



SSH.COM

Q1 2020 Results

Teemu Tunkelo, CEO

April 23, 2020



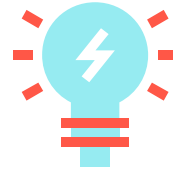
SSH Communications Security in a Nutshell

**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.

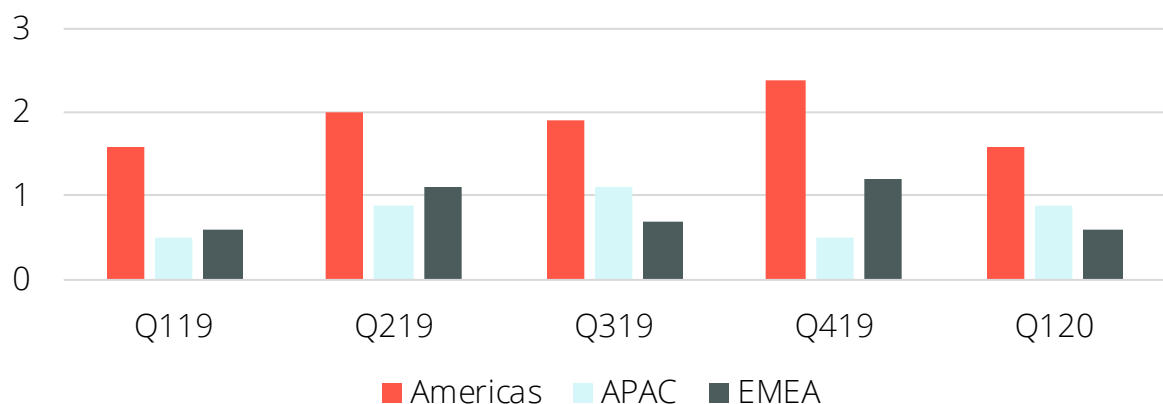


SSH.COM Q1 2020 Financials

Q1/20: Sales and EBITDA growth, positive operating cash flow

		Q1/19	Q2/19	Q3/19	Q4/19	Q1/20
Net Sales	M€	2.7	4.0	3.6	4.1	3.1
EBITDA	M€	-0.8	0.9	0.3	0.4	-0.1
	%	-28.3	22.0	8.8	10.4	-1.8
Operating profit	M€	-1.2	0.4	-0.2	-0.2	-0.6
	%	-47.1	9.3	-5.1	-3.2	-18.5
Profit	M€	-1.2	0.2	-0.0	-0.5	-0.4
Personnel		88	86	86	90	87

Sales by region (M€)



Net Sales: increase of 16% vs Q1/19

EBITDA: -0.1M€, up 0.7M€ vs Q1/19

Operating Profit: -0.6M€, up 0.6M€ vs Q1/19

Profit: -0.4M€, up 0.7M€ vs Q1/19

Net sales increase mainly due to strong license sales, supported by subscription sales. Maintenance sales robust, slightly up.

Costs controls effective, operating cash flow positive.

APAC had a strong quarter. APAC and AMER flat.

Balance Sheet and Cash Position Remain Strong

		2017	2018	2019	Q1/2020 YTD
Balance Sheet	M€	23.2	24.2	23.8	20.8
Cash and Equivalents	M€	13.5	13.5	12.0	11.7
Cash Flow from Operations	M€	1.3	1.2	0.3	0.2
ROE	%	-21	4	-11	-4
Equity Ratio	%	83	82	78	78
Gearing	%	-105	-94	-92	-102
Profit/loss per share	€	-0.09	-0.01	-0.06	-0.02
Equity per share	€	0.34	0.37	0.31	0.28

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



SSH.COM Q1 Operations Review

Backdrop: COVID-19

COVID-19 did not have a large impact on our business performance but it changed how we operate and will have an effect on us

- SSH.COM adopted a remote work posture in early March and will remain in this posture for as long as it is required to ensure the safety of our employees
- Our financial performance was not significantly affected by the COVID-19 outbreak during the first quarter but we saw some project delays by customers who are assessing the effects of the pandemic on their business
- We are preparing for the short-term future with even more rigorous cost controls to make sure we not only survive this crisis but emerge strongly from it, ready to grow and thrive
- To further safeguard our cash position and ensure we can make sufficient investments in our future, we are also actively pursuing all available support funding options

Guidance Withdrawal

—
**We withdrew our
2020 guidance on
March 23**

- We withdrew the guidance due to the changes in the business environment caused by the COVID-19 pandemic and the difficulty in forecasting their impact on our performance
- While our performance in the first quarter was not impacted in a significant manner, it is still too early to assess the full business impact of the pandemic accurately
- We will issue new guidance only when we have better visibility

Convertible Loan

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Convertible loan
interest rate was
reset at the end of
March 2020

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- We have on our balance sheet a EUR 12.0 million perpetual convertible capital security, which has carried an interest rate of 7.5 % per annum
 - The per annum interest rate has increased 4.0 percentage points to 11.5 %
 - Negotiations concerning the restructuring of the instrument, are on hold until the COVID-19 related turmoil on the capital markets subsides
 - The increased interest rate does not have an immediate impact on the cash flow in 2020

Management Changes

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We have a new Board, a new Chairman, and a new CEO

- The new board is smaller and more agile and can react faster. Key experts from the old board are still acting as advisors to the company.
- SSH founder and largest shareholder, Tatu Ylönen, has returned to the position of Chairman of the Board
- Teemu Tunkelo started as the CEO on March 24, 2020
- The focus is to turn SSH towards a path of **sustainable, profitable growth**, and to **increase our shareholder value significantly**

Progress Report, Part 1: Customer Wins

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**New enterprise
wins in all regions**

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UKM: a large US financial firm expanded order initially made in 2019

Tectia: a large order from OCBC Bank in Singapore

CryptoAuditor: first successful PrivX conversion sales

PrivX: Orders from, e.g., Aktia Bank and OCBC Bank

Progress Report, Part 2: PrivX

PrivX continues gaining traction

- Several new **online** and **enterprise** customers from, e.g., financial sector, telcos, and consumer goods segments
- We also received further of nearly **EUR 750.000** from the EU and Business Finland to take PrivX development further
- The development of the SaaS version of PrivX is proceeding well, and we anticipate **a pilot launch during Q2**

Next Steps

We have good opportunities, but this year is likely to be challenging, and the year may be marked by some rough periods

- My immediate priorities are ensuring the **safety and well-being of our team** as well as **managing our cash and resources wisely** so that we can emerge from this crisis in good shape.
- Our product **portfolio is strong** and consists of both mature and up-and-coming products.
- To ensure our ability to take advantage of the new opportunities presented, we **will keep investing in developing our products and our operational capabilities**, even during this crisis.
- Then, we will focus **on increasing shareholder value** with **sustainable, profitable growth** and strengthening our position on the cybersecurity market.

Thank you!

