Q1 2019 Results Announcement
Kaisa Olkkonen, CEO
Recurring revenue strong, license revenue suffers from volatility
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SSH in Brief
SSH.COM developed the SSH protocol which is still one of the cornerstones of Internet security.

A cybersecurity pioneer since 1995

- 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
Our Product Lines

- **Services & Consulting**
  High-level subject matter expertise

- **PrivX®**
  Next Generation Secure Access for the Cloud

- **CryptoAuditor®**
  360° session visibility and control

- **Universal SSH Key Manager®**
  Process-driven access management & compliance

- **Tectia® SSH**
  The Gold Standard of multi-platform SSH client/server

- **NQX® Firewall**
  Quantum-ready network security

- **Next Generation PAM**
  World class subject matter expertise to support customers and partners

- **Monitor & Control**
  Credentialless, role-based on-demand access for multi-cloud, containers, and serverless

- **Manage & Automate Unix server access**
  Transparent monitoring and control of encrypted remote access

- **Secure data-in-transit and remote access**
  Full life cycle SSH key & certificate management with support for legacy systems and a transition path to the cloud

- **Modern boundary protection**
  Secure file transfer, remote administration, application tunneling, automation for server environments

  Boundary protection for government and other high-security applications

April 17, 2019

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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.
Q1 Financial Review
SSH Q1-2019 Results Announcement

Q1/19 Financials

Key Figures

<table>
<thead>
<tr>
<th></th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
<th>Q4/18</th>
<th>Q1/19</th>
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<tbody>
<tr>
<td>Net Sales</td>
<td>4.8</td>
<td>3.7</td>
<td>3.4</td>
<td>6.4</td>
<td>2.7</td>
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<tr>
<td>OPEX</td>
<td>4.3</td>
<td>3.6</td>
<td>4.1</td>
<td>4.4</td>
<td>3.8</td>
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<tr>
<td>EBIT</td>
<td>0.1</td>
<td>-0.1</td>
<td>-0.8</td>
<td>1.3</td>
<td>-1.3</td>
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<tr>
<td>%</td>
<td>2.3</td>
<td>-2.5</td>
<td>-22.3</td>
<td>20</td>
<td>-47</td>
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<tr>
<td>Profit</td>
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<td>0.0</td>
<td>-0.8</td>
<td>1.3</td>
<td>-1.2</td>
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<td>Personnel</td>
<td>81</td>
<td>85</td>
<td>80</td>
<td>85</td>
<td>88</td>
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Comments

Net Sales: decrease of 45% vs. Q1/18

OPEX: 13% decrease vs. Q1/18

EBIT: -1.4M€ vs. Q1/18

Profit: -1.2M€ vs Q1/18

Net sales suffered from quarterly volatility related to the perpetual UKM license sales model and completion of the patent licensing program.

Operating expenses were significantly smaller compared to Q1/18.
Balance Sheet and Cash Position Remain Strong

<table>
<thead>
<tr>
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<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Q1/2019</th>
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<tbody>
<tr>
<td><strong>Balance Sheet</strong></td>
<td>M €</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21.8</td>
<td>23.2</td>
<td>24.2</td>
<td>20.8</td>
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<tr>
<td><strong>Cash and Equivalents</strong></td>
<td>M €</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>7.8</td>
<td>13.5</td>
<td>13.5</td>
<td>12.5</td>
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<tr>
<td><strong>Cash Flow from Operations</strong></td>
<td>M €</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-8.1</td>
<td>1.3</td>
<td>1.2</td>
<td>0.5</td>
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<tr>
<td><strong>ROE</strong></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-112</td>
<td>-21</td>
<td>3.8</td>
<td>-9.2</td>
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<tr>
<td><strong>Equity Ratio</strong></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>63</td>
<td>83</td>
<td>82</td>
<td>80.3</td>
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<tr>
<td><strong>Gearing</strong></td>
<td>%</td>
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<td></td>
<td>-95</td>
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<td><strong>Profit/loss per share</strong></td>
<td>€</td>
<td></td>
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<tr>
<td></td>
<td>-0.36</td>
<td>-0.09</td>
<td>-0.01</td>
<td>-0.04</td>
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<tr>
<td><strong>Equity per share</strong></td>
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<tr>
<td></td>
<td>0.24</td>
<td>0.34</td>
<td>0.37</td>
<td>0.31</td>
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</table>

- Strong cash position remains
- Positive cash flow from operations despite challenging quarter in terms of license sales
- Balance sheet enables us to focus on execution of strategy
Q1 Operations Review
Key Operational Takeaways Q1

01 PrivX
Growing traction

02 UKM
New customer opportunities

03 NQX
Facility Security Clearance by Finnish Defense Forces

04 People and processes
Committed people, enhanced processes ensuring transparency and visibility
Some analyst love

“We strongly recommend taking a look at PrivX that offers a unique alternative to standard password vaulting and session management approaches.”

– Martin Kuppinger, KuppingerCole
Universal SSH Key Manager Status

**MARKET DEMAND**
- New customer Q1: A global technology company.
- Pipeline includes several major companies in or reaching proof of concept phase.

**BUSINESS MODEL**
- Predominantly direct sales, SSH sales team engaging integrators according to the customer preference.
- Perpetual license model with maintenance and support and professional services.

**PARTNERS**
- Wipro
- Tech Mahindra
NQX is the only firewall product line developed with the Finnish public sector for the Finnish public sector – with applications and opportunities also internationally.
People and processes

SSH Employee Pulse Survey Q1

Q11: I want to be part of SSH's future and see it achieve it's goals

- July 2018
- January 2019

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
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</thead>
<tbody>
<tr>
<td>Agree</td>
<td>88.71%</td>
</tr>
<tr>
<td>Disagree</td>
<td>11.29%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
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</table>

Our Growth Platform

Control
We have a stable and predictable cost base and a gated approach to spending

Efficiency
We continuously improve our processes and organization for more efficient and customer-centric operation

Stable Cash Flow
Our core security products bring strong, long-term cash flow

Growth Initiatives
Our new products will accelerate growth
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.
Balanced Approach for Balanced Growth

1. Tectia: stable long-term cash
2. UKM: a medium-term growth source
3. NQX: growth through diversification
4. PrivX: long-term growth engine
5. New, exciting innovations in the pipeline

The combination of old and new products creates stable cash flow and balanced growth in the medium term while offering more significant growth opportunities in the long term. The fast-evolving cybersecurity field opens opportunities for new innovations.
WHAT WE DO

SECURE ACCESS AT THE SPEED OF BUSINESS.

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
But Remember: It Is A Marathon, Not A Sprint

2017: Fix and Plan
We tackled the deepest systemic issues and started our transformation journey.

2018: Launch
Rebuilding sales and marketing, targeting new customer segments with a disruptive new offering.

2019: Grow
Scaling up, further strengthening the organization, and introducing new products and technologies.

2020 and beyond: Leverage
Leveraging our growth, continuing to disrupt the industry from a position of strength.