



---

# SSH.COM

## Q2 2020 Results

**Teemu Tunkelo, CEO**

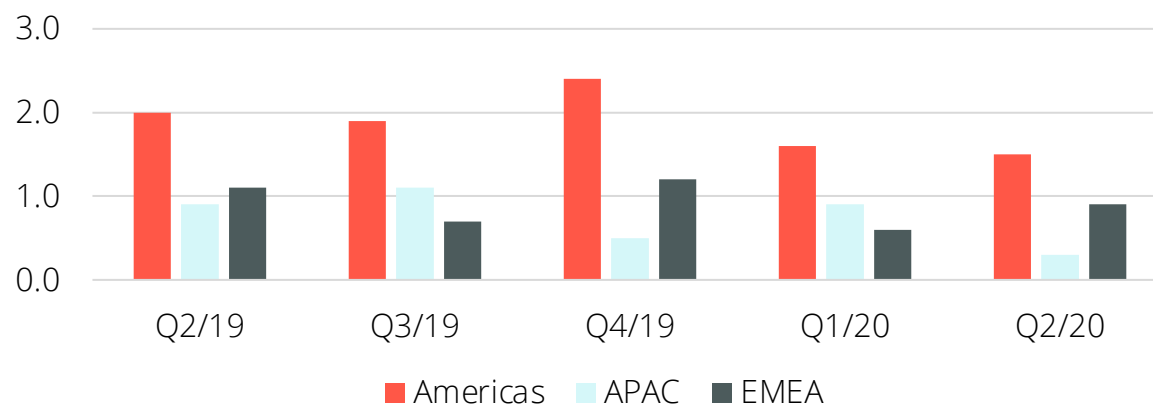
July 21, 2020



# Q2/20: Sales declined but positive EBITDA & operating cash flow

		Q2/19	Q3/19	Q4/19	Q1/20	Q2/20
Net Sales	M€	4.0	3.6	4.1	3.1	2.6
EBITDA	M€	0.9	0.3	0.4	-0.1	0.2
	%	22.0	8.8	10.4	-1.8	7.3
Operating profit	M€	0.4	-0.2	-0.2	-0.6	-0.4
	%	9.3	-5.1	-3.2	-18.5	-13.5
Profit	M€	0.2	-0.0	-0.5	-0.4	-0.5
Personnel		86	86	90	87	92

Sales by region (M€)



**Net Sales:** decrease of 34% vs Q2/19

**EBITDA:** 0.2M€, down -0.7M€ vs Q2/19

**Operating Profit:** -0.4M€, down -0.8M€ vs Q2/19

**Profit:** -0.5M€, down -0.7M€ vs Q2/19

Net sales decreased mainly due to COVID-related postponements of projects. Maintenance sales slightly down.

Costs controls effective, EBITDA and operating cash flow positive despite the soft sales

APAC especially hard hit by COVID-19

# Balance Sheet and Cash Position Remain Strong

		2017	2018	2019	Q2/2020 YTD
Balance Sheet	M€	23.2	24.2	23.8	<b>19.8</b>
Cash and Equivalents	M€	13.5	13.5	12.0	<b>10.2</b>
Cash Flow from Operations	M€	1.3	1.2	0.3	<b>0.0</b>
ROE	%	-21	4	-11	<b>-8.5</b>
Equity Ratio	%	83	82	78	<b>74</b>
Gearing	%	-105	-94	-92	<b>-89</b>
Profit/loss per share	€	-0.09	-0.01	-0.06	<b>-0.04</b>
Equity per share	€	0.34	0.37	0.31	<b>0.26</b>

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



The background is a dark, abstract composition. It features several bright blue, ethereal shapes that resemble smoke or liquid, swirling in the upper left. A prominent, glowing blue cube is positioned in the center-right, with a bright orange and red light trail emanating from its top face. Numerous thin, curved orange lines, resembling sparks or light trails, sweep across the frame, particularly concentrated in the lower right corner where they form a dense, fan-like pattern. The overall color palette is dominated by deep blues, oranges, and reds, creating a high-tech, industrial feel.

# SSH.COM Q2 Operations Review

# Backdrop: COVID-19

**COVID-19** had a major effect on our business as customers postponed and phased projects due to their savings initiatives

- SSH.COM stayed in a remote work mode during most of the quarter; in some locations, we started returning to office work towards the end of June
- Our employees' well-being was successfully secured: in our offices across four countries, we did not have any confirmed COVID-19 cases
- Even with most of the whole organization working remotely, our efficiency and mood remained high
- Especially large financial institutions started to postpone their technology investments due to savings initiatives

# Organization Renewal

**A flatter, leaner organization with faster decision-making and better accountability**

- We decreased the size of our executive management team to three people for faster decision-making and better communication. The members of the team are:
  - Teemu Tunkelo, Chief Executive Officer
  - Niklas Nordström, Chief Financial Officer
  - Jussi Mononen, Chief Commercial Officer
- The organization change clarifies regional and product line responsibilities and creates clear accountability for all aspects of our business



# Ownership and Governance Changes

**Accendo Capital**  
**became our largest**  
**shareholder and two**  
**representatives of**  
**Accendo were elected**  
**to the Board of**  
**Directors**

- Accendo Capital acquired 29.2% of SSH shares from company founder Tatu Ylönen in two transaction in May/June 2020.
- Accendo is now the largest shareholder of SSH. Tatu Ylönen is now the second-largest shareholder of SSH after the sale with 18.0% of the company.
- An extraordinary general meeting was held on June 26, 2020. The meeting increased the size of the Board to five members and elected Accendo representatives Henri Österlund and Kai Tavakka to the Board.
- The new Board elected Mr. Österlund as the Chairman.

# Progress Report, Part 1: Customer Wins

## Strong PrivX sales and customer wins

**UKM:** a leading global travel technology firm started a phased UKM deployment

**PrivX:** several significant new customers for PrivX, from the financial, industrial, and government sectors.

**We reached a milestone during the quarter and booked our 50<sup>th</sup> PrivX customer**



# Progress Report, Part 2: Cost Controls and Funding

—  
**Successful cost controls enabled positive EBITDA and operating cash flow despite the decline in sales**

- 
- EBITDA for the quarter and the full six-month period remained positive
  - We received limited COVID-19 support funding in the US and Hong Kong and applied for such funding in Finland.
  - We received a two-year EUR 1.3 million grant from Business Finland for developing postquantum crypto technology.

# New Guidance for 2020

---

**While it is challenging to predict the pandemic's course, it looks inevitable that we will have to deal with adverse effects caused by the pandemic at least for the remainder of 2020**

## **Our new guidance:**

- We expect our revenue to decrease compared to 2019. During the second half of the year we will invest in future growth and expect our EBITDA for the full year to be negative.

# Thank you!

