



SSH.COM

Q4 2019 Results

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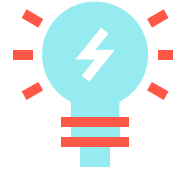


We make digital **safer**



INDUSTRY LEADING PRODUCTS

We offer a portfolio of foundational security and access management products.



STRONG PATENT PORTFOLIO

We invest heavily in IPR to create shareholder value and competitive advantage.



3000+ CUSTOMERS GLOBALLY

We serve some of the most demanding companies in the world, including 40% of the Fortune 500.



25 YEARS OF SECURITY EXCELLENCE

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

We are committed to building better, easier and more cost-effective solutions for our customers.

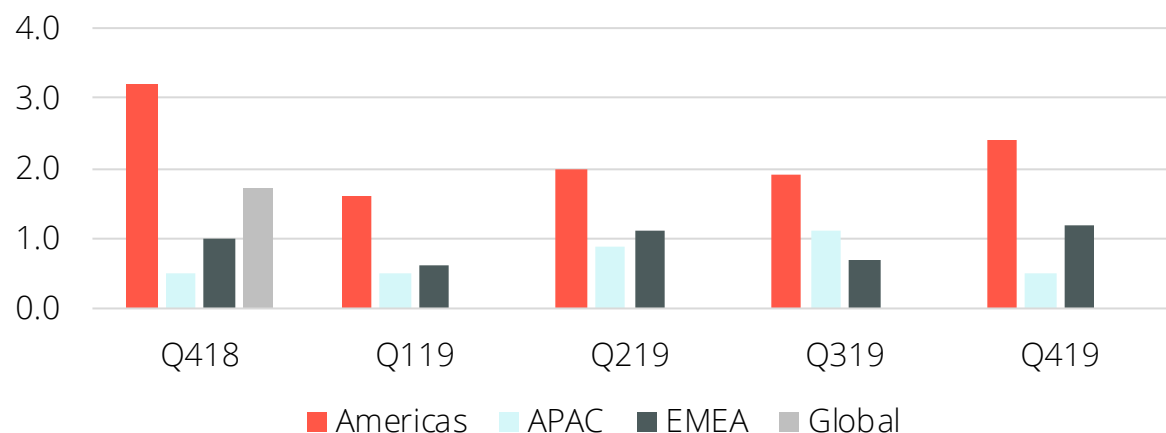


SSH.COM Q4 and FY2019 Financials

Q4/19: Sales decline, positive operating cash flow

| | | Q4/18 | Q1/19 | Q2/19 | Q3/19 | Q4/19 |
|-----------|----|-------|-------|-------|-------|-------|
| Net Sales | M€ | 6.4 | 2.7 | 4.0 | 3.6 | 4.1 |
| OPEX | M€ | 4.4 | 3.8 | 3.5 | 3.7 | 4.2 |
| EBIT | M€ | 1.3 | -1.3 | 0.4 | -0.2 | -0.2 |
| | % | 20.0 | -47.1 | 9.3 | -5.1 | -3.2 |
| Profit | M€ | 1.3 | -1.2 | 0.2 | -0.0 | -0.5 |
| Personnel | | 85 | 88 | 86 | 86 | 90 |

Sales by region (M€)



Net Sales: decrease of 36% vs Q4/18

SW Business Sales: decrease of 12% vs Q4/18

OPEX: decrease of 5% vs Q4/18

EBIT: -0.2M€, down 1.5M€ vs Q4/18

Profit: -0.5M€, down 1.8M€ vs Q4/18

Net sales decline mainly due to end of patent licensing programme and reduced consulting revenue.

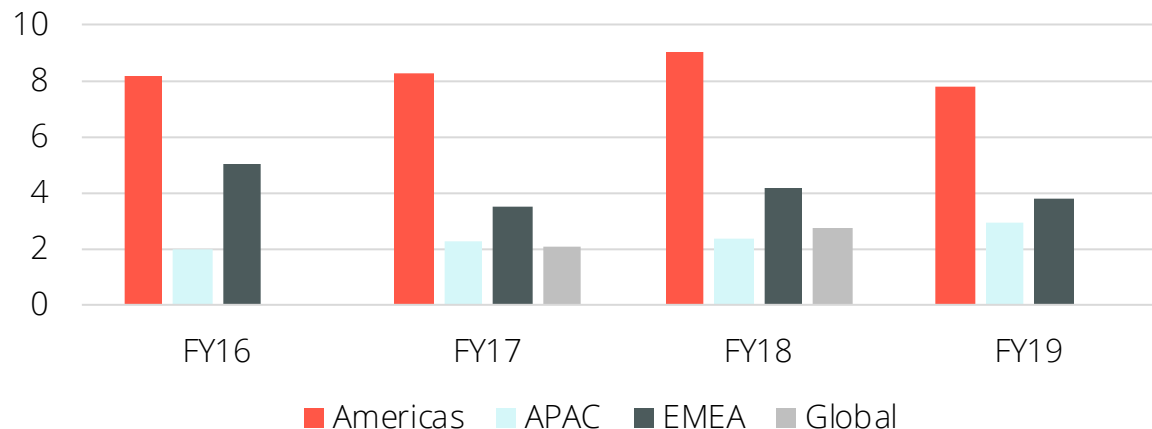
Costs stable, operating cash flow positive

EMEA had a strong quarter and APAC performed well. Decline in AMER due to smaller initial deals.

FY19: Disappointing sales, positive operating cash flow

| | | FY16 | FY17 | FY18 | FY19 |
|-----------|----|-------|-------|------|------|
| Net Sales | M€ | 15.1 | 16.2 | 18.3 | 14.4 |
| OPEX | M€ | 23.9 | 16.5 | 16.5 | 15.6 |
| EBIT | M€ | -10.8 | -1.7 | 0.5 | -1.2 |
| | % | -71.1 | -10.5 | 3.3 | -8.4 |
| Profit | M€ | -11.0 | -2.2 | 0.5 | -1.5 |
| Personnel | | 84 | 80 | 85 | 90 |

Sales by region (M€)



Net Sales: decrease of 22% vs FY18

SW Business Sales: decrease of 8% vs FY18

EBIT: -1.2M€, down 1.7M€ vs FY18

Profit: -1.5M€, down 2.0M€ vs FY18

Disappointing sales, mainly due to end of patent licensing programme and reduced consulting revenue.

Positive operating cash flow for the third consecutive year.

Best year ever in APAC. EMEA and AMER soft performance.

Balance Sheet and Cash Position Remain Strong

| | | 2016 | 2017 | 2018 | 2019 |
|---------------------------|----|-------|-------|-------|-------|
| Balance Sheet | M€ | 21.8 | 23.2 | 24.2 | 23.8 |
| Cash and Equivalents | M€ | 7.8 | 13.5 | 13.5 | 12.0 |
| Cash Flow from Operations | M€ | -8.1 | 1.3 | 1.2 | 0.3 |
| ROE | % | -112 | -21 | 4 | -11 |
| Equity Ratio | % | 63 | 83 | 82 | 78 |
| Gearing | % | -95 | -105 | -94 | -92 |
| Profit/loss per share | € | -0.36 | -0.09 | -0.01 | -0.06 |
| Equity per share | € | 0.24 | 0.34 | 0.37 | 0.31 |

- Strong cash position
- Positive cash flow from operations
- Balance sheet enables us to focus on execution of strategy



SSH.COM Q4 Operations Review

Progress Report, Part 1: Customer Wins

—
We saw new customer wins and add-on orders for UKM and Tectia

—
In Q4, we booked a large new UKM license order with **ING-DiBa AG**, one of the largest retail banks in Germany. We also booked significant new orders from a Hong Kong government agency and a global governmental financial institution. We also booked **major expansion orders** from existing financial sector customers.

The sales of our Tectia® product family remained strong and gives us the ability to execute our growth vision. During the quarter, we won a significant **Tectia SSH Server for IBM z/OS** license order from a major Scandinavian bank.

Our maintenance business **remains robust** and we booked several large maintenance renewals during the quarter.

Progress Report, Part 2: PrivX

—
**PrivX continues
gaining traction;
nearing SaaS
launch**

—
More than 1000 new registrations for PrivX Free was well-received and now has more than 3500 registrations.

We also accelerated the acquisition of new paying customers for PrivX during the quarter and kept seeing increasing interest from enterprise customers.

United States Patent and Trademarks Office (USPTO) granted SSH patent number US10523445, which covers secure passwordless access to hosts in hybrid networks comprising on-premise and cloud resources.

Supported by the EU Horizon 2020 funding announced earlier, PrivX development progressed well and we are nearing the pilot launch of the SaaS version of PrivX during H1 of 2020.

Progress Report, Part 3: Other Areas

Making progress on many fronts

NQX

Certification of new software version and the NQX Nano form factor, which extends the use cases and sales possibilities of the NQX product family.

Responded to several Requests for Information from the Finnish public sector.

EU Funding

The project has been in full swing since October.

Advance payment of over EUR 900k received in Q4, recognized amount very small in 2019.

Pipeline Development

New opportunity creation higher in Q4 than in any other quarter in 2019 – 29% more opportunities created than in Q1.

Guidance for 2020

Growth of 10 to 15 percent, improving bottom line

For the year 2020, we expect revenue growth of 10 to 15 percent and an improving operating result. The growth rates and profitability vary significantly between our product lines as the products are in different stages of maturity and investment phases. We expect clearly faster growth rates for PrivX and NQX, steady growth for UKM matching the industry growth rate, and modest growth for Tectia which is our most mature product. **The combined effect of these growth rates will result in moderate short-term growth, which we expect to accelerate over the next several years.**

Thank you!

