



SSH.COM

Q2 2019 Results Announcement

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SSH.COM

A leader in
cyber
security

Over 90% of the world's
data centers use technology
developed by us to secure
the Internet

Unparalleled
pedigree of
innovation

We create fundamental
innovations, category-
leading products, and have
over 50 granted patents

Ambitious
growth
vision

We have the appetite and the
plan to grow the company ten-
fold in ten years

SSH.COM: Making Digital Safer

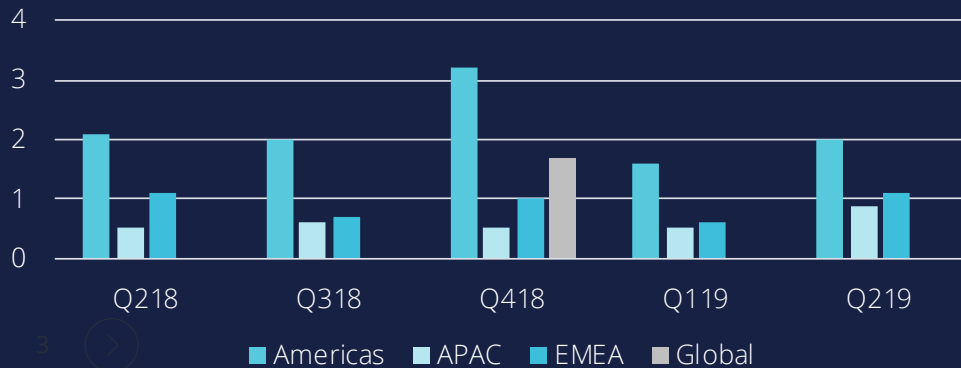
*Over 3000 demanding customers
globally, including 40% of the Fortune
500, secure their most critical digital
assets using our products.*

Return to growth and profitability

Key Figures

		Q2/18	Q3/18	Q4/18	Q1/19	Q2/19
Net Sales	M€	3.7	3.4	6.4	2.7	4.0
OPEX	M€	3.6	4.1	4.4	3.8	3.5
EBIT	M€	-0.1	-0.8	1.3	-1.3	0.4
	%	-2.5	-22.3	20.0	-47.1	9.3
Profit	M€	0.0	-0.8	1.3	-1.2	0.2
Personnel		85	80	85	88	86

Sales by region (M€)



Comments

Net Sales: increase of 8% vs Q2/18, 48% vs. Q1/19

OPEX: flat vs. Q2/18, -0.2M vs Q1/2019

EBIT: 9%, up 0.5M€ vs Q2/18, up 1.6M€ vs Q1/19

Profit: 6%, up 0.2M€ vs Q2/18, up 1.4M€ vs Q1/19

Decreased OPEX despite sales increase

R&D investments up even with decreasing OPEX;
operative efficiency increased

Balance Sheet and Cash Position Remain Strong

		2016	2017	2018	Q2/2019 YTD
Balance Sheet	M€	21.8	23.2	24.2	20.6
Cash and Equivalents	M€	7.8	13.5	13.5	11.2
Cash Flow from Operations	M€	-8.1	1.3	1.2	-0.7
ROE	%	-112	-21	3.8	-7.1
Equity Ratio	%	63	83	82	82
Gearing	%	-95	-105	-94	-81
Profit/loss per share	€	-0.36	-0.09	-0.01	-0.04
Equity per share	€	0.24	0.34	0.37	0.32

- ▶ Strong cash position
- ▶ Negative cash flow from operations
 - ▶ Large deals at the end of quarter increased receivables
- ▶ Balance sheet enables us to focus on execution of strategy



Q2 Operations Review

Key Operational Takeaways Q2



UKM & Tectia Traction

Large expansion deals for **UKM**; robust performance from **Tectia**.

PrivX Traction

New customers, including **Western Union** and other large enterprises.

New Partnerships

Tech Mahindra launched, first roll-out of large customer delivery under way.

Start of NPS Scoring

Good to excellent scores, no detractors.

New versions of key products

New versions of all key products. **Agile processes** from former PrivX Business Program help increase output throughout R&D.

We continued the roll-out of the new customer-focused organization we announced in December 2018



PrivX Business

Steady Progress and Enterprise Traction

Due to our strategic decision to focus on the subscription-based sales model, the revenue impact of PrivX was still relatively modest, but these sales build a growing base of stable recurring revenue.

Our latest release of PrivX expands both target host and client-side connection options, opening up a new set of use cases.

New Versions

Enterprise Traction

Customer wins and increasing interest from large corporations such as Western Union and a large European manufacturing company.

PrivX Free

We launched a free version of PrivX aimed at startups and young growth companies in June.

Interest in the free version has been robust during the first 4 weeks.

NQX Business

Steady technical progress but slow business-wise

The new features enable large-scale deployments. Even though the decision-making cycles are long, there is increasing pressure on the Finnish public sector to renew their firewall equipment.

Certificate support, centralized management, high availability, and support for European-made hardware platforms.

New Features

New Nano Version

Smaller form factor, lower price to empower new applications and customer groups.

Certification of 1.1.0

Traficom certified version 1.1.0 of NQX with several of the new features as a cryptographic product for protecting classified information according to Finnish national confidential security requirements.



SSH200
Slight Return

THE SSH200 GROWTH VISION

We aim at more than €200M in annual revenue by the end of the 2020s

"A good goal should scare you a little, and excite you a lot."

The vision describes our long-term ambitions and where we want to go and have the potential to reach. Achieving the goal requires systematic long-term work, and results will start showing over time

Long-Term Effort

Fast Growth

We aim to grow our business by a factor of 10 over the next decade.

We will achieve this in a changing world that is crying out for more proactive cyber security and intelligent access management.

Sharpened Focus

The UKM® and PrivX® product families will be the primary growth engines.

The combined market for these product categories will be excess of €8 Billion by 2024.

Threat surface growth

On-prem, data-centers, hybrid ,multi-cloud, 3rd party access, SaaS connections, API's, endpoint's and other types of connections keep growing the threat landscape within corporations.

Security kills speed

Companies are looking for faster GTM, lean ways of developing services and faster response times on everything.

Exponential scale

In the future digitalization will scale everything exponentially. If the infrastructure is not built to scale up the load it will be impossible to manage.

Technology shift

Companies are looking for new ways of working and applying the latest innovations to use in some cases without thinking about security.

Human trust & mistakes

People make mistakes that cause huge security issues within company environments. Companies can not have single security policy to match all of the endless scenarios. This is why the need to look at adaptive policies, automation and AI.

Cloud is changing the rules

Customer challenges

Why today's solutions don't work

Companies are not only looking at cloud as a platform or a storage.

They see cloud opening new opportunities to save costs, automate manual processes and multiplying the speed of GTM.

More security solutions -> No cloud native solutions

Cloud can not be patched with additional tools. The solution needs to be cloud native. Thinking needs to start from managing access.

Living without automation -> Cannot keep up with change

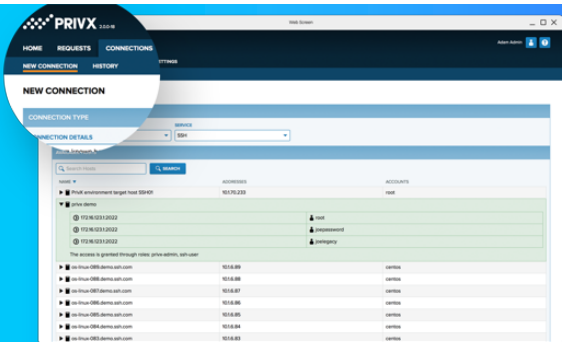
Access management has been seen as a manual layer and done by IT admins. Most of the identity and access management related tasks should be automated

Storing secrets -> Hacked passwords

Hacks and breaches change the way companies store passwords in password vaults. Access needs to be real time and ephemeral (just-in-time).

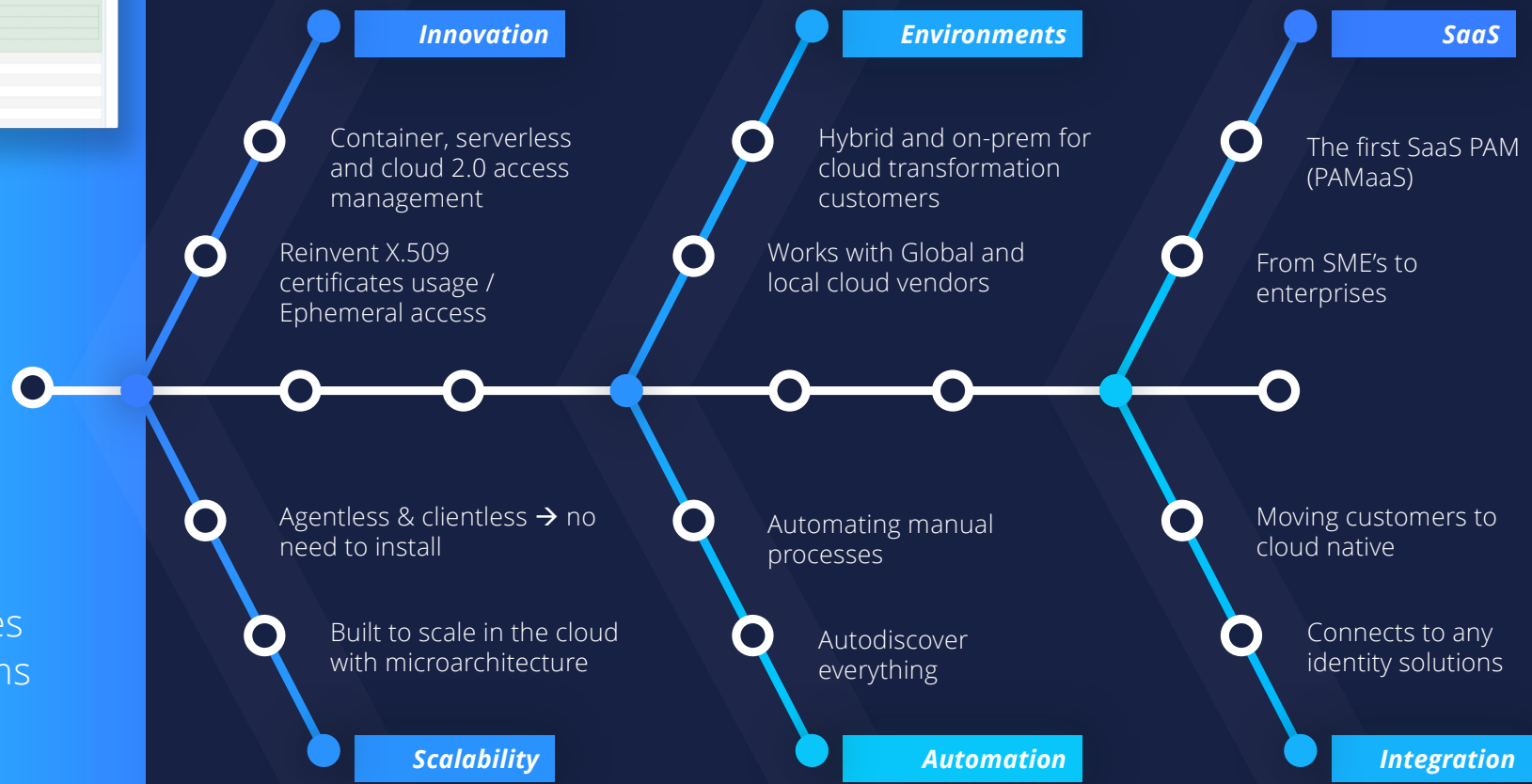
Cloud 2.0 -> even more dynamic

The new innovations for the cloud make it impossible for today's solutions to manage the access in ever changing environments. Serverless, containers and others create new rules for access.



PrivX automates cloud access

Administrative,
developers & 3rd parties
access to critical systems



An aerial, black and white photograph of a dense forest of evergreen trees covered in snow. A dark, winding path or road cuts through the trees from the top left towards the bottom right. In the center of the image, there is a graphic consisting of two white curved lines forming a partial circle, with four small white dots at their ends. The text 'SSH.COM' is positioned above the graphic, and 'We make digital safer' is positioned within the graphic.

SSH.COM

We make digital safer