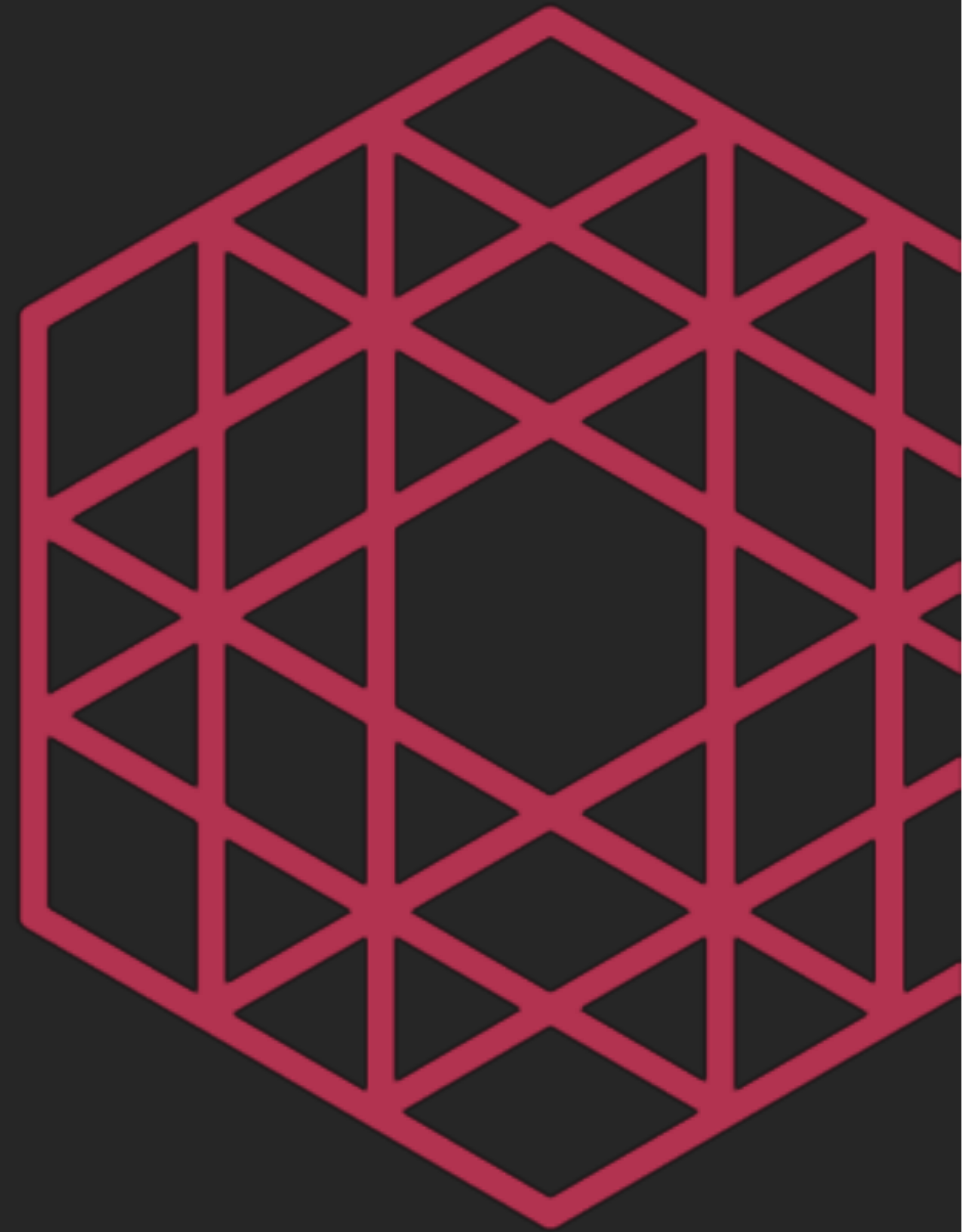
**We reached our main financial objective in 2018:
Profitable growth**



Contents

- 1 SSH in Brief
- 2 Q4 and Full Fiscal Year Financial Performance
- 3 2018 Highlights
- 4 NQX Firewall Update
- 5 Patent Licensing Update
- 6 Guidance for 2019
- 7 The New SSH

SSH in Brief



Five Things to Remember about SSH.COM

An emerging leader in Secure Digital Access



A strong product portfolio



100+ patents in IPR portfolio



More than 3000 demanding customers globally



More than 20 years of engineering excellence



A cybersecurity pioneer since 1995

SSH.COM developed the SSH protocol which is still one of the cornerstones of Internet security

Our Product Lines

Universal SSH Key Manager® (UKM) – the premier SSH Key Risk Assessment, Management and Automation tool.

Tectia® Client/Server – the gold standard commercial product in secure access and file transfer from the inventor of the SSH protocol.



NQX™ – quantum-ready protection for critical networks.

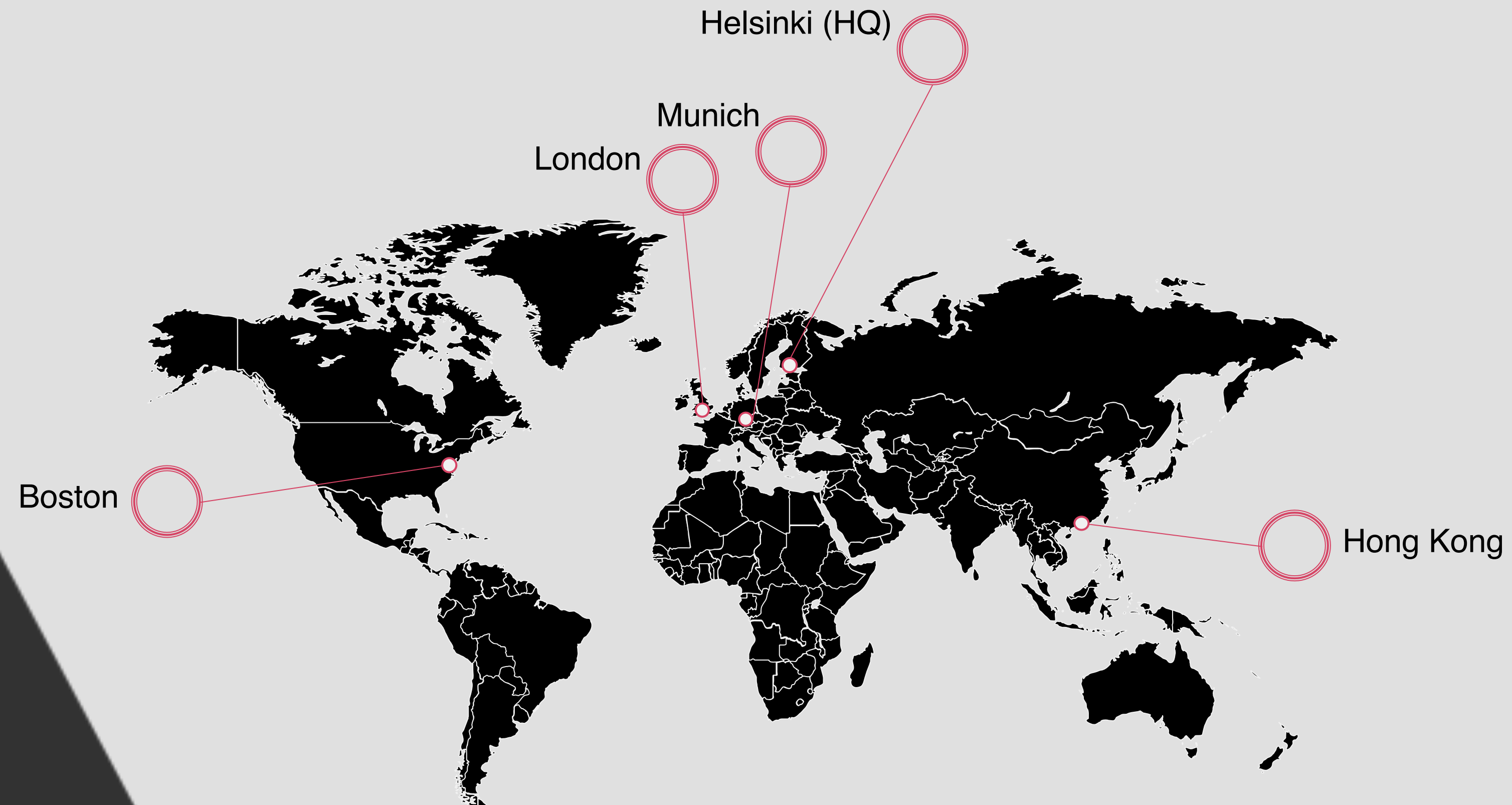
PrivX® – the next generation secure cloud access gateway.

CryptoAuditor® – the easiest-to-deploy secure access and encrypted connection monitoring and auditing tool.

Our Locations

**Rooted in Finland,
present globally**

SSH products are developed in Finland but more than 90% of our sales come from the international markets.



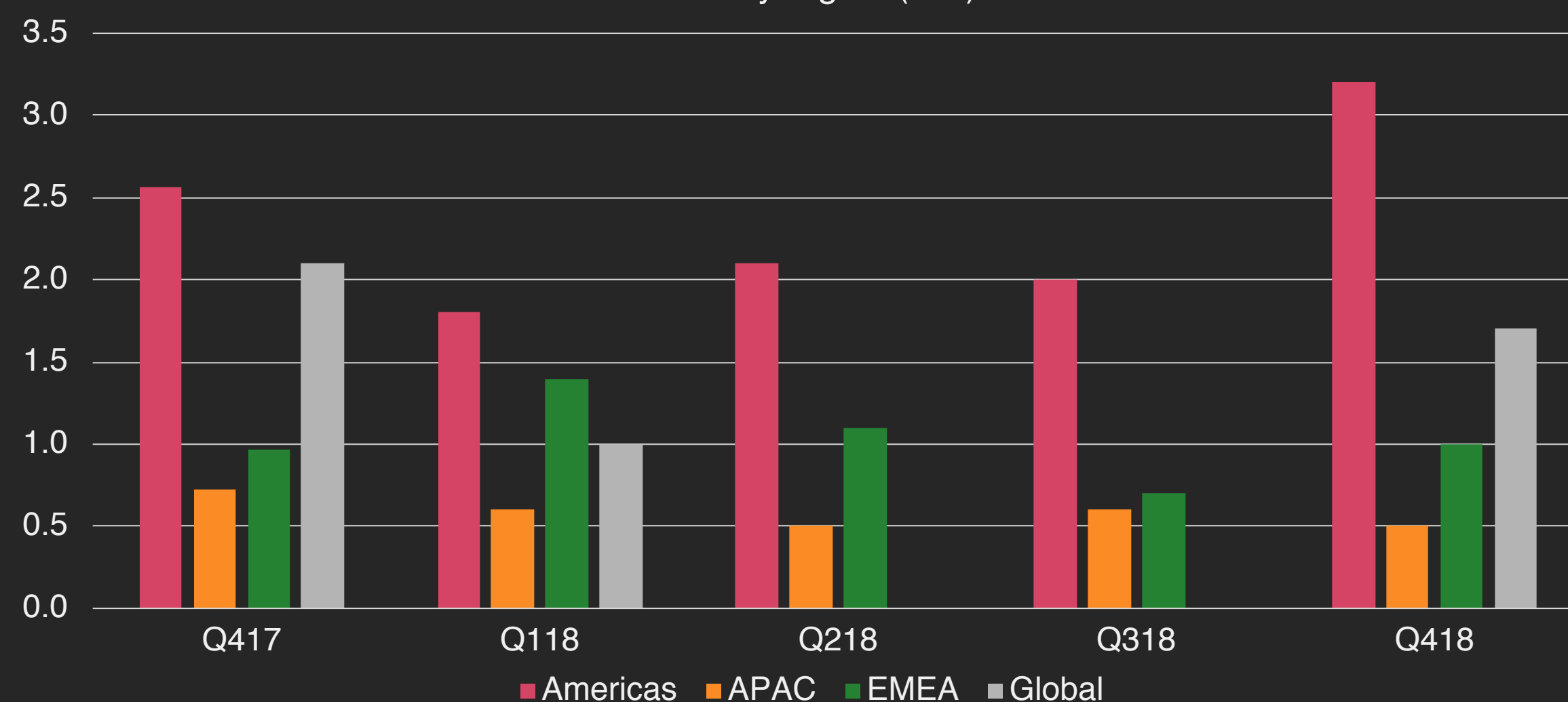
Q4 and FY 2018 Financial Review



Q4/18 Key Financials

		Q4/17	Q1/18	Q2/18	Q3/18	Q4/18
Net Sales	M€	6.4	4.8	3.7	3.4	6.4
OPEX	M€	4.3	4.3	3.6	4.1	4.4
EBIT	M€	1.4	0.1	-0.1	-0.8	1.3
	%	21.9	2.3	-2.5	-22.3	20.3
Profit	M€	1.3	0.0	0.0	-0.8	1.3
Personnel		80	81	85	80	85

Sales by region (M€)



Comments

Net Sales: on the same level as Q4/17

OPEX: slight increase vs. Q4/17

EBIT: slight decrease vs. Q4/17, still healthy 20%

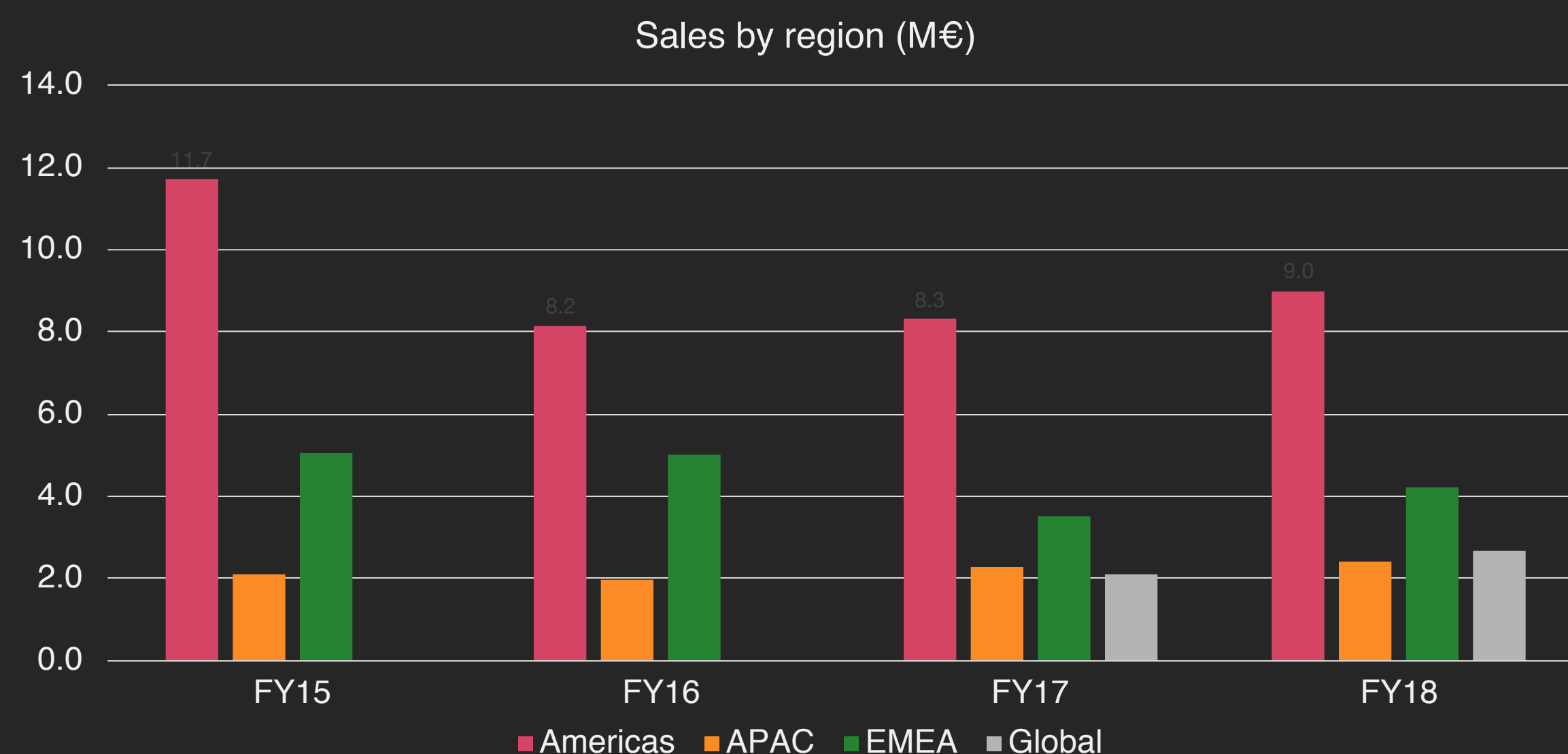
Profit: 1.3M€, very slight improvement over Q4/17

Quarter supported by a one-time license royalty payment, as was Q4/17

Operating cost levels well under control

FY2018 Key Financials

		FY15	FY16	FY17	FY18
Net Sales	M€	18.9	15.1	16.2	18.3
OPEX	M€	16.7	23.9	16.5	16.5
EBIT	M€	-4.4	-10.8	-1.7	0.5
	%	-23.2	-71.1	-10.5	3.3
Profit	M€	-3.8	-11.0	-2.2	0.5
Avg. personnel		109	84	80	80



Comments

Net Sales: 13% growth over 2017, 16% with comparable currency rates

OPEX: same level as 2017

EBIT: Positive EBIT, but levels not yet satisfactory

Profit: return to profitability for the first time since 2014

Net Sales increased in all regions

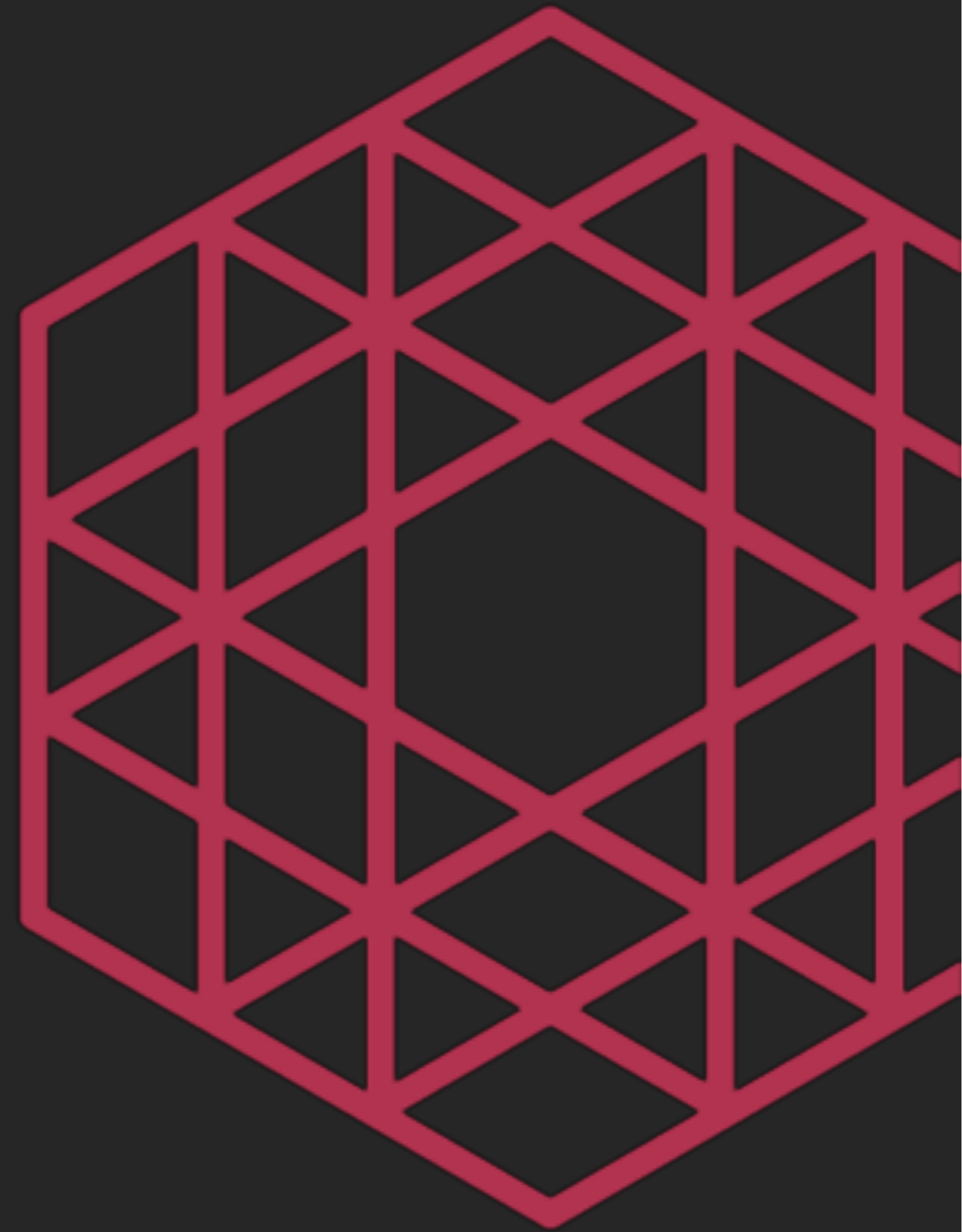
Net Sales growth discounting patent license income 10%

Balance Sheet and Cash Position Remain Strong

		2015	2016	2017	2018
Balance Sheet	M€	21.8	21.8	23.2	24.2
Cash and Equivalents	M€	11.3	7.8	13.5	13.5
Cash Flow from Operations	M€	0.3	-8.1	1.3	1.2
ROE	%	-40	-112	-21	3.8
Equity Ratio	%	67	63	83	82
Gearing	%	-99	-95	-105	-94
Profit/loss per share	€	-0.15	-0.36	-0.09	-0.01
Equity per share	€	0.36	0.24	0.34	0.37

- Positive cash flow from operations for the second year in row
- Strong cash position
- EPS still negative (due to hybrid loan interest)
- Balance sheet enables us to focus on execution of strategy

2018 Highlights



2018 Key Event Timeline

Q1

- Settlement and cross-license deal with Sony
- Two large UKM deals
- Strengthening of the board with US members

Q2

- NQX certification
- Certificate mgmt partnership with AppViewX
- Inside & online sales start
- First PrivX deals

Q3

- NQX joint venture with State Security Networks
- First NQX sales
- Largest ever maintenance renewal deal (Tectia)

Q4

- Major UKM deal with a global retailer
- First PrivX enterprise deals
- Several UKM and PrivX partnerships announced
- Organization renewal
- Second patent licensing deal

2018 Operational Highlights

Sales

- Online sales and inside sales models introduced
- Inside sales teams in US and Spain
- Sales teams globally unified

R&D

- Five-week release cycle for PrivX
- Engineering and CTO function separated for clearer roles
- Several new senior developers recruited

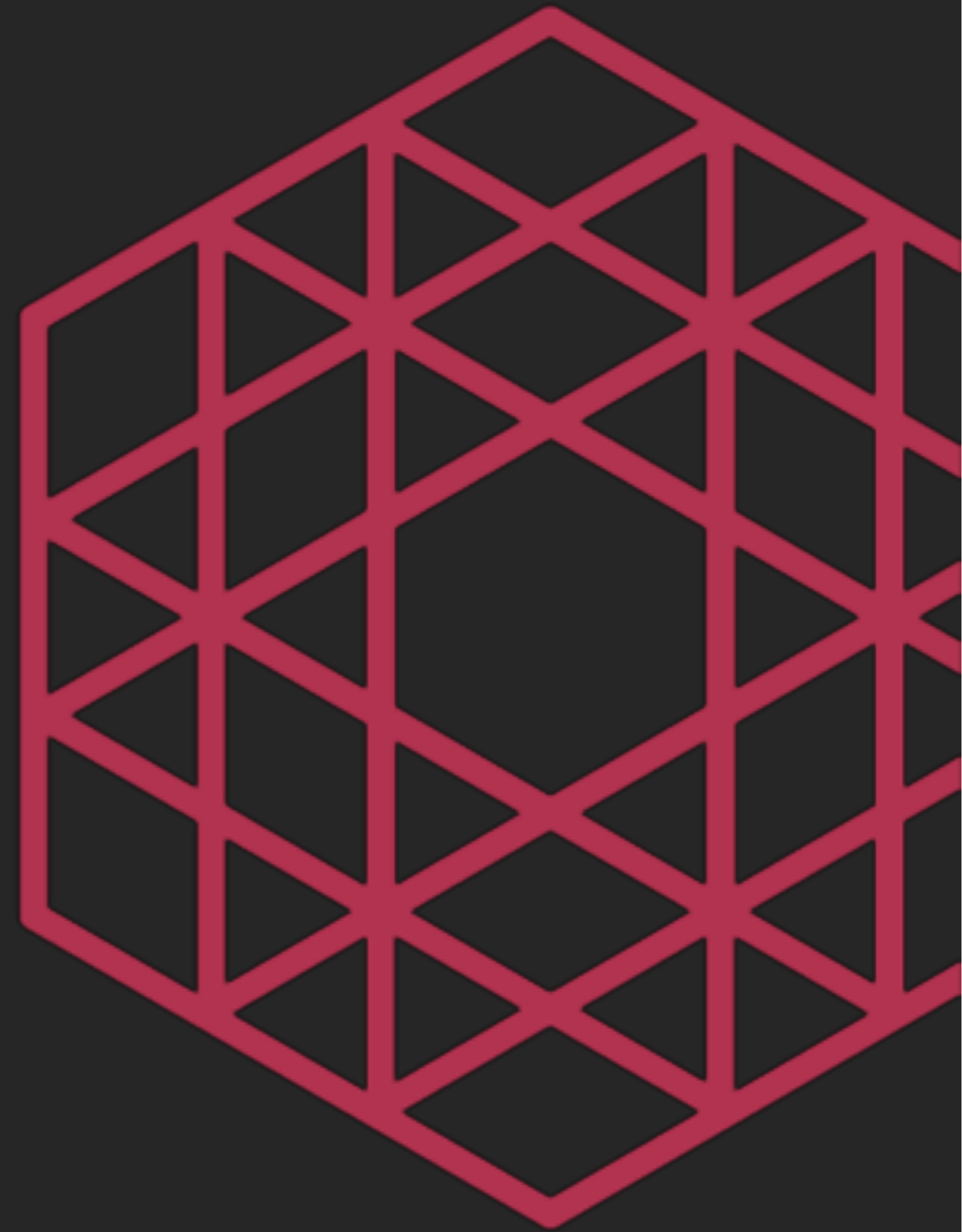
PrivX

- Version 5 with enterprise features
- First enterprise sales
- IAM partnerships
- PrivX starts attracting analyst interest

Mktg

- Constantly increasing web site traffic
- Systematic content marketing
- Commencement of account-based marketing

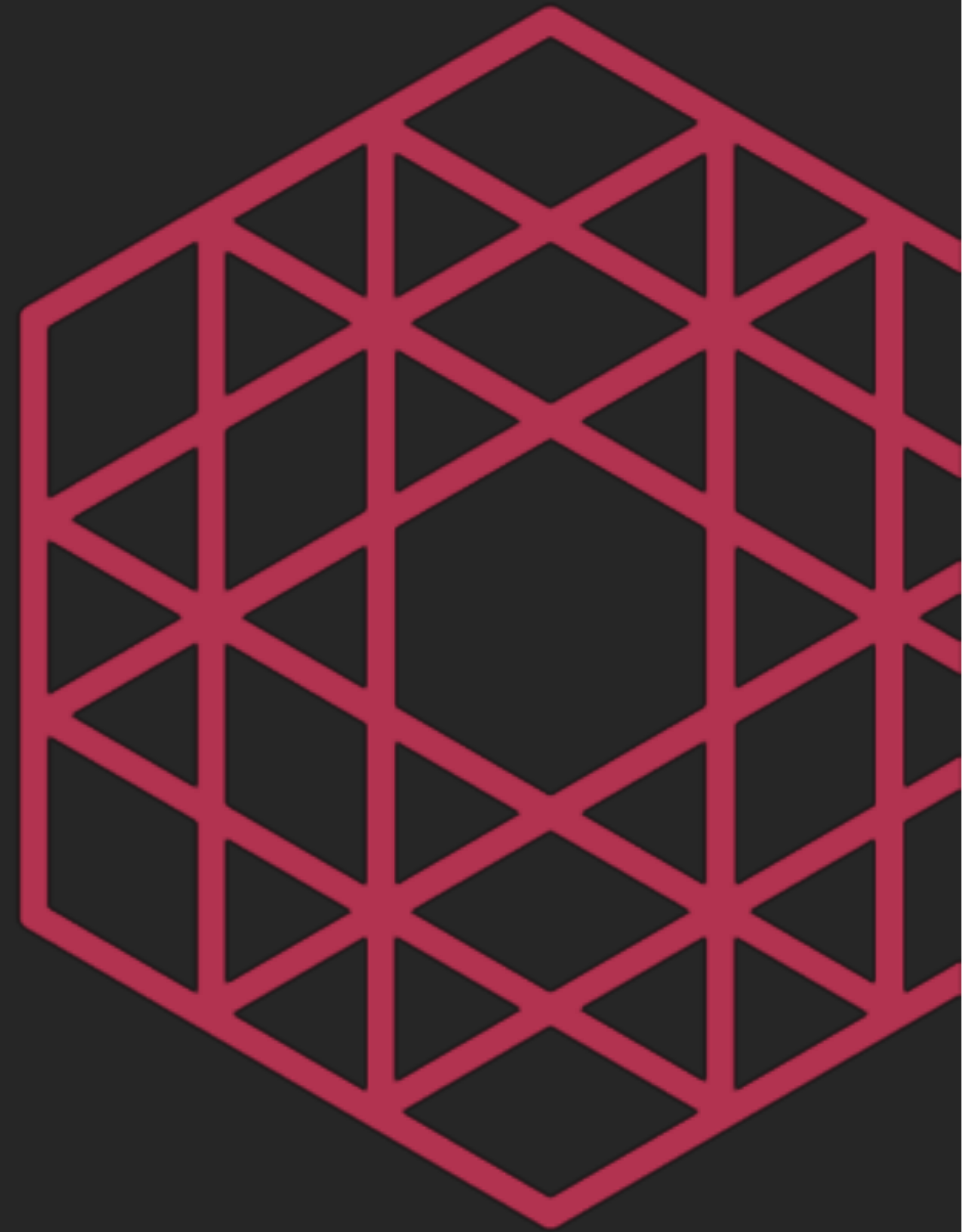
NQX Firewall Update



NQX: From development to commercialization

- Joint venture with the state-owned Suomen Erillisverkot Oy provides funding and a state sponsor for public sector sales
- The former head of the PrivX Business Program, Mr. Jussi Löppönen, engaged to run the NQX business
- More resources successfully recruited to the team
- Certification in late Q2 opened door for commercialization
- First sales in Q3 and Q4 prove the commercial viability of the product
- We expect substantial long-term revenue NQX, but 2019 revenue likely to be relatively modest
- Features needed for large deployments being developed, certification in 2019

Patent Licensing Update



Entering a new phase in patent licensing

- Two patent license agreements during 2018
- Currently not litigating; case with Sony settled
- UK Court of Appeals dismissed SSH's appeal of patent invalidity
- Patent licensing program's focus shifts towards protecting our freedom to operate and improve our products' position in the markets
- SSH has nearly 120 granted or filed patents; still filing for new patents
- We do not expect patent licensing revenue in 2019
- Patent licensing program costs in 2019 significantly smaller than before

Guidance for 2019



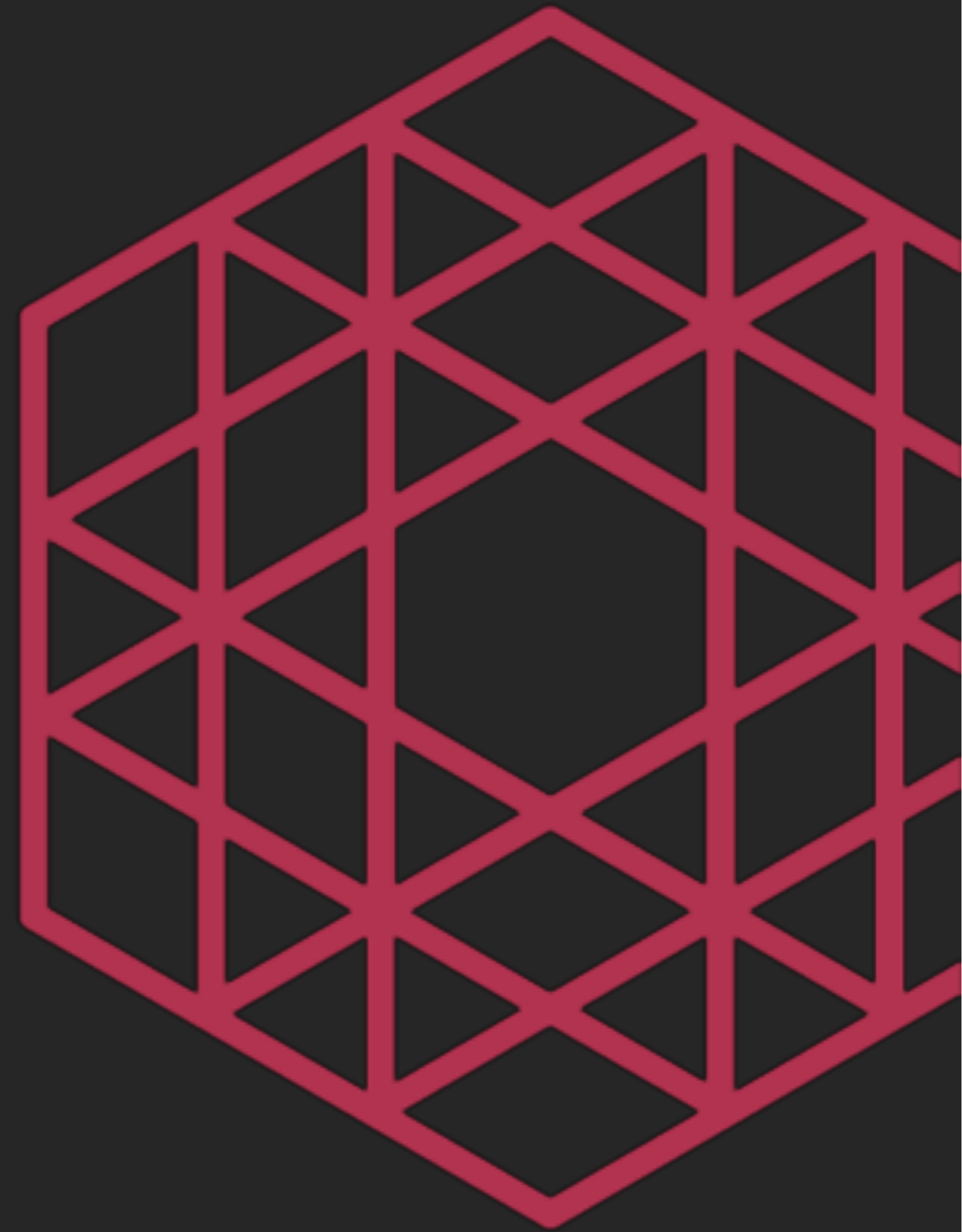
2019 Guidance

For the year 2019, we expect double digit percentage growth from our software business (software fees, professional services, and recurring revenue) at comparable exchange rates, exceeding the projected annual cyber security market growth of approximately 10 %.

In the medium term, we expect similar or faster growth and will also explore avenues for accelerated growth through inorganic growth opportunities.

Possible significant quarterly variation in revenue growth is still to be expected due to timing of larger deals over the financial year.

The New SSH: Organizing for the Future



Towards even more customer-centricity

In December, we announced a major organizational change to foster a more customer-centric mindset, accelerate innovation and development, and improve information flow within the company.

A key part of the renewal was the formation of a new Customer Experience and Products function with a charter to create strong customer engagements, ensure a consistently excellent customer experience with SSH, and importantly, drive product decisions based on customer and market insight.

The charter of the CTO office was expanded to cover technologies and innovations and the Engineering function was separated from the CTO office.

The new organization was a key milestone in our transformation from an engineering-driven company to a customer need driven company.

The New Organization

CEO

Kaisa Olkkonen
Chief Executive Officer

Customer Experience and Products

Sami Ahvenniemi
Chief Customer Officer

Engineering

Timo Lilja
VP Engineering

Marketing

Simo Karkkulainen
Chief Marketing Officer

Sales

Joe Scaff
Chief Sales Officer

NQX

Jussi Löppönen
Head of NQX

Operations

Innovations & Technology

Markku Rossi
Chief Technology Officer

Finance & Administration

Niklas Nordström
Chief Financial Officer

Strategy & Business Development

Jussi Mononen
VP Strategy & Biz Dev

Strategic support for Operations

Our direction

We develop solutions that let enterprises access and utilize their most important digital assets with

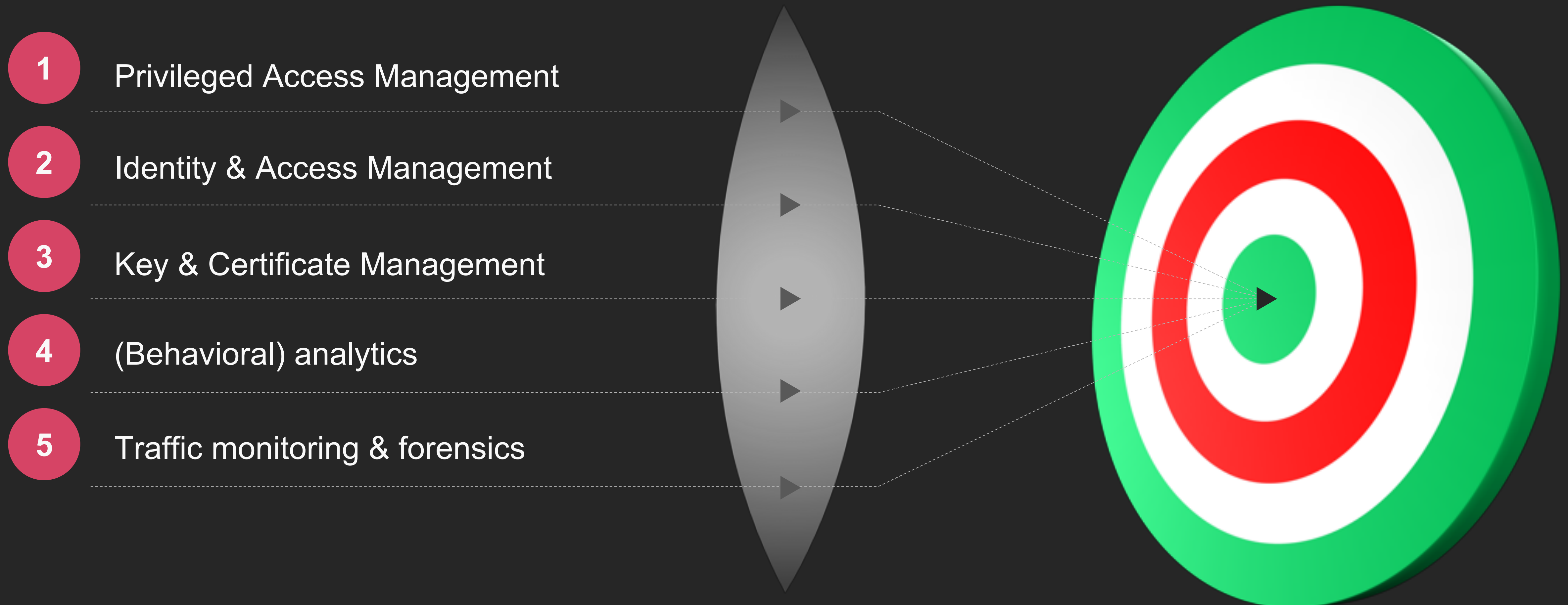
- **less risk**
- **faster deployment**
- **better usability**
- **total visibility and control**

This gives our customers across the globe

- **improved security**
- **better ROI**
- **full compliance and peace of mind**

Secure access at the speed of business.

PrivX as base for a Unified Identity & Access Platform



Identity and access are evolving, and IAM and PAM will start merging in the next several years – we intend to be a leader in this development.

Our transformation journey

I

2017: Fix and Plan

We tackled the deepest systemic issues and started our transformation journey.

II

2018: Launch

Rebuilding sales and marketing, targeting new customer segments with a disruptive new offering.

III

2019: Grow

Scaling up, further strengthening the organization, and introducing new products and technologies.

IV

2020 and beyond: Leverage

Leveraging our growth, continuing to disrupt the industry from a position of strength.



Secure access at the speed of business.