

The background of the page is a photograph taken from an elevated perspective, looking down on a vast expanse of white, fluffy clouds. The clouds are illuminated from the right, where a bright sun is setting or rising, creating a warm, golden glow. The sky transitions from a deep blue at the top to a bright orange and yellow near the horizon. The sun is partially obscured by a thin layer of clouds, and its light creates a lens flare effect. The overall mood is serene and expansive.

SSH Communications Security
Interim Report
January–June 2023

Net sales increased by 9.2%, subscription ARR increased by 36.7%, and EBITDA remained positive

April–June 2023:

- Net sales increased by 9.2% to EUR 4.9 million (EUR 4.5 million)
- EBITDA was EUR 0.1 million (EUR 0.5 million), 2.9% of net sales
- Operating loss was EUR -0.7 million (EUR -0.2 million), -14.6% of net sales
- Cash flow from operations decreased by 36.5% to EUR -1.4 million (EUR -1.1 million)
- Subscription revenue, ARR increased by 36.7% to EUR 10.8 million (EUR 7.9 million)
- Recurring revenue, ARR increased by 12.3% to EUR 18.3 million (EUR 16.3 million)

January–June 2023:

- Net sales increased by 9.3% to EUR 9.6 million (EUR 8.8 million)
- EBITDA was EUR 0.3 million (EUR 1.1 million), 3.0% of net sales
- Operating loss was EUR -1.4 million (EUR -0.4 million), -14.4% of net sales
- Cash flow from operations increased by 288% to EUR 0.5 million (EUR -0.3 million)

The equity ratio was 51.6% (47.4%). Liquid assets at quarter-end were EUR 2.6 million (EUR 4.4 million).

EUR million	4-6/2023	4-6/2022	Change %	1-6/2023	1-6/2022	Change %	1-12/2022
Net sales	4.9	4.5	9.2	9.6	8.8	9.3	19.3
EBITDA	0.1	0.5	-73.0	0.3	1.1	-72.5	2.7
% of net sales	2.9	11.9	-75.2	3.0	12.1	-74.8	13.9
Operating profit/loss	-0.7	-0.2		-1.4	-0.4		-0.4
% of net sales	-14.6	-5.2	-181.1	-14.4	-5.1		-2.3
Profit/loss before taxes	-0.9	-0.1		-1.9	-0.3		-0.7
Profit/loss	-0.9	-0.2		-1.8	-0.4		-0.6
Return on equity, %				-18.1	-3.3		-5.2
Return on investment, %				-15.1	-2.1		-4.7
Liquid assets				2.6	4.4	-40.9	5.7
Gearing (%)				-2.4	-10.6	77.4	-27.9
Equity ratio (%)				51.6	47.4	8.9	46.1
Earnings per share, EUR	-0.03	-0.01		-0.06	-0.03		-0.05
Shareholders' equity per share, EUR	0.25	0.29	-11.0	0.25	0.27	-5.7	0.28
Recurring revenue, ARR				18.3	16.3	12.3	18.4
Subscription revenue, ARR				10.8	7.9	36.7	9.9
Invoicing	4.5	3.2	41.3	7.7	7.1	8.1	24.2
Deferred revenue				12.6	7.4	70.3	14.1
Current				9.0	6.2	45.2	10.6
Non-current				3.6	1.2		3.5

SSH Communications Security provides alternative performance measures which are not defined by IFRS standards. Alternative performance measures should not be considered substitutes for performance measures in accordance with the IFRS. The alternative performance measures are:

EBITDA = Operating profit/loss + depreciation and amortization.

Recurring Revenue, ARR: Subscription + maintenance revenue at the end of the last month of the reported period multiplied by 12.

Subscription ARR: Subscription revenue in the last month of a reported period multiplied by 12.

Deferred Revenue: Non-recognized revenue from invoiced maintenance and subscription sales.

CEO review

Valued shareholders, customers, partners, and colleagues,

The second quarter of the year was affected by more uncertain economic conditions delaying customer procurement procedures and causing certain significant deals to be carried over to the next quarter or the end of the year. Yet, we closed several mid-sized deals, especially with PrivX and continued positive EBITDA. We remain confident in our business and growth potential.

Our net sales increased by 9% to EUR 4.9 million, owing primarily to the recurring business as subscription ARR grew 37%. EBITDA stood at EUR 0.1 million (EUR 0.5 million). Cash flow from operations was negative at EUR -1.4 million (EUR -1.1 million) due to typical seasonality. Recurring revenue accounted for 94% of total revenue in Q2, and Annual Recurring Revenue (ARR) grew by 12% year-on-year, reaching EUR 18.3 million, of which EUR 10.8 million is from subscription-based revenue.

Strengthening the long-term resilience of the business

By implementing a revenue model centered around subscriptions, we have enhanced the stability and predictability of our revenue streams. This strategic shift empowers us to offer continuous support to our customers while providing them with uninterrupted access to the latest features and updates and ensuring the long-term viability of SSH solutions. We have continued to invest in our marketing, engineering, and R&D teams, resulting in a 20 % year-on-year increase in employees.

Quarterly sales growth continued strong in EMEA at +18%, followed by AMER +8%. APAC region declined 28% due to ongoing changes in our go-to-market strategy.

We launched a modular software solution in the second quarter, SSH Zero Trust Suite. Based on PrivX technology our Zero Trust Suite enables our customers to improve their security posture in intranet, extranet and internet. The Suite integrates SSH's secure communication products into a passwordless, keyless, and borderless solution for our IT and OT customers, enhancing it with quantum-safe capabilities.

We also launched a support service for OpenSSH for multi-platform SSH environments. With this new offer, customers benefit from single source support both for Tectia and OpenSSH products from experienced SSH technical support.

During the quarter Finland joined NATO, which has increased interest in NQX and Zero Trust Suite. The membership enables us to achieve NATO compatibility with our offering.

We are working with new partners to grow our business as well as serve our customers better. Our focus on Zero Trust, Operational Technology, and Quantum-Safe solutions has allowed us to stay at the forefront of cybersecurity.

Business outlook for 2023 (unchanged)

Our business transition from license and support to a recurring-revenue model has continued providing a more stable revenue base. At the end of 2022, our Annual Recurring Revenue was EUR 18.4 million (EUR 15.4 million in 2021). Our net sales grew by 21% to EUR 19.3 million in 2022. Going into 2023, we will continue to focus on increasing the average deal size. We expect net sales to grow during 2023 compared to 2022. We estimate EBITDA and cash flow from operating activities to be positive for 2023.

Consolidated net sales

Consolidated net sales for April–June totaled EUR 4.9 million (EUR 4.5 million).

Consolidated net sales for January–June totaled EUR 9.6 million (EUR 8.8 million), increasing by 9.3% year-on-year.

EUR million	4-6/2023	4-6/2022	Change %	1-6/2023	1-6/2022	Change %	1-12/2022
By segment							
AMERICAS	1.9	1.7	7.3	3.7	3.4	8.0	7.0
APAC	0.3	0.4	-28.1	0.6	0.8	-22.8	1.5
EMEA	2.7	2.3	17.5	5.4	4.6	15.7	10.8
Total	4.9	4.5	9.2	9.6	8.8	9.3	19.3
By operation							
Subscription sales	2.7	2.0	33.2	5.2	4.0	30.4	8.7
License sales	0.2	0.3	-36.5	0.3	0.6	-44.7	1.9
Maintenance sales	1.9	2.1	-8.3	3.9	4.0	8.2	8.2
Professional services & others	0.1	0.1	10.2	0.2	0.2	0.0	0.4
Total	4.9	4.5	9.2	9.6	8.8	8.2	19.3

The Americas region accounted for 38.3% (38.5%), the Europe, Middle East, and Africa region 55.5% (52.6%), and the Asia Pacific region 6.2% (8.9%) of reported net sales.

A large part of SSH Communications Security's invoicing is US dollar-denominated. The average exchange rate of the US dollar against the euro strengthened by 3.7% compared to 2022. At comparable exchange rates, the net sales increase in H1 2023 would have been 7.8% compared to 2022.

Results and expenses

Operating loss for April–June was EUR –0.7 million (EUR –0.2 million), with net profit totaling EUR –0.9 million (EUR –0.2 million).

Operating loss for January–June was EUR –1.4 million (EUR –0.4 million), with a net loss totaling EUR –1.8 million (EUR –0.4 million).

Selling, marketing, and customer support expenses for April–June amounted to EUR –2.5 million (EUR –1.9 million), while research and development expenses totaled EUR –1.9 million (EUR –1.7 million) and administrative expenses EUR –1.1 million (EUR –1.2 million).

Selling, marketing, and customer support expenses for January–June amounted to EUR –5.1 million (EUR –3.8 million), while research and development expenses totaled EUR –3.9 million (EUR –3.5 million) and administrative expenses EUR –2.1 million (EUR –2.3 million). Operating expenses increased by 15.5% compared to the previous year.

Balance sheet and financial position

The financial position of SSH Communications Security was satisfactory during the reporting period. The consolidated balance sheet total on June 30, 2023, was EUR 30.4 million (EUR 29.8 million), of which liquid assets accounted for EUR 2.6 million (EUR 4.4 million), or 8.7% of the balance sheet total. Interest-bearing liabilities were EUR 2.4 million (EUR 3.2 million). Interest-bearing liabilities include a premium loan from ELO mutual pension insurance company, EUR 1.7 million (EUR 2.2 million). On June 30, 2023, gearing, or the ratio of net liabilities to shareholders' equity, was –2.4% (–10.6%), and the equity ratio stood at 56.1% (47.4%).

The reported gross capital expenditure for January–June totaled EUR 1.4 million (EUR 1.0 million). The reported financial income and expenses of EUR –0.5 million (EUR 0.1 million) consisted mainly of exchange rate gains or losses, interest expenses, sales, and leasing expenses.

During January–June, SSH Communications Security generated a cash flow from operations of EUR 0.5 million (EUR –0.3 million), and cash flow from investing activities was EUR –3.0 million (EUR –2.7 million). Cash flow from investments includes the deferred purchase price of the acquisition of Deltagon Oy EUR –1.7 million (EUR –1.7 million) and received government grants of EUR 0.1 million (EUR 0.0 million).

Cash flow from financing totaled EUR –0.6 million (EUR –1.0 million). Cash flow from financing includes the payment of hybrid instrument interest of EUR –1.4 million (EUR –1.4 million) and proceeds from shares subscribed with option rights of EUR 1.0 million (EUR 0.6 million). Total cash flow from operations, investments, and financing was EUR –3.0 million (EUR –4.0 million).

There were no short-term investments during the reporting period.

Research and development

In our target market, the landscape is constantly evolving. We continue to invest in our future to position ourselves as the go-to company for secure communications between people, applications, systems, and networks. Our research and development expenses for April–June totaled EUR -1.9 million (EUR -1.7 million), the equivalent of 39.9% of net sales (38.6%). During April–June, the company has capitalized new product R&D costs of EUR 0.5 million (EUR 0.4 million).

Research and development expenses for January–June totaled EUR -3.9 million (EUR -3.5 million), the equivalent of 40.4% of net sales (39.8%). During January–June, the company capitalized on new product R&D costs in the amount of EUR 1.1 million (EUR 0.8 million). Depreciation from R&D capitalization assets was EUR -0.8 million (EUR -0.6 million).

Human resources and organization

At the end of June, the Group had 155 employees (129). The number of employees increased by 26 people from the comparison period (20%). The change was mainly driven by an increase in headcounts in R&D and Customer Support functions.

At the end of the period, 58 (43) employees worked in sales, marketing, and customer services, 78 (68) in R&D, and 19 (18) in administration.

Other events during the reporting period

In March 2023 a new subsidiary was incorporated in Singapore. The subsidiary is 100% owned by the parent company SSH Communications Security Oyj.

The decision of closing Deltagon branches in Sweden and in Norway was made during the reporting period. The closure of the Swedish and Norwegian Deltagon branches is expected to take place in H2/23 and will not impact Deltagon business operations in these countries. The operations will be run from Deltagon Oy in Finland.

Board and auditors

The Annual General Meeting of SSH Communications Security Oyj was held on March 24, 2023. The Annual General Meeting unanimously adopted the consolidated financial statements and discharged from liability the Board members and CEO who have been active during the accounting period between January 1, 2022, and December 31, 2022. Henri Österlund, Kai Tavakka, Sampo Kellomäki, Christian Fredrikson, and Catharina Candolin were elected as directors of the company's Board of Directors. At the organizing meeting of the Board of Directors, which was held after the Annual General Meeting, Henri Österlund was elected as the Chairman.

The Authorized Public Accountant Firm Ernst & Young Oy was re-elected as the auditor of the company. Ernst & Young Oy informed the company that Maria Onnisekka, Authorized Public Accountant, will continue as the accountant with the main responsibility.

SSH Communications Security Oyj's member of the board of directors, Sampo Kellomäki, passed away from a serious illness on 16 May 2023. The Company's Board of Directors consists of four members since 16 May 2023.

Group management team

On June 30, 2023, the Group Management Team consisted of the following members:

Teemu Tunkelo, Chief Executive Officer

Michael Kommonen, Chief Financial Officer

Rami Raulas, Head of EMEA Region

Shares, shareholding, and changes in group structure

The reported trading volume of SSH Communications Security shares totaled 1,566,458 shares (valued at EUR 2,996,662) during the reporting period. The highest quotation was EUR 2.40, and the lowest EUR 1.55. The trade weighted average share price for the period was EUR 1.91, and the share closed at EUR 1.57 (June 30, 2023).

Accendo Capital is the largest shareholder of SSH, with 28.0% of the company shares and votes. Tatu Ylönen is the second largest shareholder of SSH, with 17.3%, and Juha Mikkonen holds 5.0% of the company's shares. More information about the shareholding can be obtained from the company's website, [ww.ssh.com](http://www.ssh.com).

Share capital and board authorizations

The company's registered share capital on June 30, 2023, was EUR 1,214,640.93, consisting of 40,488,031 shares.

The Annual General Meeting approved the Board of Director's proposal to authorize the Board of Directors to decide upon the issuing of a maximum of 6,000,000 shares as a share issue against payment or by giving stock options or other special rights entitling to shares, in accordance with Chapter 10 Section 1 of the Finnish Companies Act, either according to the shareholders' pre-emptive right to share subscription or deviating from this right, in one or more tranches. Based on the authorization, it can be either issuing of new shares or the transfer of own shares, which the company may have in its possession.

Based on the authorization, the Board of Directors shall have the same rights as the Annual General Meeting to decide upon the issuing of shares against payment and special rights (including stock options) in accordance with Chapter 10 Section 1 of the Finnish Companies Act.

Thereby, the authorization to be given to the Board of Directors includes, inter alia, the right to deviate from the shareholders' pre-emptive rights with directed issues providing that the company has a compelling financial reason for the deviation with respect to the share issue against payment.

Furthermore, the authorization includes the Board of Directors' right to decide upon who is entitled to the shares and/or stock options or special rights in accordance with Chapter 10 Section 1 of the Finnish Companies Act as well as upon the related compensation, subscription, and payment periods and the registering of the subscription price into the share capital or invested non-restricted equity fund within the limits of the Finnish Companies Act.

The authorization will be valid until the next Annual General Meeting but will expire at the latest on June 30, 2024.

The Annual General Meeting approved the Board of Director's proposal to authorize the Board of Directors to decide upon the acquisition of a maximum of 2,000,000 own shares of the company with assets belonging to the company's non-restricted equity, which amounts to approximately 5.0 percent of the company's total shares. The shares can also be acquired other than in proportion to the holdings of the existing shareholders. The maximum compensation to be paid for the acquired shares shall be the market price at the time of purchase, which is determined by public trading.

The Board of Directors proposes that the authorization for the acquiring of the company's own shares would be used, inter alia, in order to strengthen the company's capital structure, to finance and realize corporate acquisitions and other arrangements, to realize the share-based incentive programs of the company or otherwise to be kept by the company, to be transferred for other purposes or to be canceled. The acquisition of shares reduces the company's distributable non-restricted equity.

A decision concerning the acquisition of own shares must be made so that the combined amount of the own shares, which are in possession of or held as pledges by, the company or its subsidiaries, does not exceed one-tenth of all shares. The Board of Directors shall decide upon all other matters related to the acquisition of shares.

The authorization will be valid until the next Annual General Meeting but will expire at the latest on June 30, 2024.

Risks and uncertainties

Substantial risks that might affect the profitability of the company have been reviewed and updated to reflect the current macroeconomic environment.

The largest risks are:

- Refinancing risk/liquidity risk, such as being unable to pay obligations due to insufficient liquidity or difficulties in raising financing

- Cybercrime, including e.g., ransomware
- Delays in product development and closing new business as well as phasing of new business cases
- Ability to execute the strategy
- Ability to retain and recruit key personnel
- Maintaining the ability to innovate and develop the product portfolio, including intellectual property rights (IPR)
- IPR litigation and utilization of the patent portfolio
- A large portion of the company revenue is invoiced in USD currency, and possible significant fluctuation in the USD exchange rate could have unpredictable effects on profitability. The company decides on hedging of USD-based contracts case by case.
- Uncertainty of the macroeconomic environment, such as effects caused by the war in Ukraine or a pandemic
- Impact of higher inflation and increasing market interest rates which may have an effect on increasing operational and financial costs.

Principles and organization of risk management of SSH Communications Security are available on the company's web page: www.ssh.com

Related party transactions

During the reporting period, there have not been any significant transactions with related parties.

Events after the balance sheet date

After the balance sheet date, there have not been any significant transactions.

Condensed consolidated comprehensive income statements

EUR million	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Net sales	4.9	4.5	9.6	8.8	19.3
Cost of sales	0.0	0.0	0.0	0.0	-0.1
Gross margin	4.9	4.5	9.6	8.8	19.2
Other operating income	0.0	0.2	0.1	0.4	1.5
Selling, marketing and customer support expenses	-2.5	-1.9	-5.1	-3.8	-8.8
Research and development expenses	-1.9	-1.7	-3.9	-3.5	-7.2
Administrative expenses	-1.1	-1.2	-2.1	-2.3	-5.1
Operating profit/loss	-0.7	-0.2	-1.4	-0.4	-0.4
Financial income and expenses	-0.2	0.1	-0.5	0.1	-0.2
Profit/loss before taxes	-0.9	-0.1	-1.9	-0.3	-0.7
Taxes	0.0	-0.1	0.1	-0.1	-0.1
Profit/loss for the period	-0.9	-0.2	-1.8	-0.4	-0.6
Attributable to					
Owners of the parent company	-1.0	-0.3	-2.0	-0.5	-0.5
Non-controlling interests	0.1	0.1	0.2	0.1	-0.1
	-0.9	-0.2	-1.8	-0.4	-0.6
Other comprehensive income					
Items which might be later transferred to profit or loss:					
Foreign subsidiary translation differences	0.0	-0.4	0.1	-0.5	-0.4
Total comprehensive income	-0.9	-0.6	-1.7	-0.9	-1.0
Attributable to					
Owners of the parent company	-1.0	-0.7	-1.8	-1.0	-0.9
Non-controlling interest	0.1	0.1	0.2	0.1	-0.1
	-0.9	-0.6	-1.7	-0.9	-1.0
Earnings per share					
Earnings per share (EUR)	-0.03	-0.01	-0.06	-0.03	-0.05
Diluted earnings per share (EUR)	-0.03	-0.01	-0.06	-0.03	-0.05

Balance sheet

EUR million	June 30, 2023	June 30, 2022	Dec 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	0.3	0.2	0.3
Right-of-use assets	0.7	0.4	0.9
Goodwill and intangible assets	21.4	21.4	21.5
Investments	0.0	0.0	0.0
Total non-current assets	22.4	22.0	22.7
Current assets			
Inventories	0.4	0.1	0.3
Trade and other receivables	4.6	3.3	9.1
Income tax receivables	0.3	0.0	0.3
Cash and cash equivalents	2.6	4.4	5.7
Total current assets	7.9	7.8	15.5
Total assets	30.4	29.8	38.1
Equity and liabilities			
Equity			
Attributable to parent company's shareholders	2.8	4.4	5.1
Non-controlling interest	6.3	6.2	6.0
Total equity	9.2	10.6	11.1
Non-current liabilities			
Non-current interest-bearing liabilities	1.0	2.1	1.2
Lease liabilities	0.3	0.1	0.5
Other non-current liabilities	0.0	2.3	1.7
Advances received and deferred revenue	3.6	1.2	3.5
Deferred tax liabilities	1.3	1.5	1.4
Total non-current liabilities	6.2	7.2	8.3
Current liabilities			
Trade and other payables	4.9	4.7	7.3
Current interest-bearing liabilities	0.7	0.8	0.5
Lease liabilities	0.4	0.3	0.4
Advances received and deferred revenue	9.0	6.2	10.5
Total current liabilities	15.0	12.0	18.7
Total equity and liabilities	30.4	29.8	38.1

Condensed consolidated statement of changes in equity

EUR million	Attributable to the owners of the Company						Non-controlling interests	Total equity
	Share capital	Hybrid capital securities	Translation difference	Unrestricted invested equity fund	Retained earnings	Total		
Equity Jan 1, 2022	1.2	12.0	-1.3	23.7	-29.6	6.0	6.0	12.0
Change	0.0		-0.5	0.6	-1.1	-1.0	0.0	-1.0
Net profit					-0.5	-0.5	0.1	-0.4
Equity Jun 30, 2022	1.2	12.0	-1.9	24.3	-31.2	4.5	6.1	10.6
Change	0.0		0.1	0.1	0.4	0.7	0.0	0.4
Net profit					-0.3	-0.3	0.0	0.0
Equity Dec 31, 2022	1.2	12.0	-1.7	24.4	-31.0	4.9	6.2	11.1
Change	0.0		0.1	1.0	-1.2	-0.1	0.0	-0.1
Net profit					-2.0	-2.0	0.2	-1.8
Equity Jun 30, 2023	1.2	12.0	-1.6	25.4	-34.2	2.8	6.3	9.2

Condensed consolidated statement of cash flows

EUR million	1-6/2023	1-6/2022	1-12/2022
Cash flow from operations	0.5	-0.3	3.0
whereof change in working capital	0.6	-1.7	1.7
Cash flow from investing activities	-3.0	-2.7	-3.5
Cash flow from financing activities	-0.6	-1.0	-2.2
Increase (+) / decrease (-) in cash	-3.0	-4.0	-2.6
Cash at period start	5.7	8.2	8.2
Effect of exchange rate	0.0	0.1	0.1
Cash at period end	2.6	4.4	5.7

Notes to the financial statement release

The interim report for the six months reporting period ended June 30, 2023, has been prepared in accordance with IAS 34 Interim Financial Reporting. This financial statement release does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022. The presented figures have been rounded from the exact figures. The information presented in this interim report is unaudited.

The accounting policies adopted for this financial statement release are consistent with those applied in 2022 consolidated financial statements, except for the adoption of new standards effective as of January 1, 2023. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective. The new standards and amendments had no impact on the financial statement release of the SSH Group.

Changes in property, plant, and equipment

EUR million	June 30, 2023	June 30, 2022	Dec 31, 2022
Carrying amount in the beginning of the period	0.3	0.2	0.2
Increase	0.1	0.1	0.2
Depreciation and impairment	-0.1	0.0	-0.1
Foreign exchange rate differences	0.0	0.0	0.0
Carrying amount at the end of the period	0.3	0.2	0.3

Changes in right-of-use assets

EUR million	June 30, 2023	June 30, 2022	Dec 31, 2022
Carrying amount in the beginning of the period	0.9	0.6	0.6
Increase			0.9
Decrease	0.0	0.0	-0.2
Depreciation and impairment	-0.2	-0.2	-0.4
Foreign exchange rate differences	0.0	0.0	0.0
Carrying amount at the end of the period	0.7	0.4	0.9

Changes in goodwill and intangible assets

EUR million	June 30, 2023	June 30, 2022	Dec 31, 2022
Carrying amount in the beginning of the period	21.5	21.9	21.9
Increase	1.3	0.9	2.3
Amortization and impairment	-1.4	-1.3	-2.6
Foreign exchange rate differences			0.0
Carrying amount at the end of the period	21.4	21.5	21.5

Contingent liabilities

EUR million	Jun 30, 2023	June 30, 2022	Dec 31, 2022
Interest on hybrid capital securities	0.3	0.3	1.4
Rent security deposits	0.1	0.1	0.1

Key figures and ratios

SSH Communications Security provides an alternative performance measure EBITDA, which is not defined by IFRS standards. Alternative performance measures should not be considered as substitutes for performance measures in accordance with IFRS.

EUR million	1-6/2023	1-6/2022	1-12/2022
Net sales	9.6	8.8	19.3
EBITDA	0.3	1.1	2.7
% of net sales	3.0	12.1	13.9
Operating profit/loss	-1.4	-0.4	-0.4
% of net sales	-14.4	-5.2	-2.3
Profit/loss before taxes	-1.9	-0.3	-0.7
% of net sales	-19.7	-3.5	-3.5
Return on equity (%)	-18.1	-3.3	-5.2
Return on investment (%)	-15.1	-2.1	-4.7
Interest-bearing net liabilities	-0.2	-1.1	-3.1
Equity ratio (%)	51.6	47.4	46.1
Gearing (%)	-2.4	-10.6	-27.9
Gross capital expenditure	-1.4	-1.0	-2.5
% of net sales	-14.6	-11.5	-5.2
R&D expenses	-3.9	-3.5	-7.2
% of net sales	-40.4	-39.8	37.4
Personnel, period average	145	124	132
Personnel, period end	155	129	144

EBITDA = Operating profit/loss + depreciation and impairment

Per share data

EUR	1-6/2023	1-6/2022	1-12/2022
Earnings per share undiluted ¹	-0.06	-0.03	-0.05
Earnings per share diluted ¹	-0.06	-0.03	-0.05
Equity per share	0.25	0.27	0.28
No. of shares at period average (thousand)	40,321	39,430	39,471
No. of shares at period end (thousand)	40,488	39,582	39,663
Share performance			
Average price	1.91	2.58	2.40
Low	1.55	2.03	1.66
High	2.40	3.30	3.30
Share price period end	1.57	2.27	2.30
Market capitalization period end (EUR million)	63.6	89.9	91.2
Volume of shares traded (million)	1.6	4.8	7.2
Volume of shares traded as % of total	3.9	12.2	18.2
Value of shares traded (EUR million)	3.0	12.7	17.3
Price per earnings ratio (P/E)	neg.	neg.	neg.
Dividend per share	0.00	0.00	0.00
Dividend per earnings, %	0.00	0.00	0.00
Effective return on dividend, %	0.00	0.00	0.00

¹ Earnings per share is impacted by unpaid interest of hybrid capital securities

Reconciliation of alternative performance measures

The following table presents the reconciliation of EBITDA to the operating profit/loss.

EUR million	1-6/2023	1-6/2022	1-12/2022
EBITDA	0.3	1.1	2.7
Depreciations and amortizations	-1.7	-1.5	-3.1
Operating profit/loss	-1.4	-0.4	-0.4

SSH Communications Security will release its Business Review for the third quarter of the year on October 25, 2023.

Helsinki, July 20, 2023

SSH Communications Security Corp.

Board of Directors

Teemu Tunkelo

CEO

For further information, please contact:

Teemu Tunkelo, CEO, tel. +41 79 227 8362

Michael Kommonen, CFO, tel. +358 40 183 5836

Distribution:

NASDAQ Helsinki Ltd.

Major media

www.ssh.com

Disclaimer

The contents of this report are provided by SSH Communications Security and its third-party content providers for your personal information only and do not constitute an offer or invitation to purchase any securities nor does this report provide any form of advice (investment, tax, legal) amounting to investment advice nor make any recommendations regarding particular investments or products. SSH Communications Security does not provide investment advice or recommendations to buy or sell its shares or the shares of others. If you are interested in investing in SSH Communications Security, please contact your financial adviser for further details and information. Past performance of SSH Communications Security shares is not indicative of future results. EXCEPT AS PROVIDED BY APPLICABLE COMPULSORY LAW SSH COMMUNICATIONS SECURITY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED. AS TO THE AVAILABILITY, ACCURACY, OR RELIABILITY OF ANY OF THE CONTENT PROVIDED, OR AS TO THE FITNESS OF THE INFORMATION FOR ANY PURPOSE, OR AS TO THE FITNESS OF THE INFORMATION FOR ANY PURPOSE.