

A scenic landscape featuring a calm lake nestled between rugged mountains. The foreground is covered in dense, low-lying vegetation with autumnal hues of orange, yellow, and brown. The sky is a pale, hazy blue with soft, wispy clouds. The overall atmosphere is serene and majestic.

SSH Capital Markets Day

October 28, 2020

Safe Harbor Statement

The following information contains, or may be deemed to contain, forward-looking statements. These statements relate to future events or future financial performance, including, but not limited to, expectations regarding market growth and development as well growth and profitability of SSH Communications Security Corporation. In some cases, such forward-looking statements can be identified by terminology such as “expect”, “plan”, “anticipate”, “intend”, “believe”, “estimate”, “predict”, “potential”, or “continue”, or the negative of those terms or other comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. All forward-looking statements included herein are based on information presently available to SSH and, accordingly, SSH assumes no obligation to update any forward-looking statements, unless obligated to do so pursuant to an applicable law or regulation.

Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities of SSH or otherwise to engage in any investment activity.

Today's speakers



Teemu Tunkelo

Chief Executive Officer
at SSH since March 2020

- Ph.D. in Economics & M.Sc. (Tech) in Computer Science
- 25-year leadership experience from Voith, Siemens, ABB, Invensys, Compaq
- Previous CEO of Enfo & Board member at Nixu



Niklas Nordström

Chief Financial Officer
at SSH since 2018

- Master of Laws & Bachelor of Economics, Accounting and Finance
- Over 10-year financial management experience from various NASDAQ companies
- Previously worked as CFO for Biohit Oyj, a Helsinki based public biotech company



Jussi Mononen

Chief Commercial Officer
at SSH since 2016

- M.Sc. (Tech) in Industrial Management & Computer Science
- Long management experience from international technology-intensive businesses
- Ekahau, Nexit Ventures, Digia, Idean, Portalify

Opening Remarks



Welcome to SSH's Capital Markets Day

- SSH is turning a new page in its 20-year history as a listed company
- With a new lead owner, new BoD, new CEO and new management team, SSH is striving to deliver strong business results in an attractive market
- Today's CMD will give you insights into our portfolio, customers, and short term strategy through 2022
- Covid-19 does provide new business opportunities for SSH as a global boutique cybersafety company
- We help our customers protect their valuable data in use, in motion and at rest by controlling superuser and 3rd party access to their valuable data

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 - UKM
 - PrivX
 - NQX
- 6. Summary**

What is SSH about



Not even the company CEO has access to all the rooms in the office. **It's the service personnel who have.**

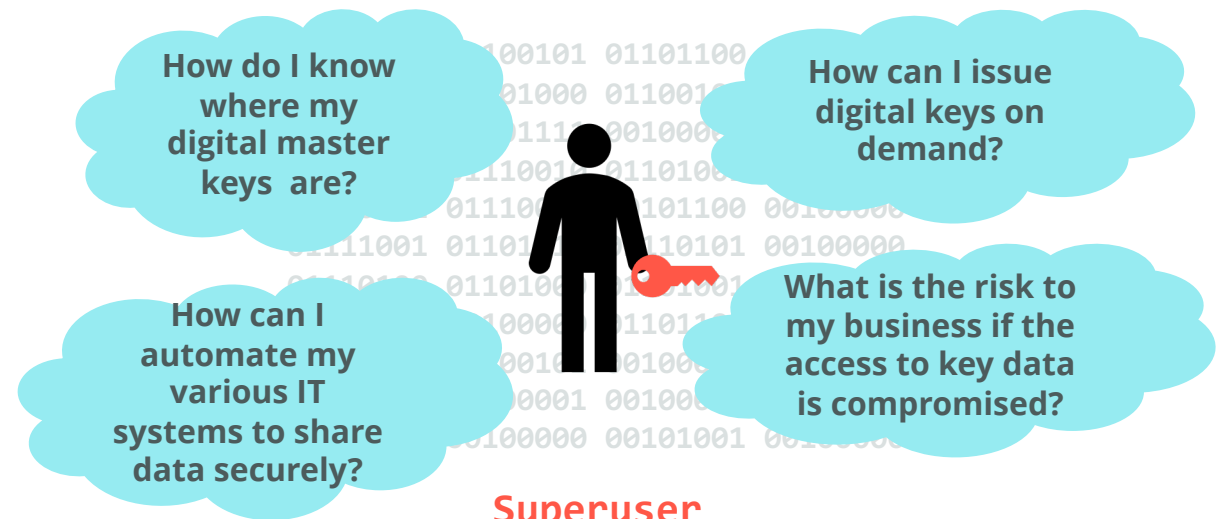
Physical world



Janitor

- ✓ Has **keys** to every room
- ✓ Makes sure everything is under control
- ✓ Can do anything in the building

Digital world



- ✓ Has **invisible digital keys** to every system
- ✓ Makes sure everything is under control
- ✓ Can do anything in the system

Rapid digitalization brings new risks in managing digital keys in systems with critical data



39 seconds

Average time between attacks worldwide



\$4M

Average cost of a data breach



9 months

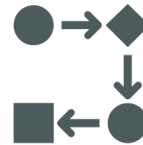
Average time to detect a breach

Where is your valuable data, and do you know who can access it?



74%

...of data breaches start with digital keys in the wrong hands



83%

...of organizations do not have robust processes to control their digital keys



95%

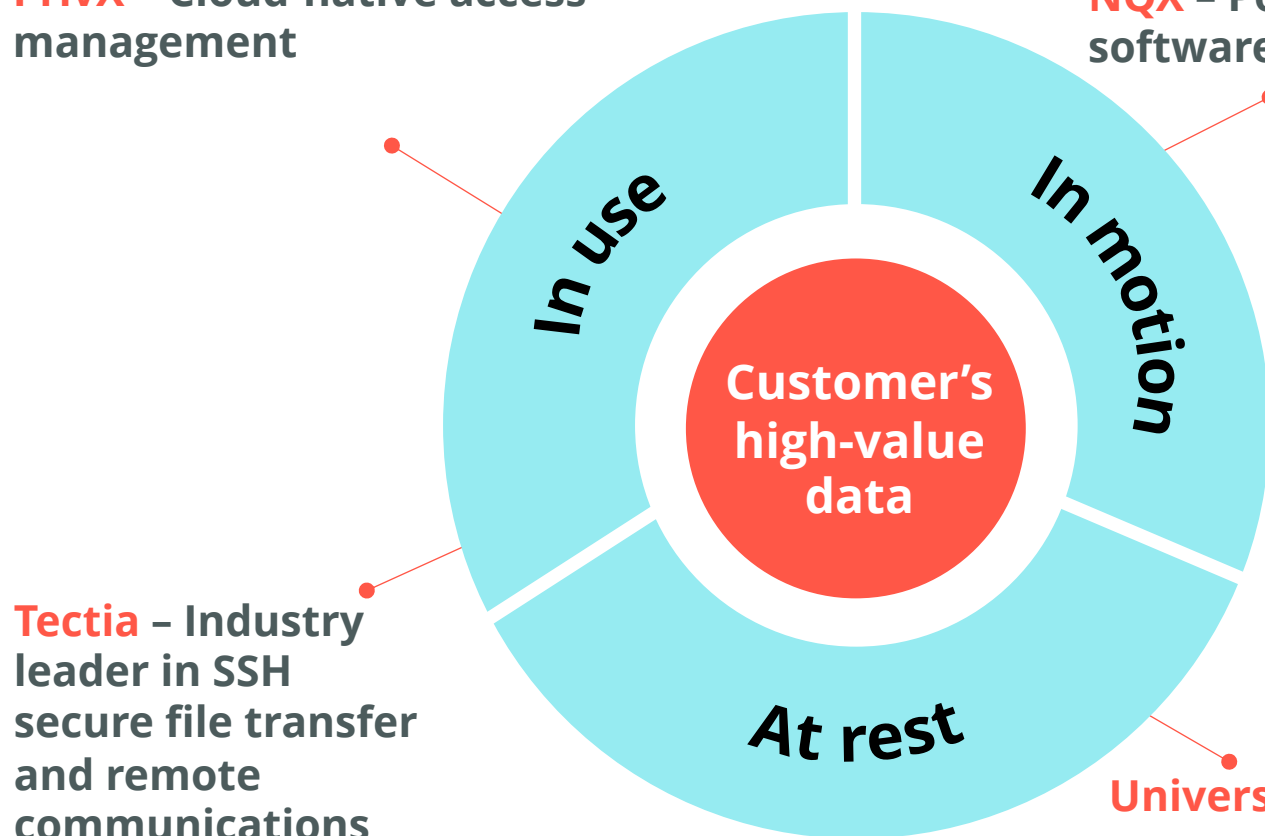
...of cloud breaches in 2020 are predicted to be due to customer vulnerabilities

We protect digital keys and critical data in traditional and cloud environments

We protect customers' high value data in use, in motion, and at rest

PrivX – Cloud-native access management

NQX – Post-quantum ready encryption software for demanding environments



Tectia – Industry leader in SSH secure file transfer and remote communications

Our **proven track record** places us as thought leader in our segments

20+ years in Tectia

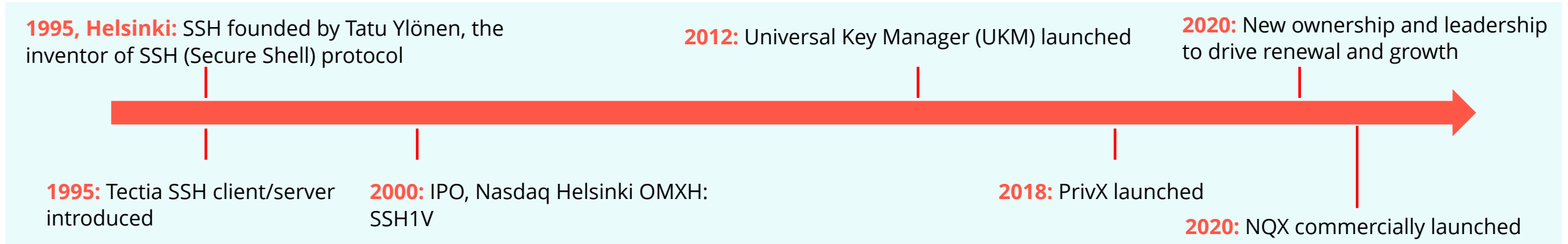
8+ years in UKM

2+ years in PrivX

NQX **Now**

Universal Key Manager (UKM) – Digital key management and control

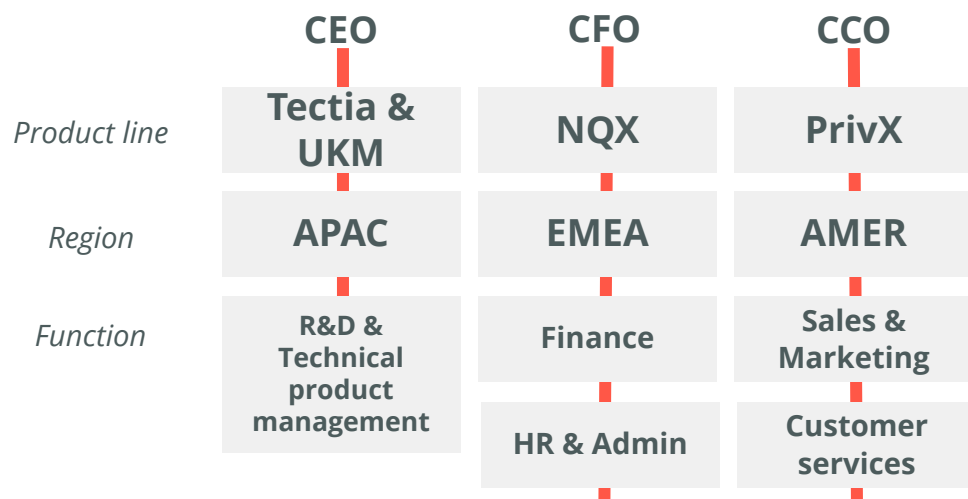
We have a 25-year history of innovation in cybersecurity



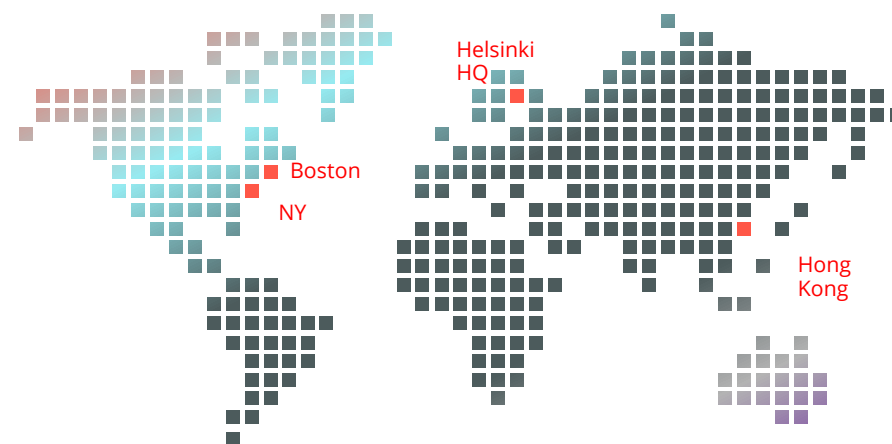
Over **5M annual unique website visitors** indicates SSH thought leadership is relevant and needed

Our team of experts delivers state-of-the-art solutions across the world

New organization to promote customer proximity and delivery



80+ passionate employees on three continents



More than **90 % of our revenue is international**

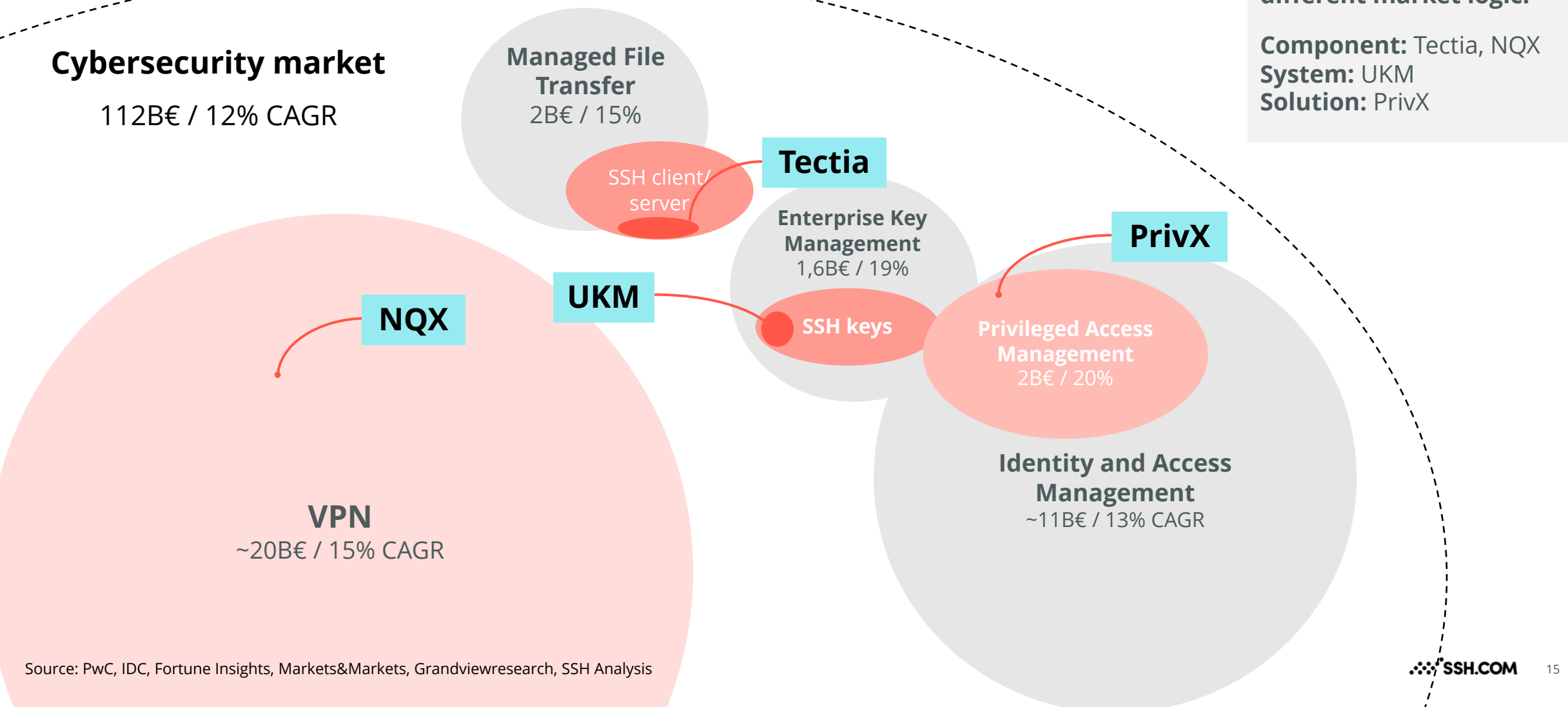
Customers, markets & competition



Our high-end solutions have growth potential

Cybersecurity market

112B€ / 12% CAGR



SSH products have different market logic:

Component: Tectia, NQX

System: UKM

Solution: PrivX

Our three regions compared

Americas



35-40%

Of total cybersecurity market

- Our largest market (>50% of revenues)
- Key products Tectia & UKM, PrivX starting to grow
- Revenue maintenance-driven
- Moved our Americas HQ to New York
- Mainly direct sales

EMEA



25-30%

Of total cybersecurity market

- Our second largest market with 25% of revenues
- PrivX showing fast growth
- Rebuilding our presence in Central Europe
- Mainly direct sales

APAC







20-25%

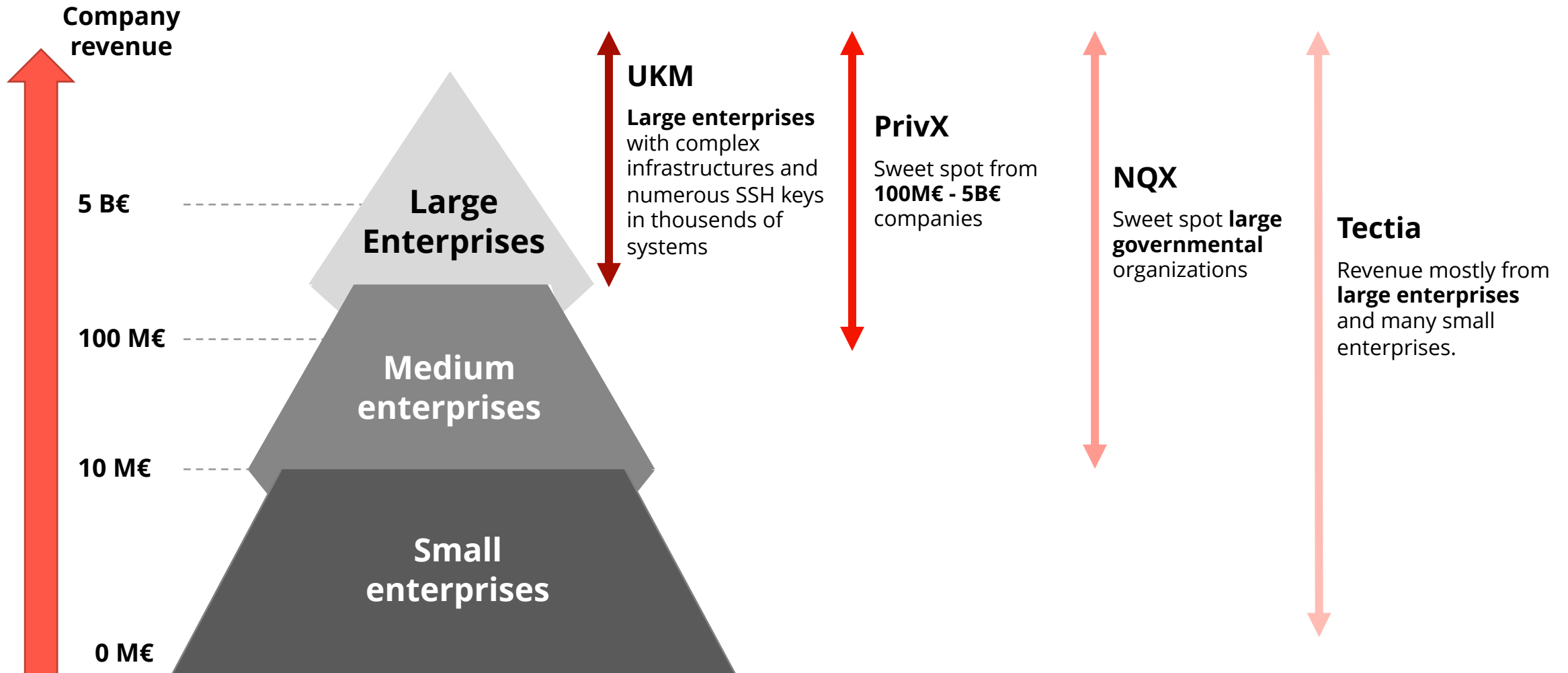
Of total cybersecurity market

- Roughly 20% of revenues
- Key product Tectia, room for growth for PrivX and UKM
- Planning to move our APAC HQ to Singapore and increase focus in South-East Asia
- Two-tier channel structure

We compete in selected markets where we have a competitive advantage against larger players

| | PrivX | UKM | Tectia | NQX |
|-----------------------|--|---|---|--|
| Competitive advantage | <ul style="list-style-type: none"> • Modern, cloud-native scalable architecture • Fast rollout and ease of use • Superior ROI and low TCO | <ul style="list-style-type: none"> • Most comprehensive full life-cycle SSH key management solution • Least disruptive deployment • Superior ROI and low TCO | <ul style="list-style-type: none"> • Leading commercial SSH offering on the market • Superior performance • Premium 24/7 support | <ul style="list-style-type: none"> • Quantum-ready encryption software for connections between clouds and offices • Hardware-independent • Superior price-performance ratio |
| Selected competitors |  |  |  |  |

SSH focus is generally on large and medium enterprises, but Tectia also has small customers



World-class customers in each of our industry segments

Finance



Retail



Industrial



Government



Scalability, ease of deployment and fit-for-purpose are important for our customers

The Western Union logo, featuring the text "WesternUnion" in yellow and "WU" in white on a black background.

PrivX: Western Union

Western Union, the global leader in cross-border, cross-currency money movement, chose PrivX for its cloud access solution.

Rapid deployment, ease of use, and superior ROI were key reasons the customer chose PrivX over competing solutions.

The scalability of PrivX allows for a fast start with a small deployment and easy scaling with growing needs.

The Walmart logo, featuring the word "Walmart" in blue and a yellow six-pointed star icon.

Tectia: Walmart

Walmart, the largest retail company in the world, uses the SSH Tectia® solution to enable secure remote access and secure end-to-end data file transfer throughout its extensive global computing network.

Because of the size and complexity of the global environment, it was important for Walmart to find a solution that could be used on all platforms.

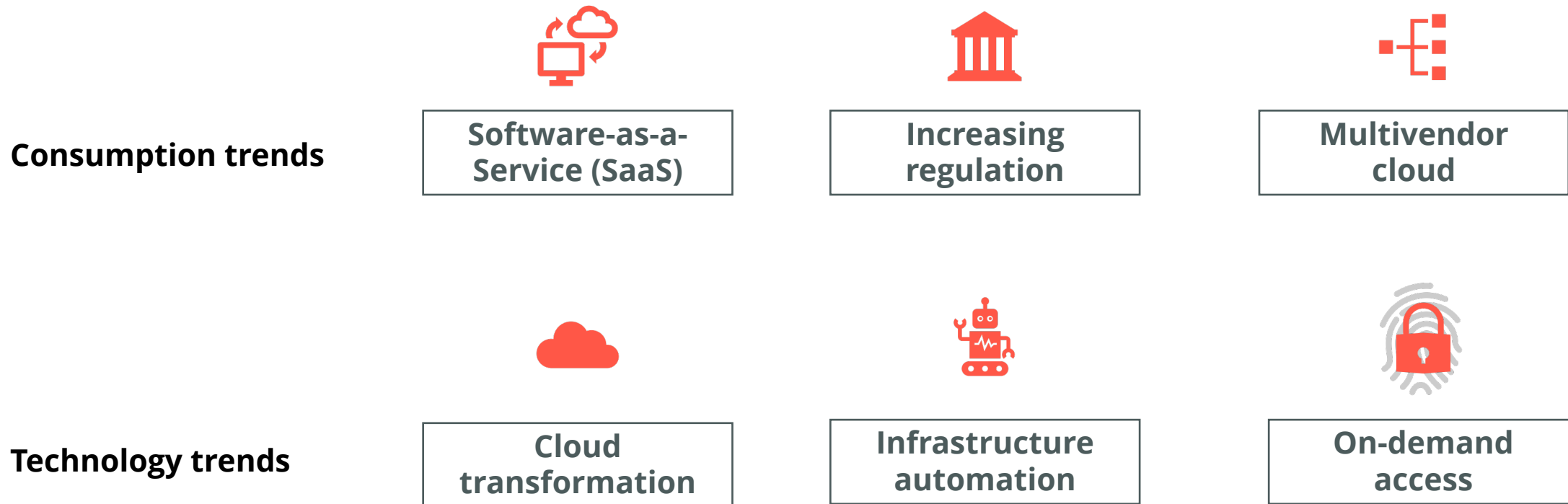
The ING logo, featuring the word "ING" in blue and an orange lion icon, with the tagline "Die Bank und Du" in orange below it.

UKM: ING-DiBa

ING-DiBA AG, the third largest retail bank in Germany, selected SSH.COM to deliver Universal SSH Key Manager (UKM) for centralized SSH key management and access control for its business-critical infrastructure.

UKM locates existing SSH keys, their owners and ownerless keys to ensure that all digital keys remain visible and their owners are known.

Current data use and protection trends strengthen our market position



SSH helps customers manage their master keys

Increasing amount of external superusers

Increasing need to monitor and control digital key use

More applications with superuser access rights



Future
of data
security

Changing IT infrastructure and work practices

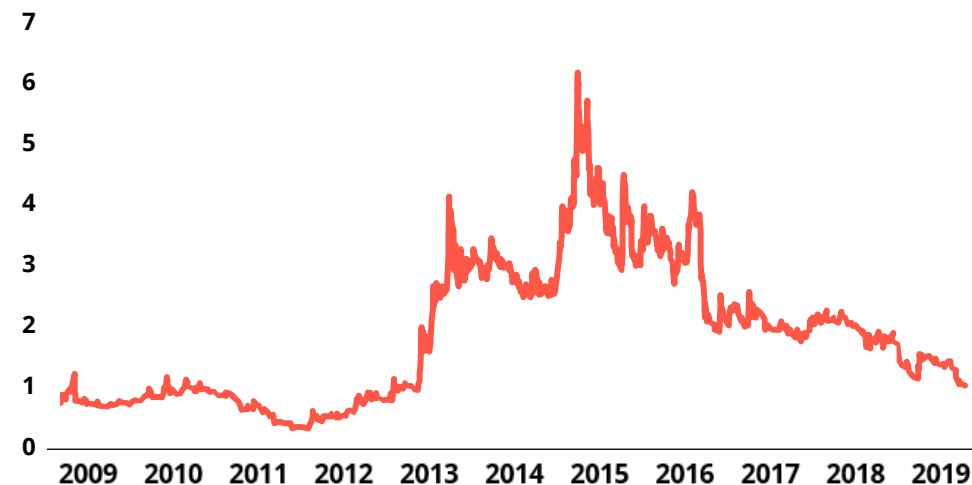


Our performance

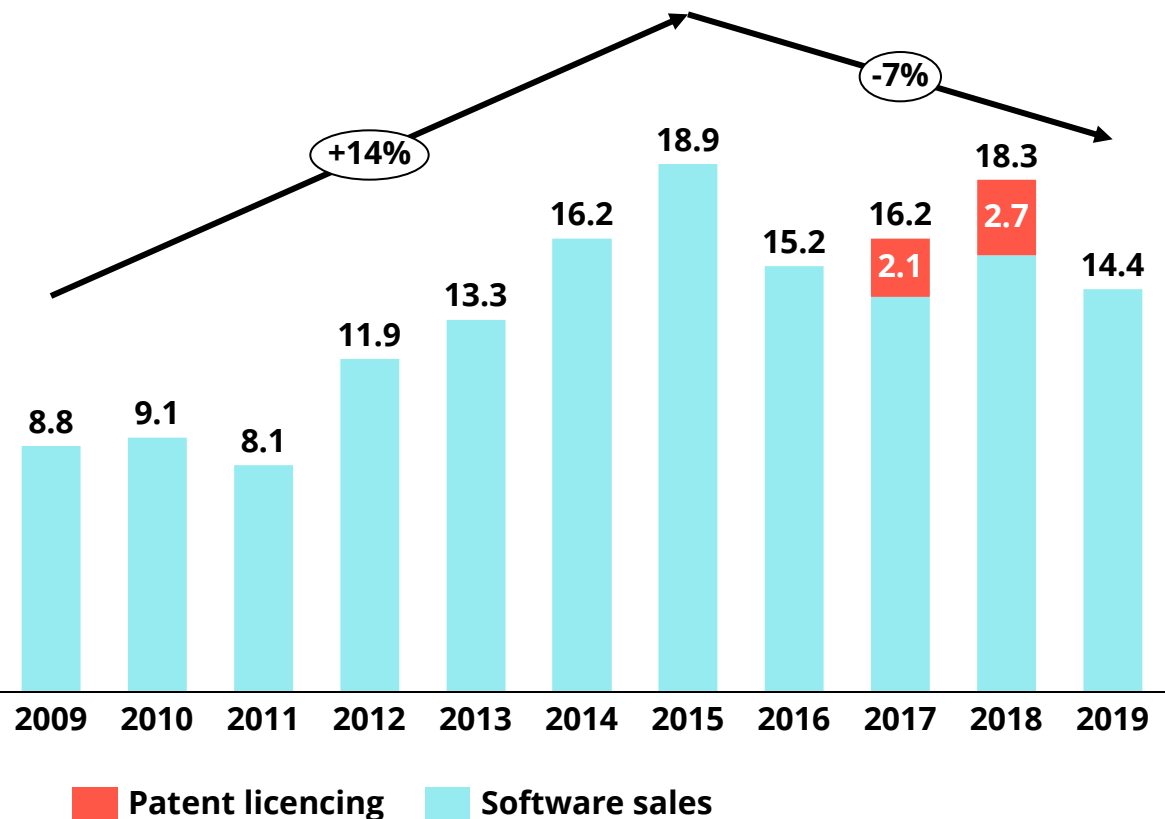


Financial performance has been weak since 2016

SSH stock price development (€)



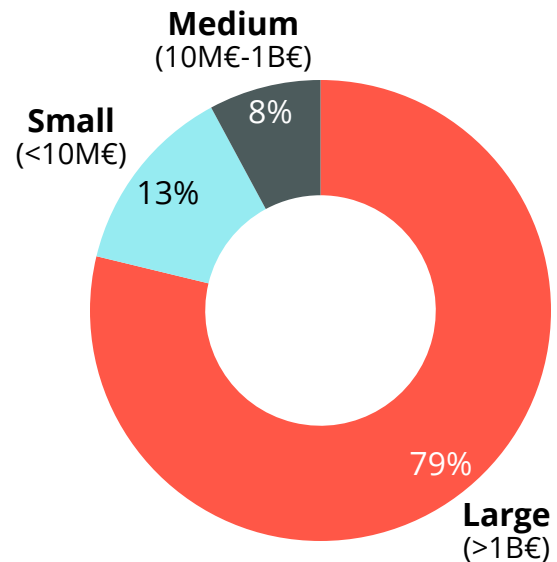
Sales development (M€)



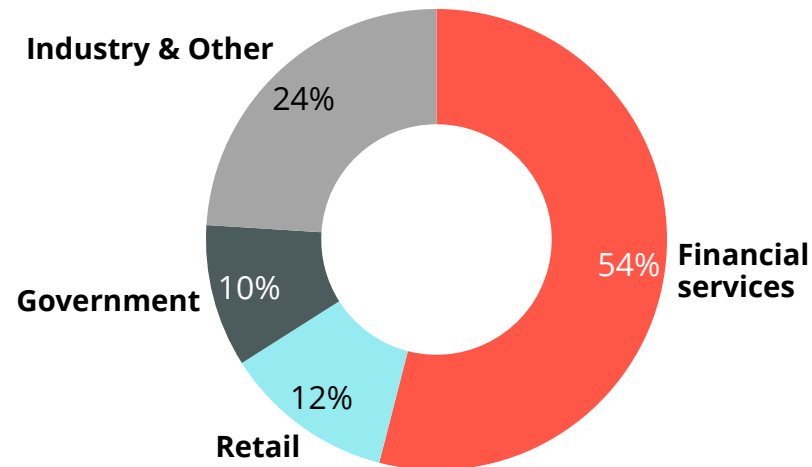
Large companies generate most of our revenues, with financial services the largest industry segment

Sales distribution

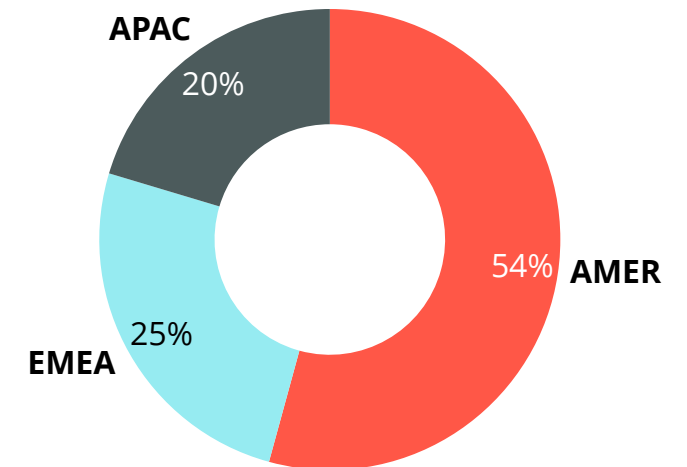
By company revenue size



By industry



By region

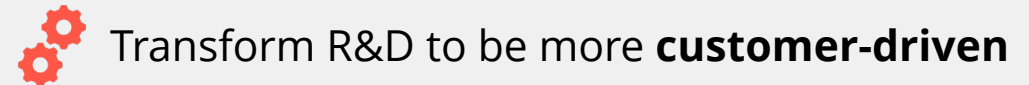
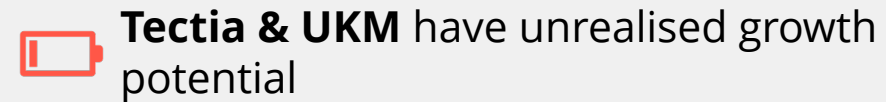
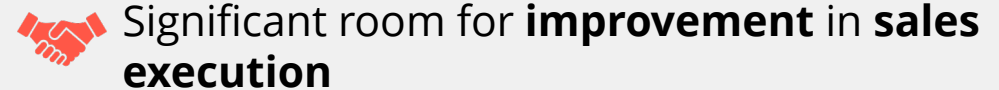


We have strong core assets and we will monetize them

We have strong products and deliver to many demanding customers



We will be more effective in commercializing the products



SSH.COM

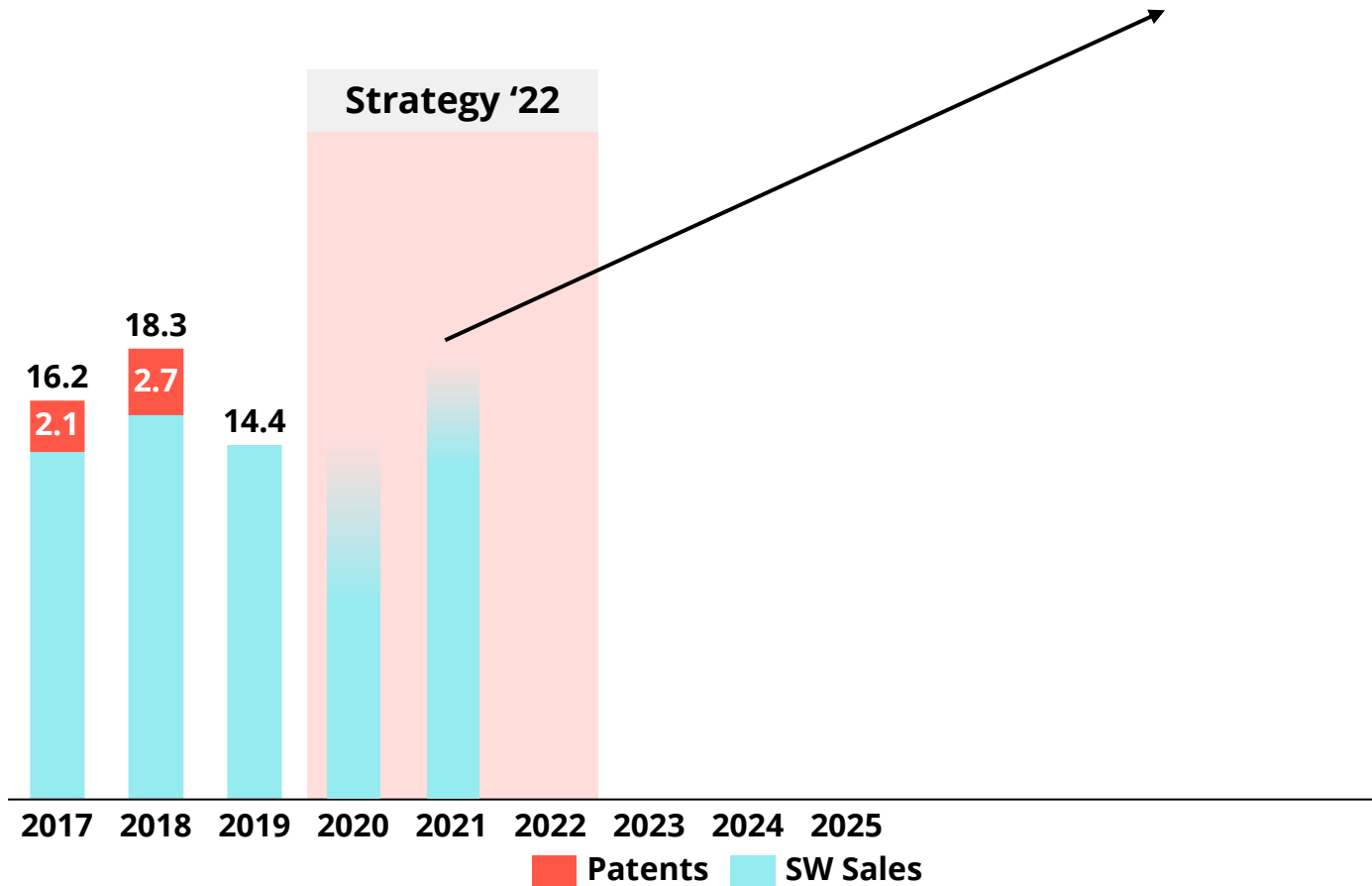
Growth Strategy



SSH strategy 2022 aims to kick start growth

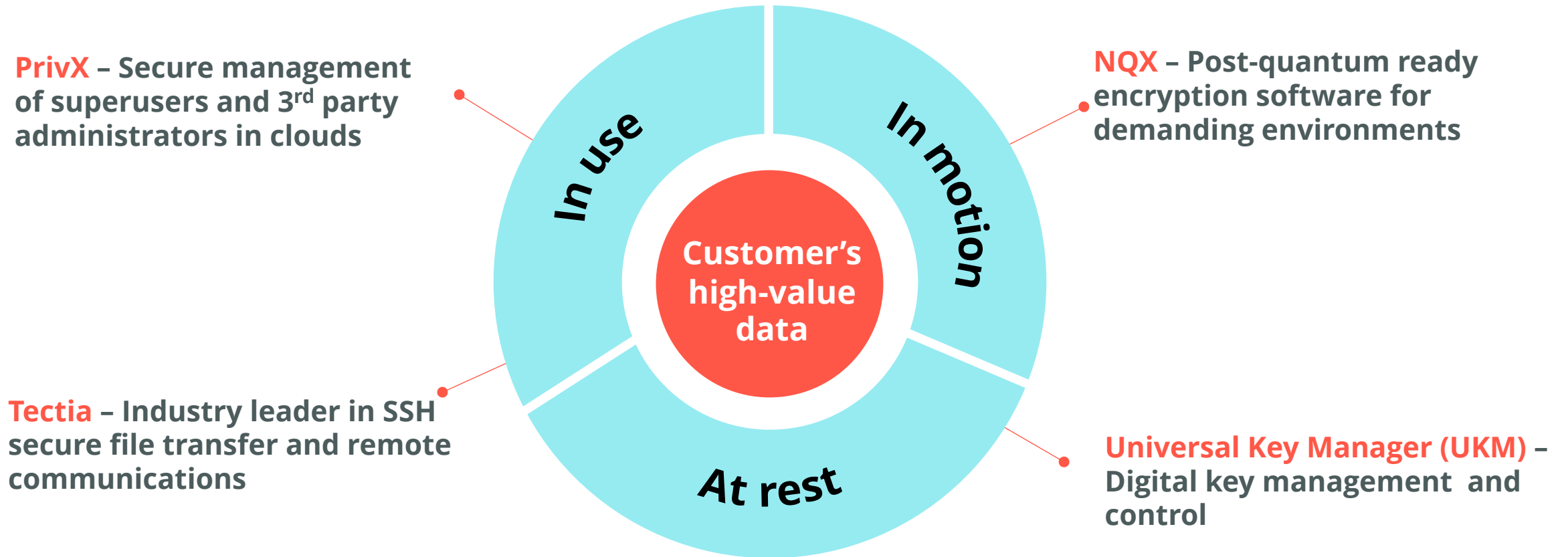
We will focus on launching growth for the next 2 years

What has changed?



- **New growth-oriented owners and leadership team**
- **Short-term growth** targets can be reached with organic growth
 - Medium to long-term strategy could include acquisitions
- COVID-19 is a long-term **opportunity** due to remote working and changing IT landscape

We protect our customers' high value data in use, in motion, and at rest



Key elements of Strategy 2022 include revitalizing Tectia and UKM sales, while growing PrivX and NQX

Main elements of Strategy 2022



Revitalize and **nurture Tectia** and **UKM** by investing in sales, support and R&D



Continue strong **PrivX growth** by investing in direct sales and partnerships supported by own professional services



Initiate commercial deployments for **NQX**, grow in Nordic governmental sector, strengthen post-quantum leadership and professional services



Implementation actions



Focus on **lighthouse customers**



Improve the process from receiving **customer needs** to delivering **customer value**



Enhance our **online presence**



Emphasize **product synergies**



Continue shift to **subscription model**



Grow **professional services**

Increased focus on the **customer-to-customer loop**



Shortening the time between receiving customer requirements to delivering solutions



Improving customer satisfaction with appropriate products and services



Co-developing solutions together with our customers and partners



Increasing online access to data changes buying patterns



70%

**Buyers define their needs
independently before
engaging with a seller**



44%

**Experts identify specific
solutions before reaching
out to a seller**



13

**B2B buyers typically
examine 13 content
sources before deciding
on a vendor**

Digital Face

Improve our online presence and brand image



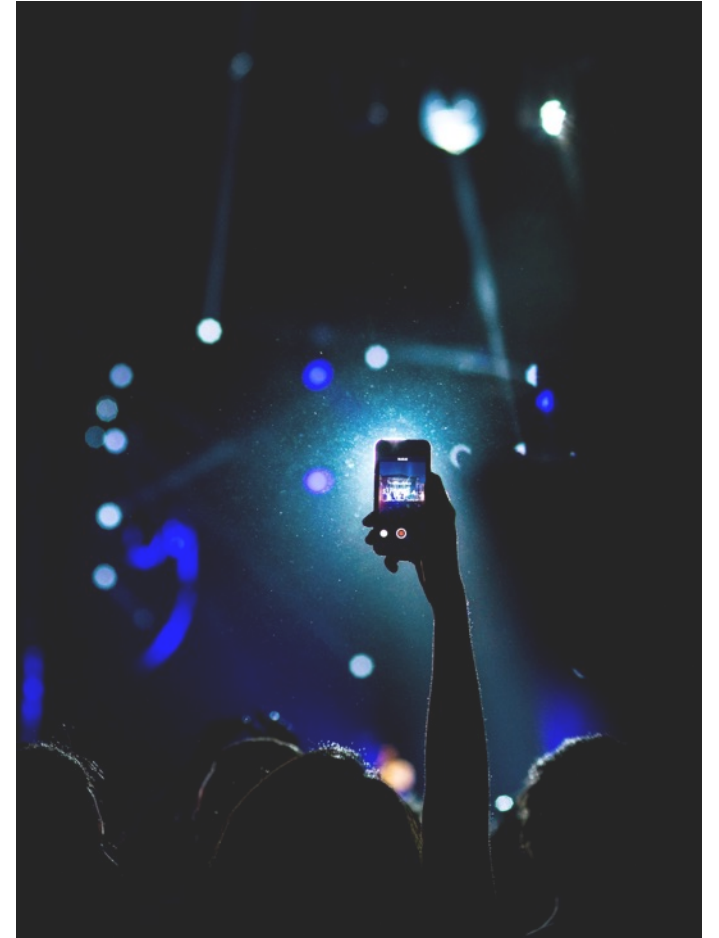
Improve and unify digital engagement with us



Help decision-makers in their buying process



Enable self-service access to technical data



Business changes drive reporting changes for greater transparency

How we currently report our revenue

- Software fees
- Recurring revenues
- Professional services & others








How we will report moving forward

- Subscription sales
- License sales
- Maintenance sales
- Professional services & others

Professional services increase value for our customers

To serve our customers better **we will revitalize** our professional services

Professional services bring many benefits

-  Accelerate customer time to value
-  Improve customer satisfaction
-  Increase our customer understanding and intimacy
-  Increase upsell opportunities and customer loyalty
-  Bring additional revenue

Our updated values: all hands on deck

Updated values



Growth



Accountability



Teamwork



**Customer
orientation**



**Speed &
Agility**

Initiatives for cultural change:

Process development

Incentives alignment

Simplify and clarify organization

Increase accountability and agility

Strategy implementation requires concrete changes

So far, we have



Updated **management team**



Updated **Board of Directors**



Flattened organizational structure

We will also



Relocate US office to NY & APAC to Singapore

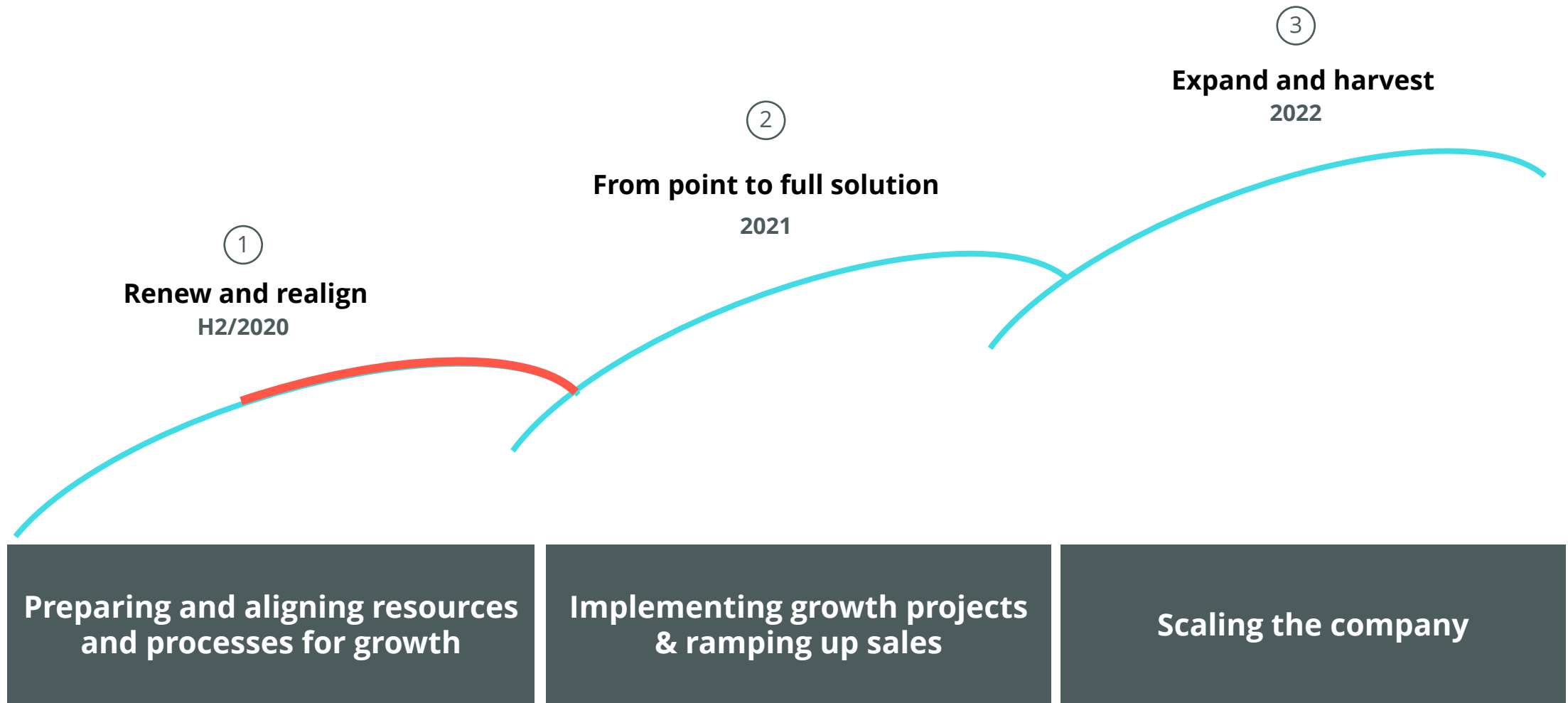


Grow & strengthen our sales, moving team closer to our customers



Strengthen our partner network for the cloud era

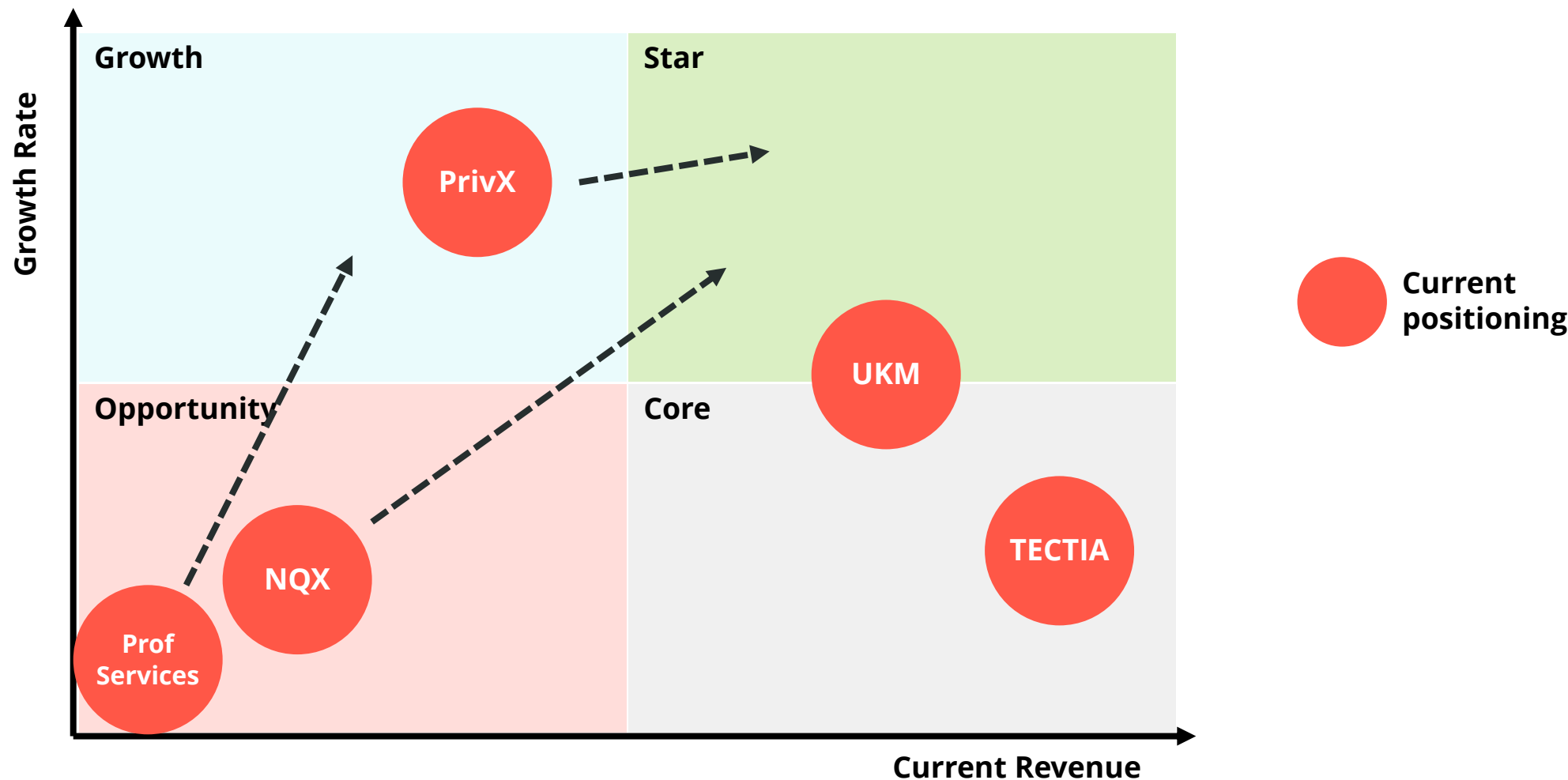
Our strategy roadmap has three stages



Product Strategies



PrivX and NQX are the key growth drivers





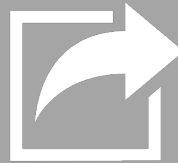
Tectia strategy



Tectia® – more than an SSH client



Remote access



File transfer



Post-quantum protection

Key use case: secure file transfer



An essential component of managed file transfer (MFT) systems

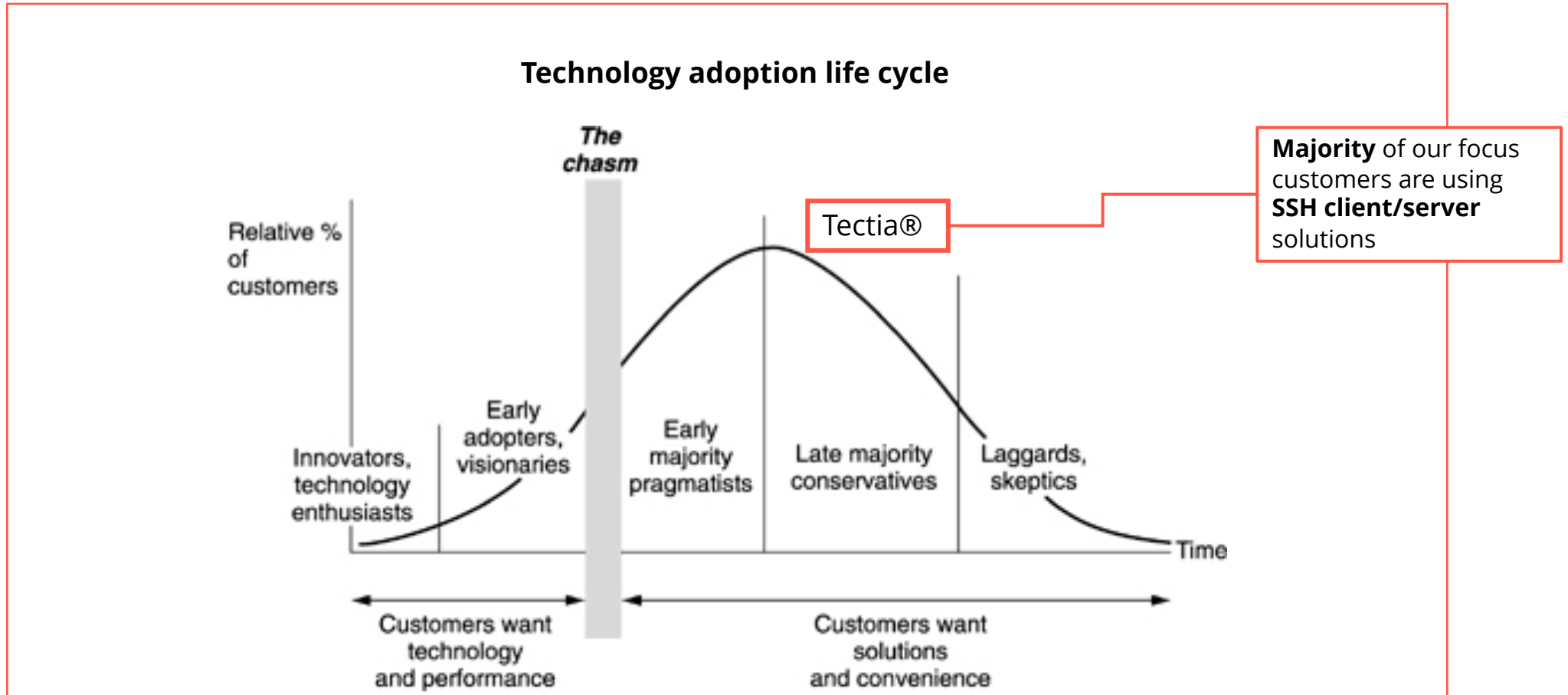


Replacing insecure FTP connections with secure SFTP connections



Available for PC's, servers and mainframes (IBM z/OS)

Tectia is the leading solution in the market



We will revitalize Tectia through investments



Increasing sales resources

- **Expanding** in mainframes and automated file transfer
- **Further targeting** governments and highly regulated segments



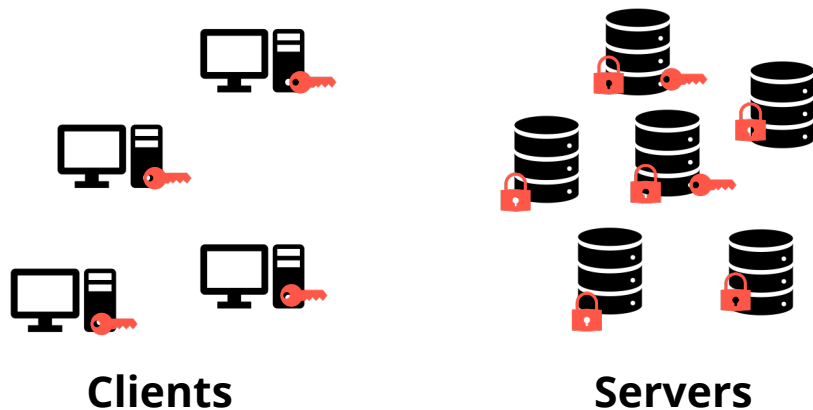
Increasing competitiveness

- **Increased resources** in maintenance and development, with a sharpened roadmap
- **Expanding main use-case** by adding managed file transfer features

UKM strategy



UKM is the most complete SSH key manager in the market

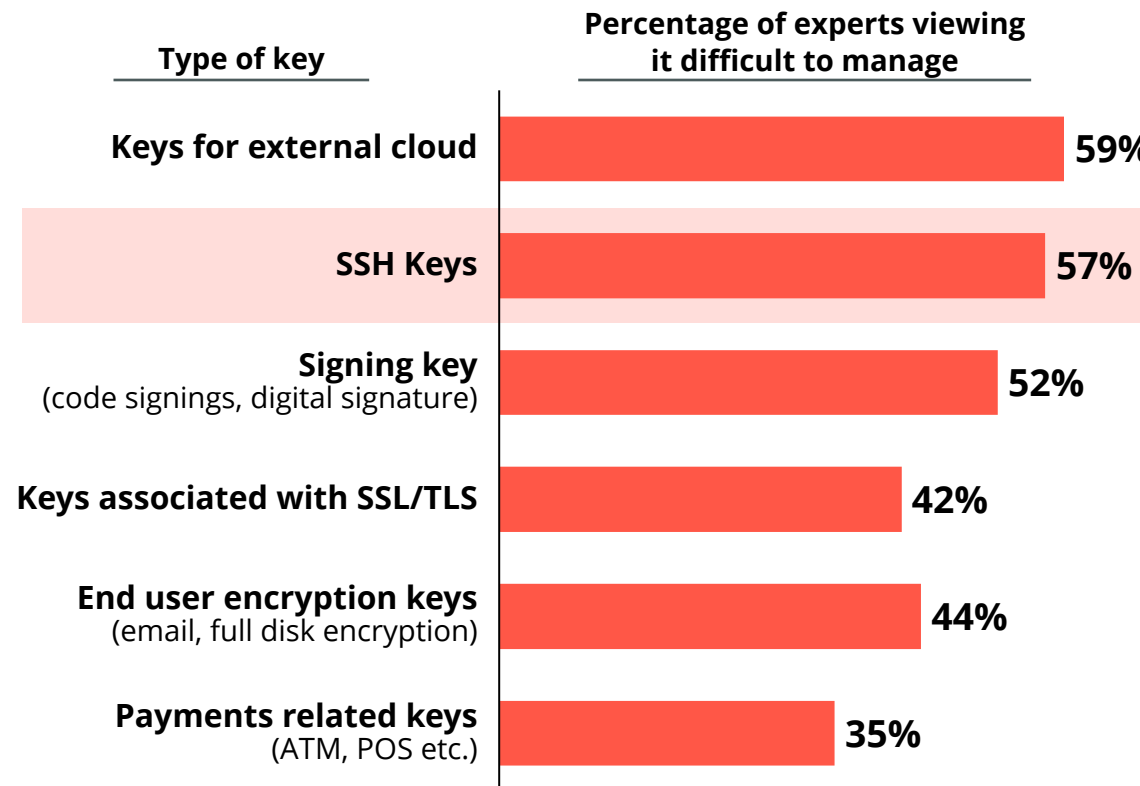


UKM helps large enterprises to **take control** of their keys in their **critical environments**

- ✓ **Clear visibility** into the key realm through intelligent discovery
- ✓ **Full life-cycle solution** that is non-disruptive and easy to use
- ✓ Ensures key management **best practices** and **regulatory compliance**

SSH keys need professional management

Industry experts* perceived SSH keys to be one of the most **difficult keys to manage**¹



UKM has significant growth potential



Growing within existing customers



Expanding from SSH keys

- **Expanding** to management of other types of keys and certificates
- Further **penetration into the mid-market**



PrivX strategy



IT professionals recognize clear need for PrivX

SSH polled 600+ IT professionals

60% use a hybrid cloud infrastructure

90% believe all operations can be run from the cloud

80% of breaches involve breached or stolen credentials

90% share account credentials

30% give 3rd parties permanent credentials

70% of outsourced workers would share passwords with colleagues

60% of ex-employees still have access to IT-systems

50% would consider bypassing security controls to meet deadlines

70% experience issues with cloud access slowing down their work

Customer requirements

Cloud native
solution

Password-less
solution

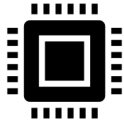
Remote access
solution

Zero Trust solution

Simplicity,
efficiency and speed

PrivX fulfills all
these
requirements

PrivX: the lean cloud-native Privileged Access Management solution



Technical differences

- 1 Passwordless just-in-time access
- 2 Modern microservices architecture
- 3 Fast deployment & easy-to-use

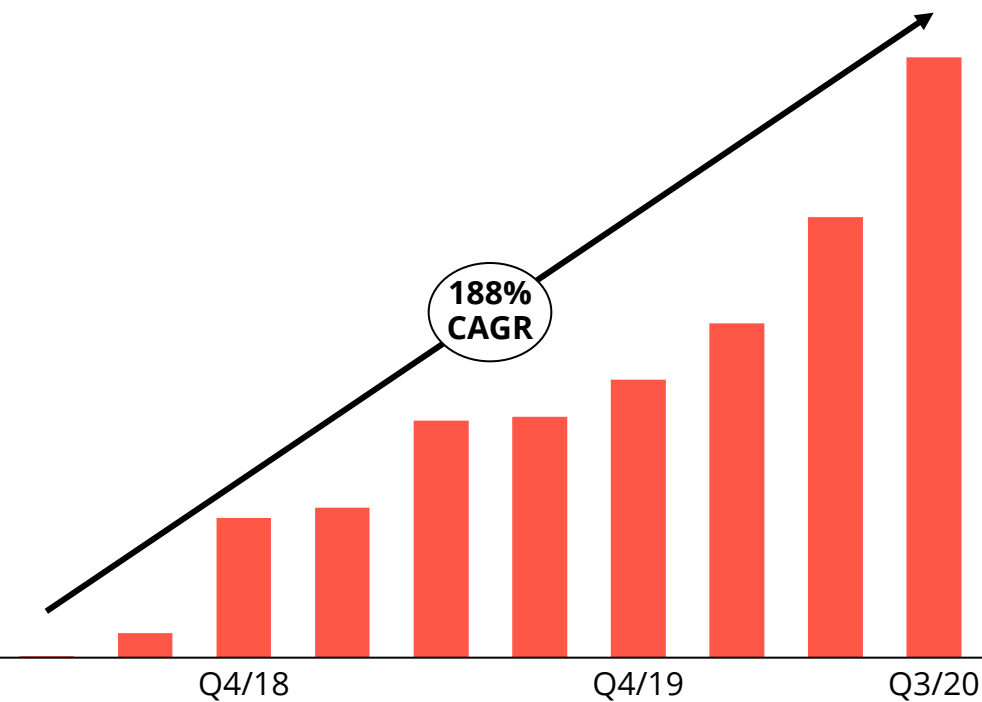


Customer benefits

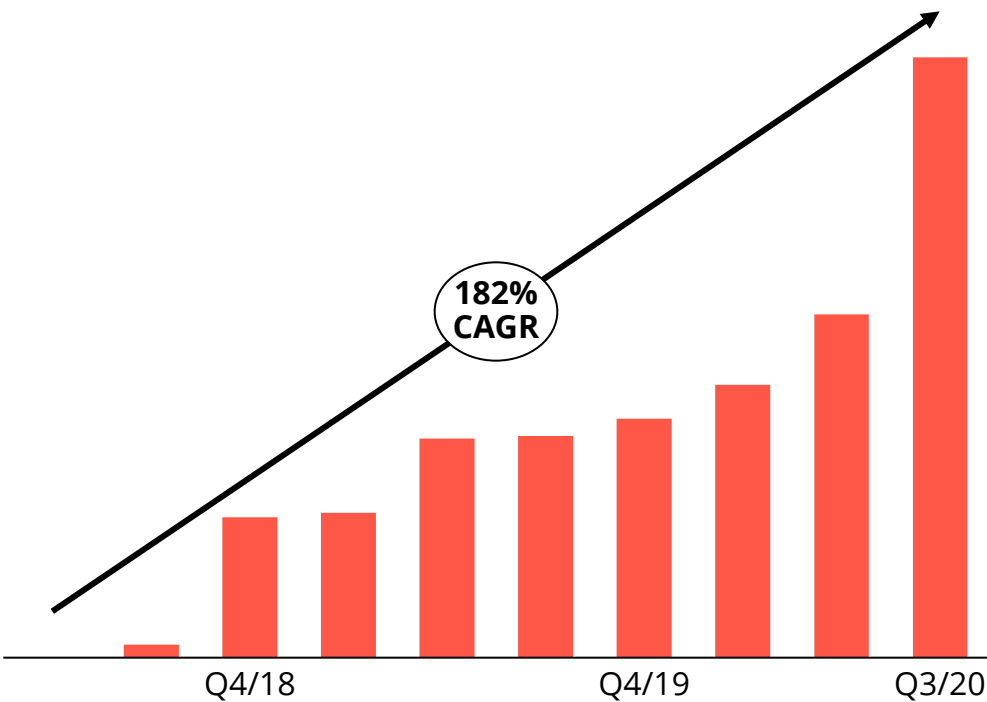
- 1 Improved security & productivity
- 2 Scalability & future-proofing
- 3 Excellent ROI & low TCO

PrivX: triple digit CAGR, scalable subscription business model

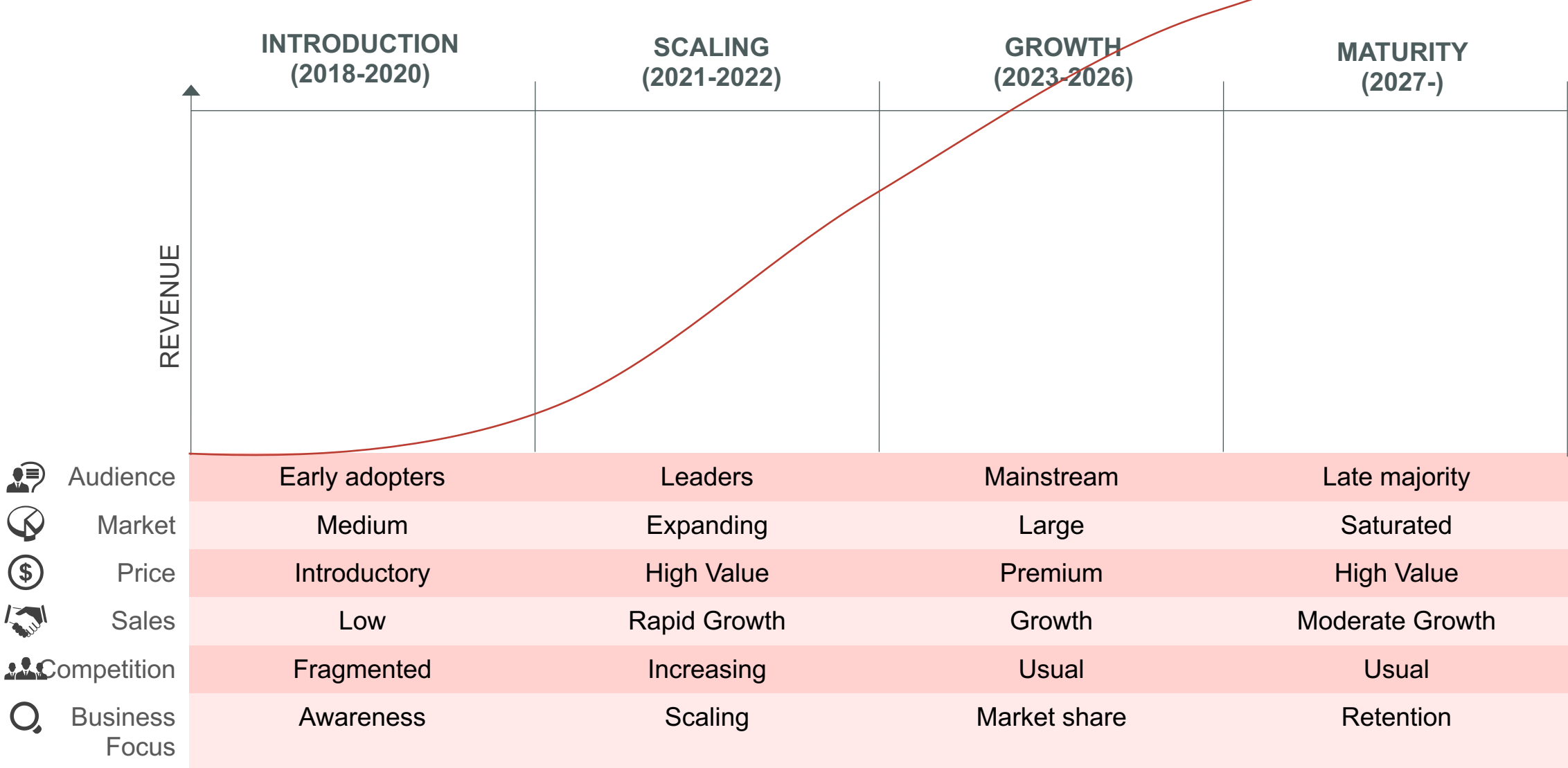
Annual Recurring Revenue (ARR)



Hosts Under Management



PrivX is entering the scaling phase



PrivX strategy recognizes regional market differences

| | EMEA | APAC | AMERICAS |
|-------------------------|---|------------------------------------|--|
| Target Segments | Industrial Finance IT & Internet services Government | Finance Government | Finance Industrial Retail |
| Business Model | Subscription (ARR) | Perpetual license and subscription | Subscription |
| Deployment Model | On-premise Self-managed cloud Managed cloud (SaaS) | On-premise Self-managed cloud | On-premise Self-managed cloud Managed cloud (SaaS) |
| Sales Model | Direct and one-tier channel, gradually also digital | Primarily two-tier channel | Direct and one-tier channel, gradually also digital |

NQX strategy



Efficient encryption software creates secure gateways between networks

NQX is the real-world **Stargate**



- ✓ An extremely **efficient** and **fast** encryption software
- ✓ **Scalable** and **flexible** for customer infrastructure
- ✓ Future proof with **post-quantum capabilities**
- ✓ **Certified** for high security use

NQX is an important growth driver



Increased need of **certified connections**

Promising early signs from **early adopters**, creating exciting growth potential



We are **well-positioned** to grow

- Externally **acknowledged** innovations
- **Crucial for Finland's** post-quantum era preparation
- **Certified** for high security government use

Post-quantum cryptography is becoming increasingly important – we are ready

The draft standards for post-quantum encryption algorithms are expected in 2022

SSH is ready to implement them

<1 day

for a quantum computer to **break encryption** that is today unbreakable

~10 years

Powerful quantum computers become **available**



To **keep their current and future data secret**, governments and large organizations need to **start preparing** for the post-quantum era

The post-quantum threat

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[CIO JOURNAL](#)

Visa, JPMorgan Are Already Preparing for Potential Quantum Cyberattacks

A powerful quantum computer could be capable of breaking the internet's most commonly used cryptography

teiss

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Threats

Quantum computing could undermine personal data security, Euro believes

AUGUST 12, 2020

ITPro. Business Cloud Hardware Infrastructure Security Software Technology Resources

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Quantum security: The end of security as we know it?

It's a core component of the developing DARQ technologies, but if a quantum computer performs as expected, it could wreak havoc on cyber security

by [David Howell](#) 29 Jul 2020

Forbes

Staying Secure In A Post-Quantum World



Dan Timpson Forbes Councils Member
Forbes Technology Council [COUNCIL POST](#)
[Innovation](#)

POST WRITTEN BY

Dan Timpson

“Anyone that wants to make sure that their data is protected for longer than 10 years should move to alternate forms of encryption now,” warned Arvind Krishna, director of [IBM Research](#), in a [ZDNet article](#).

Summary



Our markets are growing, we have a stable installed base, and we will leverage our investments in PrivX and NQX



Growing markets

Fast growing markets provide us with compelling growth opportunities



Balanced product portfolio

We have both stable cash generators and rising stars in our portfolio



Relentless emphasis on customers & sales

We are transforming into a customer and sales-minded organization



Significant growth by 2022

Systematic, determined execution

Targeted investments into sustainable growth

Q&A



Closing words

