



Q1 2018 Results Announcement

Kaisa Olkkonen, CEO

One-Sentence Summary

We are making progress

During the first quarter of 2018, we continued on a strong year-on-year growth path with a 57% increase in revenue compared to previous year.



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SSH in Brief



Five Things to Remember

New, disruptive strategy



A strong product portfolio



More than 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 Management and Automation tool, now enhanced with certificate management.

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



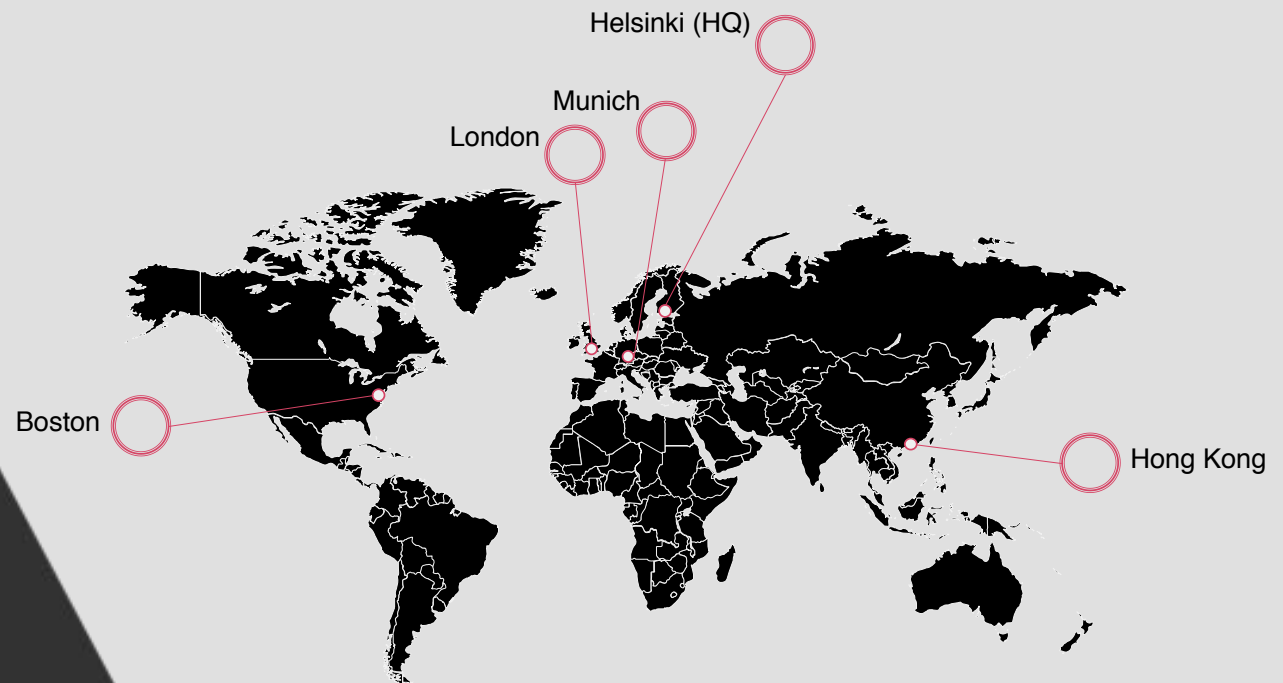
Tectia® Client/Server – the gold standard commercial product in secure access and file transfer from the inventor of the SSH protocol.

PrivX® – the next generation secure cloud access gateway.

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

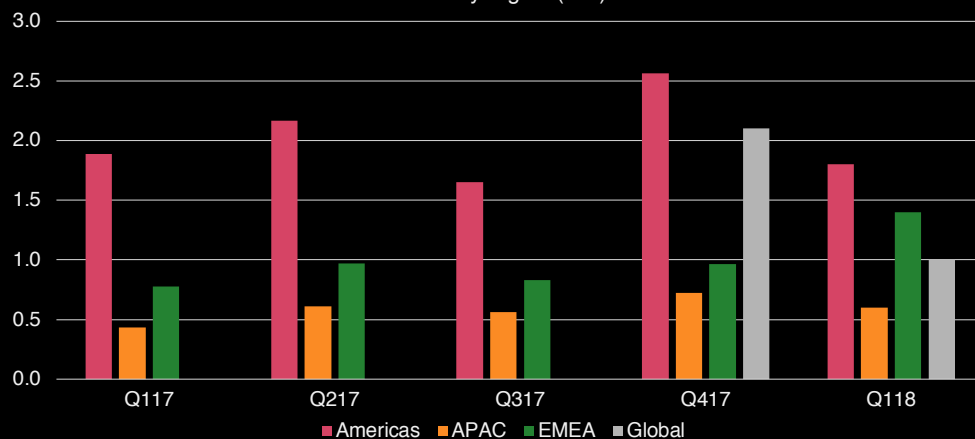


Q1/18 Financials

Key Figures

		Q1/17	Q2/17	Q3/17	Q4/17	Q1/18
Net Sales	M€	3,1	3,7	3,0	6,4	4,8
OPEX	M€	4,5	4,2	3,5	4,3	4,7
EBIT	M€	-1,7	-0,7	-0,8	1,4	0,1
% EBIT	%	-53,8	-18,1	-24,8	21,9	2,3
Personnel		80	86	84	80	81

Sales by region (M€)



Comments

Net Sales: 57% growth vs. Q1/17

OPEX: 5% increase vs. Q1/17

EBIT: slightly positive, 1.8 M€ improvement over Q1/17

Second consecutive quarter with positive EBIT

Patent revenue supported growth but software sales also growing

All product lines performed well

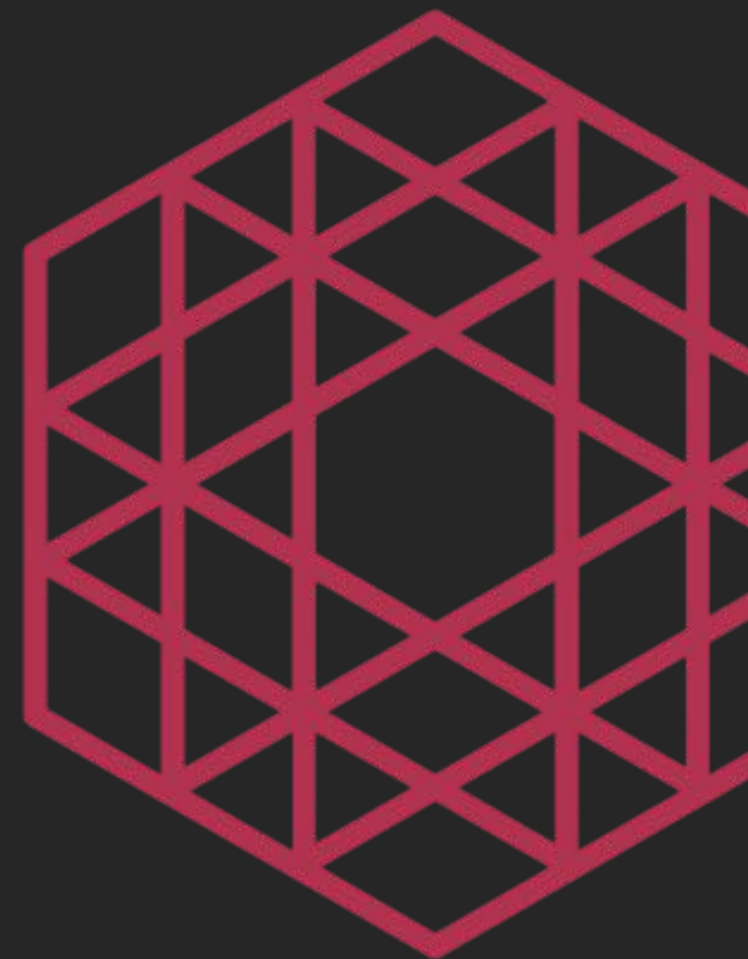
Cost controls effective

Balance Sheet and Cash Position Remain Strong

		2015	2016	2017	Q1/2018
Balance Sheet	M€	21,8	21,8	23,2	20,7
Cash and Equivalents	M€	11,3	7,8	13,5	12,6
Cash Flow from Operations	M€	0,3	-8,1	1,3	0,4
ROE	%	-40	-112	-21	0,1
Equity Ratio	%	67	63	83	86
Gearing	%	-99	-95	-105	-103
Profit/loss per share	€	-0,15	-0,36	-0,09	-0,01
Equity per share	€	0,36	0,24	0,34	0,32

- Strong cash position
- Positive cash flow from operations; third consecutive positive quarter
- Positive ROE
- Cash decrease due to hybrid loan interest payment

Q1 Operations Review



Patent Licensing

Several ongoing licensing negotiations

We continue licensing negotiations with multiple global technology leaders.



Settlement and Cross-Licensing Agreement with Sony

We settled all outstanding litigation with Sony and entered into a cross-licensing agreement



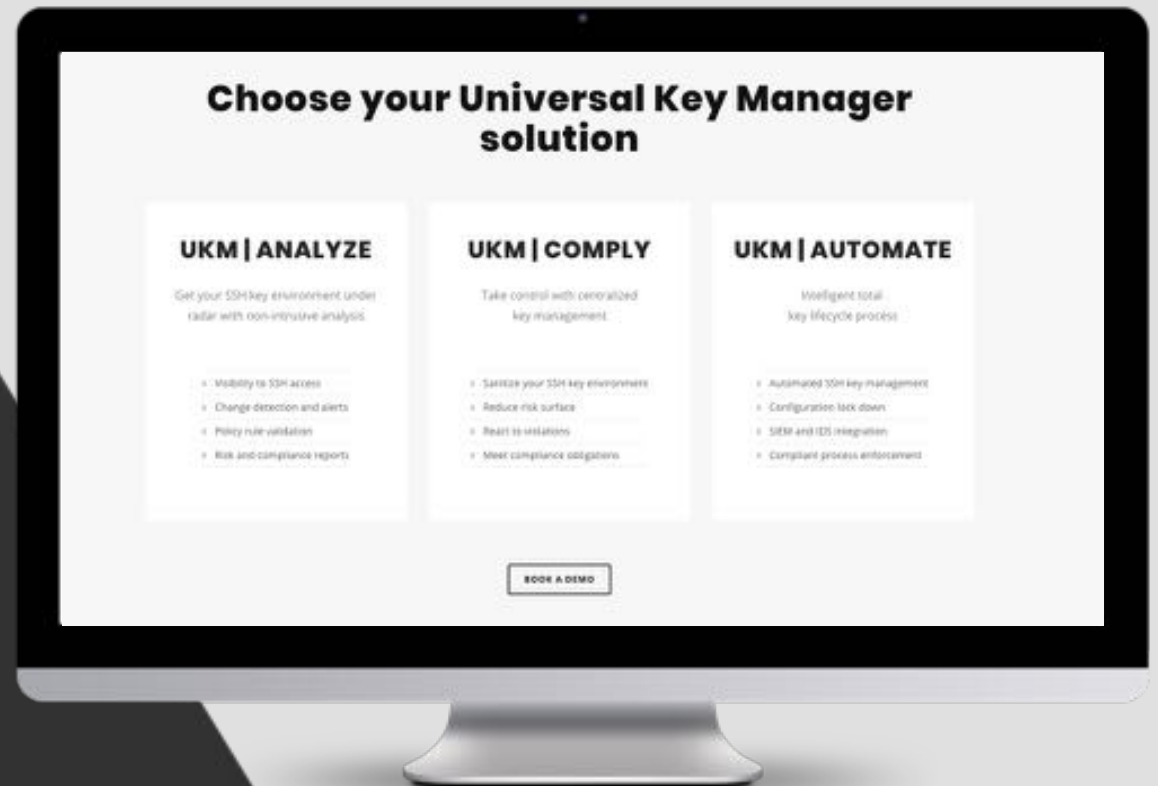
Second Licensing Win

Importance and strength of our patent portfolio further validated

Modularizing UKM

Faster and easier for customers

The new modular structure increases SSH's leadership in SSH key management and automation, further lowering customers' TCO and improving ROI.

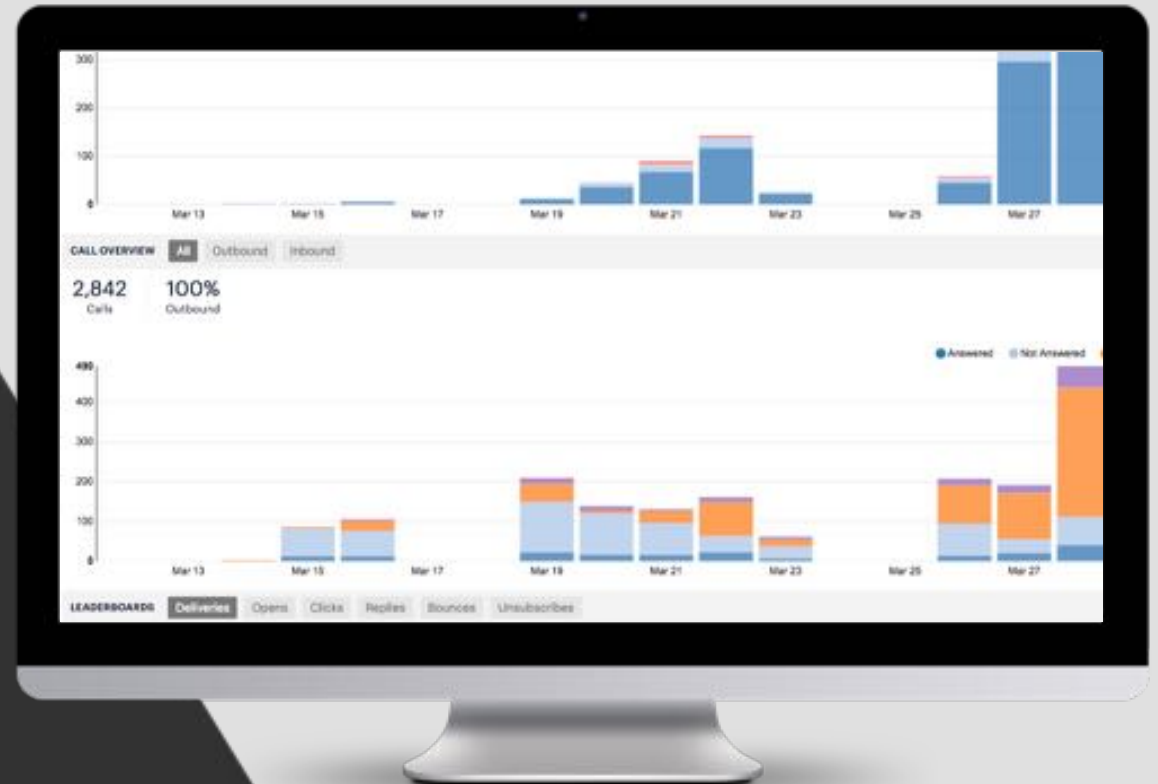


Sales I

Digital sales started

We started our PrivX digital sales (a combination of inside sales and online sales) in March.

We also boost enterprise sales with inside sales methodologies.



New Leadership

An SSH veteran, Sami Ahvenniemi, rejoins company as VP of Global Sales for unified sales leadership.



Research and Development

Improved processes for faster innovation

We have accelerated our release cycles for faster innovation and time-to-market.

R&D organization also renewed; resources being added.



New UKM and PrivX versions released

PrivX 2.1 released.

New, modular Universal SSH Key Manager

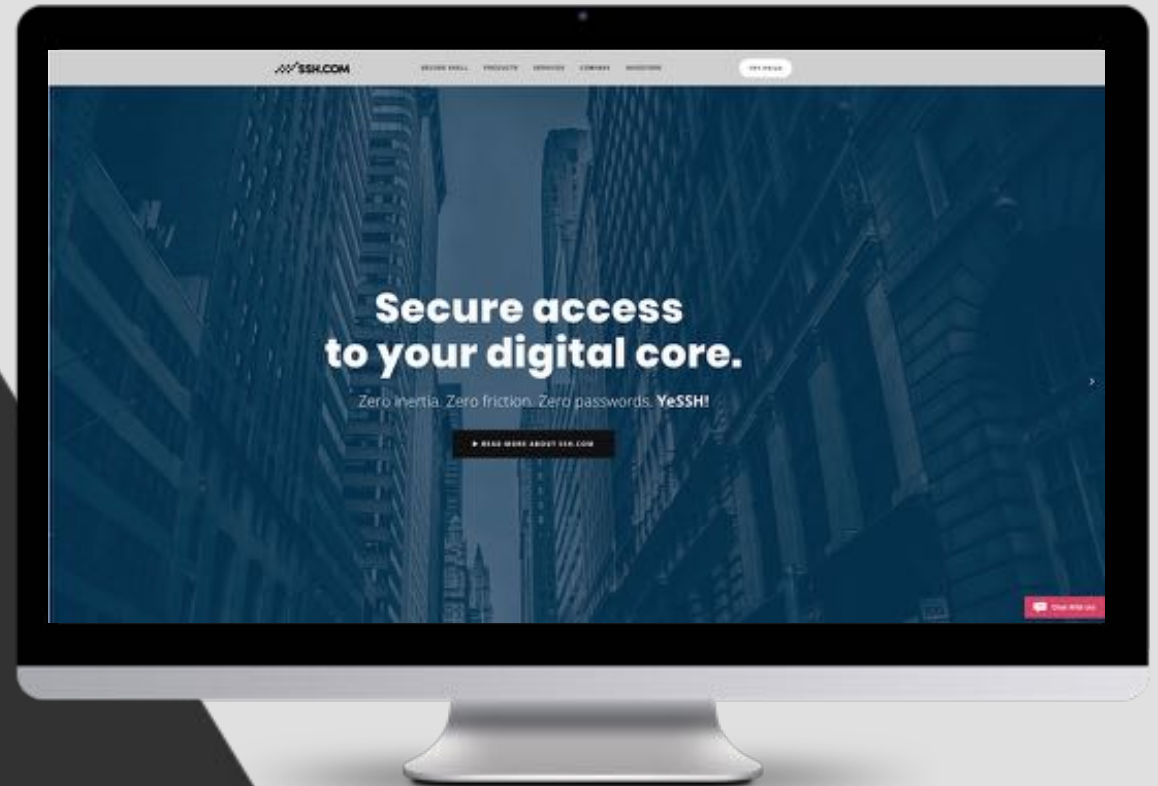


Faster, better, more

Improving our R&D capabilities

New website

We launched our new website and new look and feel in March. Both raw visitor and business visitor numbers have increased.

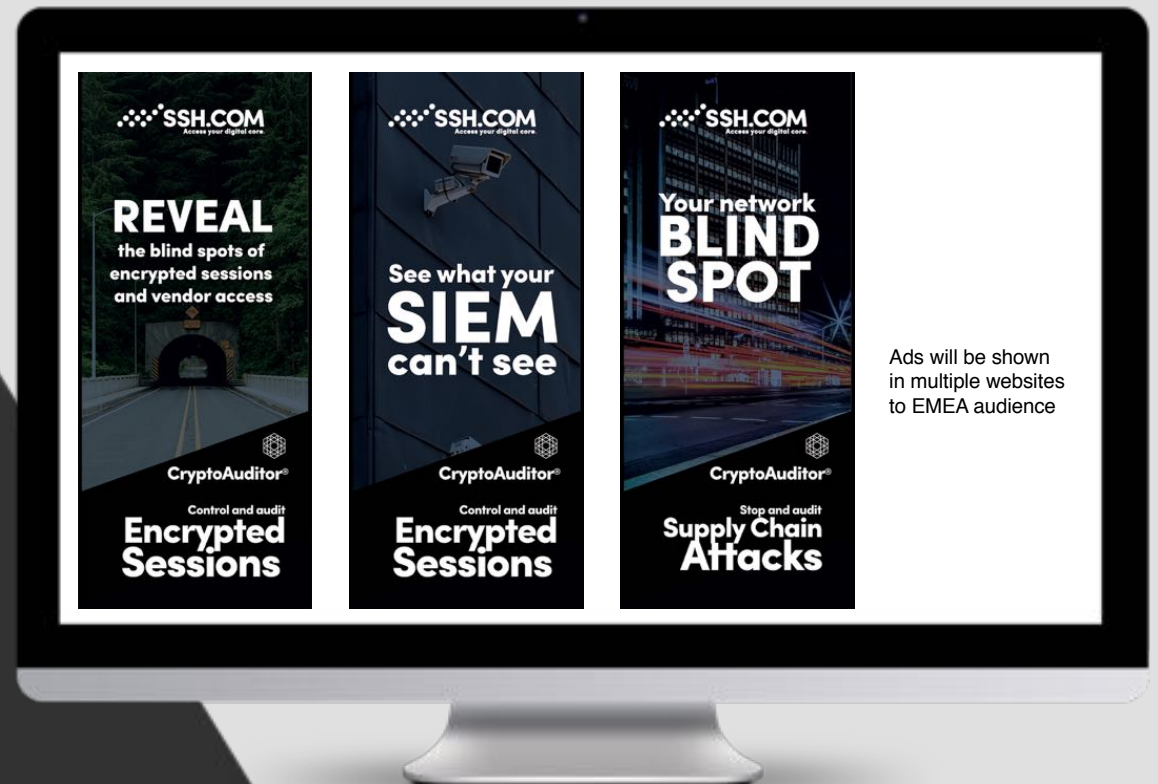


Marketing II

More digital

Targeted digital advertising, constant email & social media campaigns, webinars. Added emphasis and global process for lead nurturing.

Better targeting, more measuring, agile learning and improvements.



PrivX Business Program

Inside sales started

Good customer response. Revenue impact for 2018 small but extremely important for our future growth.



PrivX 2.1 released

Ready for online sales. New features based on customer feedback. Several dozen trials ongoing.



Renewal from the inside

Business Program is an “internal startup” that tests and develops new ways of working. The results will be used throughout the organization.

Firewall Business

Moving towards certification and binding orders

Testing proceeds well. We are confident of gaining certification but exact timing hard to predict



Live customer tests

Customer test deliveries started, testing in realistic production environments



Transitioning from development to business

Firewall is rapidly approaching maturity and customer deliveries draw closer

Alliance with AppViewX

Adding certificate management

With the alliance we can offer an integrated SSH Key and SSL certificate management solution and improve our competitive positioning



Going Forward



Key Initiatives for 2018

Widen the reach of inside and digital sales

Starting inside and digital sales in Europe during Q2

Improved messaging and targeted marketing

Continuous targeted campaign, digital advertising, and more targeted aggressive messaging



Launch eCommerce site

Full eCommerce capability and site launch during Q2

Relentlessly improving lead generation and nurturing

Harvesting our leads more efficiently; "No lead left behind"

But Remember: It Is A Marathon, Not A Sprint

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.



Access Your Digital Core.