



# SSH Communications Security Corporation Business Review January–March 2025



## Net sales increased by 8%, EBITDA stable

### January–March 2025:

- Net sales totaled EUR 5.4 million (5.0 million)
- EBITDA was EUR 0.2 million (0.2 million)
- Operating profit was EUR -1.1 million (-0.7 million)
- Loss for the period was EUR -1.4 million (-0.7 million<sup>1</sup>)
- Earnings per share was EUR -0.11 (EUR -0.05<sup>1</sup>)

Operating cash flow was EUR 0.7 million (EUR 1.0 million). The equity ratio was 52.1% (49.0%<sup>1</sup>). Liquid assets, including short-term liquid investments, were EUR 3.5 million (EUR 4.1 million).

1) The comparison period 2024 has been corrected according to IAS 8 due to adjusting interest expenses and deferred revenue. The decrease in interest cost was EUR 0.1 million for Q1 2024. Interest costs are included in financial items and the correction of the error affects profit/loss before taxes and net profit for the year, and any key figures derived from net profit.

## Key Figures

EUR million	1-3/2025	1-3/2024	Change %	1-12/2024
Net sales	5.4	5.0	7.9	22.2
EBITDA	0.2	0.2	-14.9	3.4
% of net sales	3.7	4.7		15.5
Operating profit/loss	-1.1	-0.7	-55.0	-0.3
% of net sales	-19.7	-13.7		-1.2
Profit/loss before taxes <sup>1</sup>	-1.2	-0.8	-56.3	-0.6
Profit/loss <sup>1</sup>	-1.4	-0.7	-94.3	-0.8
Return on equity, % <sup>1</sup>	-16.8	-8.0		-8.7
Return on investment, % <sup>1</sup>	-11.5	-6.8		-5.1
Liquid assets	1.5	2.1	-29.0	2.9
Short-term liquid investments	2.0	2.0	-0.6	0.0
Gearing (%) <sup>1</sup>	7.3	2.9		-8.9
Equity ratio (%) <sup>1</sup>	52.1	49.0		52.8
Earnings per share, EUR <sup>1</sup>	-0.11	-0.05		-0.08
Shareholders' equity per share, EUR <sup>1</sup>	0.21	0.23	-8.4	0.23
Recurring revenue, ARR	20.9	19.7	5.9	20.5
Subscription revenue, ARR	13.5	12.0	12.9	12.3
Invoicing	4.4	4.7	-7.1	22.3
Deferred revenue <sup>1</sup>	11.8	12.2	-2.6	13.0
Current <sup>1</sup>	9.5	10.1	-5.1	10.5
Non-current <sup>1</sup>	2.3	2.1	9.6	2.5

## Consolidated net sales

EUR million	1-3/2025	1-3/2024	Change %	1-12/2024
<b>By segment</b>				
AMERICAS	1.9	1.9	-0.5	7.9
APAC	0.7	0.4	50.4	1.9
EMEA	2.9	2.7	6.9	12.3
<b>Total</b>	<b>5.4</b>	<b>5.0</b>	<b>7.9</b>	<b>22.2</b>
<b>By operation</b>				
Subscription sales	3.3	2.9	11.4	11.9
License sales	0.3	0.1	120.5	1.8
Maintenance sales	1.8	1.9	-3.4	7.8
Professional services & others	0.1	0.1	-8.9	0.7
<b>Total</b>	<b>5.4</b>	<b>5.0</b>	<b>7.9</b>	<b>22.2</b>

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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.

Invoicing: Invoices sent during the reported period without VAT

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

## Business outlook for 2025

We expect net sales to grow during 2025 compared to 2024. We estimate EBITDA and cash flow from operating activities to be positive for 2025. At the end of 2024, our Annual Recurring Revenue was EUR 20.5 million (EUR 19.3 million in 2023). Our net sales grew by 9.0% to EUR 22.2 million in 2024, and EBITDA was EUR 3.4 million in 2024.



## CEO review

In 2025 we are celebrating the 30th anniversary of the company as the inventor of the SSH protocol and origin of Tectia, the commercial SSH solution. During the first quarter, we continued to make good progress with Tectia, securing new customers who are adopting our latest quantum-safe features, while also seeing expansion among existing users. Building on 30 years of performance, Tectia continues to be at the forefront of quantum-safe communications – protecting critical data and networks for the decades ahead in some of the world's most demanding environments.

In the first quarter of 2025 revenue grew by 7.9%, reaching EUR 5.4 million (EUR 5.0 million) and EBITDA remained stable at EUR 0.2 million (EUR 0.2 million), due to expanding regulatory certifications and recruitment costs in the United States burdening the result. The focusing of R&D efforts in the Secure Collaboration solutions lead to a write-down of EUR 0.4 million in intangible assets, affecting EBIT negatively.

Subscription sales grew by 11.4% in Q1 totaling EUR 3.3 million. License sales grew to EUR 0.3 million. Customers are migrating to subscription-based contracts and consequently maintenance sales decreased slightly. Total ARR grew by 5.9% to EUR 20.9 million.

Our growth in the APAC and EMEA regions continued in the first quarter, led by a strong 50.4% increase in APAC. In AMER, we completed the build-out of our new sales and marketing organization during Q1, positioning us for stronger performance in the North American market going forward.

We succeeded in winning new PrivX Privileged Access Management solution deals in all regions in Q1. The new customer wins include a leading North American advisor in business-to-business engagement solutions, an Asian foods wholesaler, a leading Nordic full-service provider of cloud-based IT services, a global leader in forest industry business and a defence operator. With these new wins and our success with PrivX in the previous quarters, we reached 18.7% growth in PrivX subscription ARR.

NQX Network Security solution gained new grounds in data center providers, Asian government use cases and European telecom sector. In Q1 NQX achieved a growth of 22.7%. Approvals for NATO and EU certifications for 2025 were started.

We initiated new customer cases for SalaX Secure Messaging, our solution for encrypted, verified and audited chats, video conferences, calls and rooms. The projects include a public authority network and a critical public service agency in the Nordics, and a healthcare service provider in Central Europe. SalaX is based on European open standard Matrix technology, which is widely used as a secure open alternative for messaging.

With continuing sales progress, additional solutions in high demand areas and tighter integration between products bringing added value for customers, I feel confident in our future growth.



## Changes in Group management team

On January 8, 2025, the Board of Directors of SSH Communications Security appointed Rami Raulas CEO of the company. Mr. Raulas held the role of Interim CEO since February 26, 2024.

On March 31, 2025, the Group Management Team consisted of the following members:

Rami Raulas, CEO

Michael Kommonen, Chief Financial Officer

Miikka Sainio, Chief Technology Officer

SSH Communications Security will release its Interim Report for the second quarter of the year on July 17, 2025.

Helsinki, April 29, 2025

SSH COMMUNICATIONS SECURITY

Board of Directors

**Rami Raulas**

CEO

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