



SSH Communications Security
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SSH in Brief

SSH is one of the world's leading providers of network security solutions and technologies. The company's products enable customers to utilize the full potential of their data networks and the Internet in their business operations and communications. SSH's major customers include large enterprises, financial institutions, and government agencies. SSH also licenses its data security technology to the world's leading hardware and software manufacturers.

SSH's success is based on its broad technological expertise and ability to develop technically sophisticated and easy-to-deploy-and-use products that meet customers' needs. SSH product leadership also originates from the company's active role in the development of international data security standards such as IPsec (Internet Protocol Security) and Secure Shell. SSH's products protect customer organizations' internal and external data communications. SSH enables its customers to adapt more efficient business processes and reduce costs by enhancing the security of their data networks and Internet use.

SSH reported consolidated net sales of EUR 16.8 million for 2002 and had 147 employees at year-end. In addition to Finland, the company has offices in the USA, Japan, Germany, the UK, Sweden, South Korea and Taiwan.

SSH was founded in 1995, and its shares have been quoted on the Helsinki Exchanges Main List with trading code SSH1V since December 2000.

	2002	2001	% change
Net sales, EUR million	16.8	19.9	-15.4
Operating result, EUR million	-14.1	-6.7	-109.3
% of net sales	-83.7	-33.8	-
Result before extraordinary items and taxes, EUR million	-13.6	-4.1	-230.1
% of net sales	-80.6	-20.8	-
Earnings per share, EUR	-0.49	-0.15	-226.7
Balance sheet total, EUR million	42.0	57.4	-26.8
Equity-to-assets ratio, %	88.7	90.1	-1.6
Personnel at year-end	147	181	-18.8



Mission, Vision, Goals and Strategy

SSH is a network security company specializing in user-friendly software solutions enabling strong data encryption and user authentication products for large corporations, financial institutions, and government agencies. The company is also the world's leading supplier of IPsec and Secure Shell technology tools for the leading hardware and software manufacturers.

SSH's strategic strengths lie in its profound technological expertise in Internet and network protocols, and its innovativeness. The company's other core strengths include the solid experience in the licensing and delivery of advanced technology to the world's leading hardware and software manufacturers as well as recognition and appreciation of the SSH brand by industry professionals worldwide.

Mission

SSH's mission is to enable its customers' secure business operations and data communications on a global basis.

Vision

The company's aim is to be a leading provider of superior quality data security solutions for large corporations, financial institutions, and government agencies.

In order to achieve its vision, SSH focuses on its core business and the development of its products and technologies on an increasingly customer-driven basis. The company pays particular attention to innovative, high quality products, superior support of its customers, and rapid, albeit profitable, growth, with the aim of creating added value for its customers while increasing SSH's shareholder value.

Long-term Goals

SSH's long-term goal is to grow vigorously, but profitably. In the main, its organic growth will exceed the overall growth of those markets in which the company operates. SSH aims to maintain a 25–30 percent net sales growth in the long term.

SSH aims to bring the company back to profitable growth. In the short term SSH prioritizes profitability over fast growth. It has set a long-term goal of raising its operating profit to 20 percent of net sales, while the goals for R&D and sales and marketing are each 30–35 percent of net sales.

The company's growth and profitability are based on continuous cooperation with SSH Secure Shell and IPsec Toolkit customers. SSH estimates that it will sustain the growth of products based on its existing technologies in the 20–30 percent range.

Strategy

SSH focuses on securing its customer's business operations by protecting their internal and external data communications and enhancing their data network security. It provides its customers with state-of-the-art, comprehensive data security products and solutions combining the latest data communications technologies, cryptography and electronic authentication technologies.

The company's products and solutions are targeted at companies whose success is based on effective and reliable information systems and who wish to invest in the best-of-breed data security software on the market. The company also brings added value to customers by sup-



porting the implementation of efficient business processes, while opening up new opportunities for doing business over the Internet and other data networks. With its experience and expertise, SSH continues to be a leader in implementing innovative and user-friendly data security solutions for both users and IT managers alike.

Operating in global data security markets, the company sells and markets its software products primarily without intermediaries or through its selected partners. Product sales are bolstered by SSH's reputation as a reliable partner with extensive network security expertise.

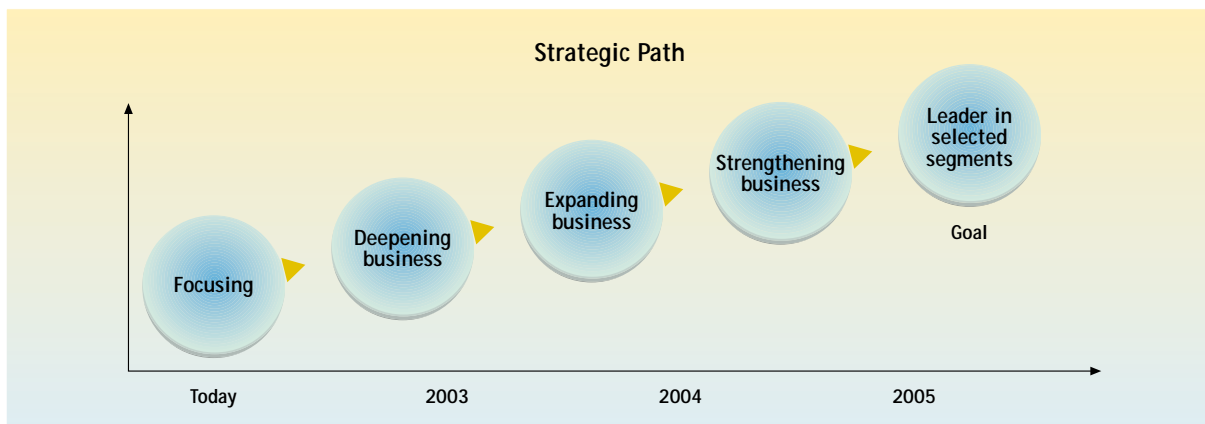
The company's strategy for the next few years can be divided into four phases: focusing, deepening the business, expanding the business, and strengthening its market position.

Focusing refers to the selection of the target customer segment. SSH continues to shift from being primarily a technology provider toward providing solutions for large end-user organizations, -in particular, financial institutions, large enterprises, and government agencies, while securing partnership agreements with selected hardware and software manufacturers. The company has decided to concentrate on its sharpened product portfolio of Internet security software solutions.

Deepening business means deepening the existing customer relationships and targeting sales at selected customer segments. SSH will continue providing its existing end-user organization and hardware and software manufacturer customers with new products as well as extending the existing licensing agreements, while selling its existing products to potential customers within the target segments. At the same time, it will place a strong emphasis on market research and competitor monitoring in order to integrate customer requirements into its product development.

Expanding business involves selling the existing products to new customer segments. The company will build on its increased understanding of existing customer segments, to enter new markets with similar needs, while diversifying the product range with new products based on the same core technologies.

Strengthening its market position means always strengthening the SSH brand among data security professionals and increasing SSH's visibility among its customers, while developing more and more applications for its existing products.



SSH's strategic path towards attaining its targets



Review by the CEO

We Create the Future Every Day

The role of information networks is increasing rapidly in business operations and data communications with an emphasis on data security. The year 2002 was very challenging, despite the continued promising long-term trend for the industry. SSH significantly sharpened its corporate strategy and business focus while continuing its dedicated efforts to achieve its near-term targets.

Data security is a key foundation vital to the full exploitation of modern information networks. As the technological challenges involved in broadband information networks are about to be solved, the day has come closer when the opportunities provided by networking are gradually put into wider use. SSH's key competence lies in its data security expertise, the development of which will provide opportunities to make information networks more efficient and versatile to use. This development will continue to be rapid in our strong market areas in the USA, Northern Europe and the leading IT countries in Asia.

Although the long-term trends for IT technologies tend to show a robust picture of the future, the year 2002 was quite an ordeal for most IT companies. When I joined SSH in mid-2002, with IT investments in the doldrums, SSH was amid a process of reassessing its investments and adjusting them to the prevailing conditions. In all industries, short-term reality seems to contradict longer-term trends on occasion.

Determined Efforts for Goals

Faced with challenges in the marketplace on a daily basis, we have been determined to work for our long-term strategies and goals. Therefore, we should analyze this

past year on the basis of how we succeeded in selecting the right focal areas in our business and increasing our strengths for the future.

SSH sharpened its business strategy in two phases during 2002. First, late spring saw us decide to abandon hardware-based solutions designed for the network operator segment. Second, we deepened our focus on both customer and product levels in the fall. In 2003, we will continue to target our chosen customer segments, emphasizing our core strengths.

Making Use of Core Competencies

The decision to phase out VPN device development during the spring and summer had a major one-off impact on SSH's profit performance for 2002. However, through this decision, we were able to better allocate many resources that had been tied up in product development, marketing and sales to focus on our software business. These changes we made can be regarded as a return to our traditional core competencies, meaning software products and the related technical services. In the latter half of 2002, SSH reshaped its organization and product plans to be in line with its strategy.

Our products have been highly successful in the USA, Northern Europe and the leading IT countries in Asia. Our geographical focus will remain largely unchanged since investments in sales and marketing will bring the best results through persistent customer-driven efforts.

Product Strategy Stems from End-users

Target customer applications are now the focus of our new product strategy. In this respect, our Secure Shell,



IPSec and PKI based product innovations will provide solid foundations for more efficient and secure use of large corporations' networks and networked business applications.

In particular, large financial institutions have been willing to adopt SSH's products on a wide scale, and we are confident that this customer segment holds a significant growth potential for our products. Large corporations and government agencies have similar needs when it comes to the data security of the IT infrastructure and applications using the network. In line with our strategy, these customer segments are SSH's key markets, at which we will target our products and sales and marketing efforts.

2002 Fiscal Year and Prospects for 2003

Despite the challenging market conditions, we proceeded as planned with the creation of our own international sales and customer service organization, while adding selected distribution channel partners to complement our direct sales organization. In 2002, we were successful in expanding our presence in the USA and setting up sales offices in the UK and Sweden. We also revamped our marketing and product management organization and adopted new processes and the related tools. Since early 2003, we have conducted sales through our own permanent sales organization in the USA, Japan, Taiwan, South Korea, Germany, the UK, Finland and Sweden. In the future, we will continue to revise our investments on the basis of sales performance in different market areas.

Through the measures taken in 2002, we succeeded in adjusting our costs to better match the prevailing market conditions, providing a basis for higher profitability—

one of the key targets SSH has set for the current fiscal year.

We estimate that the company's sales will grow at a steady rate in 2003. We will be able to attain this target by focusing on managing our existing customer relationships better than ever and extending the use of our existing products into new applications. We are also confident that our VPN client and PKI products will support the growth in sales. During 2003, we will continue to invest in the development of our field sales and in-house sales organization and the establishment of the partnership network.

Our open response to market realities and refocused business will provide a foundation for SSH's growth and profitability. Through our dedicated and systematic efforts, we will create the future every day.

February 2003

Arto Vainio
CEO



Operating Environment

Demand and Growth Potential from a Changing Business Environment

Companies are becoming more aware of the importance of data security to their business. At the same time, forthcoming regulations and laws resulting from data security problems and the pervasive sense of insecurity on the issue are leading to stricter data security standards and requirements in the corporate sector. The total data security market is strongly expansive in nature, although last year was marked by a focus on basic investments and the postponement of development projects in expectation of an economic recovery.

Customers' awareness of the importance of data security increased rapidly in 2002, as various kinds of data security problems and the pervasive feeling of insecurity in relation to the issue highlighted the benefits of secure data communications. In a number of surveys, companies moved data security solutions to top priority in their IT investment plans.¹ Due to the poor overall world economic climate, 2002 growth within the data security sector originated from customer's investments in basic solutions, such as anti-virus protection and firewalls. The downturn in the IT security sector led companies to put off further IT purchases and product development projects.

According to IDC, a technology-sector research firm, the total Internet security software market grew by 18% from 2000 to 2001 to reach USD 6 billion.² IDC reckons that the Internet security software market will experience an annual growth rate of 16%, to increase the size of the global market to approximately USD 11 billion by 2005.³

In Pursuit of Encryption, Data Protection and User Authentication

Information network data security involves areas of content security, data communications security, and user authentication and access right management. Content security refers specifically to anti-virus protection and e-mail filter software. Data communications security relates to firewalls built between an organization's

internal network and the public Internet, and data content encryption solutions such as SSH Secure Shell and VPNs (Virtual Private Network) created for protecting data transmission between two or more authenticated parties across the networks.

User authentication relates to solutions based on PKI (Public Key Infrastructure) and a variety of smart cards and security token, while access right management refers to the distribution of different levels of access rights within a company's internal systems. According to IDC, user authentication and access right management solutions will see an annual growth rate, averaging 22%, through 2005. Data communications security and content security are expected to grow at an annual rate of 18% and 14%, respectively.⁴

Business Focus on Licensing and Serving Large Enterprises

In 2002, SSH focused on licensing its core technologies to OEMs (Original Equipment Manufacturer), and data security solutions for large enterprises, the financial sector and government agencies. According to SSH, the total market for products targeted at OEMs saw a weak performance resulting from the abandonment or postponement of product development projects due to end-customers' wariness. This was particularly manifested in the USA, where financing for technology start-ups in 2002 accounted only for around half of the 2001 level.⁵

Corporate customers were extremely cautious about making data security investments in 2002. Although SSH's customers have understood the importance of data security and acknowledged the need for related investment, they did not increase their data security investments due to their strict budget policies resulting the weak macroeconomic environment. As demand dropped more dramatically than expected, SSH had to revise its net sales expectations downward during the year.

Thomas Raschke,
Program Manager, IDC



In 2002, demand for data security solution from the service provider markets almost evaporated. Many of these customers put off their purchase decisions or cancelled their product development projects. As a consequence of the subdued market and low demand, SSH decided in the spring of 2002 to discontinue the development of VPN hardware devices targeted especially for service providers. However SSH is still continuing the development of VPN software.

Growth Potential for Data Security Investment

Despite the poor market conditions in 2002, there is a great growth potential for data security solutions; the market will expand, since security breaches and information misuse are increasing. The government and enterprise sectors are adopting new, stricter rules and regulations on data security, which will be reflected in investment activity. In the USA in particular, IT investments are markedly increasing due to increased government spending on data security.

Guided by legislation, data security requirements for banks are also becoming more stringent. Consequently, the banking sector is currently the largest single customer industry for data security solutions. In addition, as banks streamline their operations and reshape their processes, technology and the public Internet play a more significant role. So, the need for data security solutions is expected to grow strongly in this area during the years to come.

In addition to the benefits they bring in risk protection, data security solutions provide companies with cost savings and new business opportunities, encouraging them to invest in data security. For instance, the secured use of more affordable, Internet-based network connections can bring cost savings, while applications based on secure user authentication can help create whole new businesses.

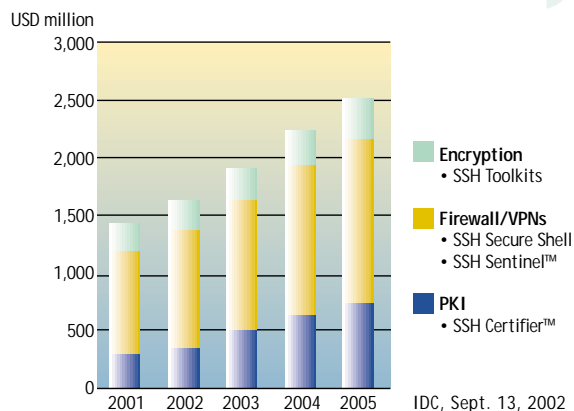
With its continuous efforts in product development and increase in sales and marketing during the economic downturn, SSH has increased its customer base significantly. SSH is well positioned to benefit when the economy rebounds.

The significance of IT security has been acknowledged

According to the research institute IDC IT Security is a hot market, which continues to grow significantly. IDC estimates that over the next five years spending on security will grow more than twice as fast as general information technology spending. "The majority of corporate decision makers has mentioned IT security as a number one challenge. While the significance of IT security has been acknowledged, the companies have also understood its role as a strategic factor that enhances business opportunities", says IDC's Thomas Raschke, Program Manager of European Security Products & Strategies.

North America is the largest security market area. It accounts for approximately 50% of the world's IT security markets. Europe accounts for approximately one-third of the market. This share is also expected to increase slightly during the next years. Asia and the Pacific Rim represent slightly over 10% share of global IT security markets. It is expected however to grow fastest and double its share by the year 2006 because the demand for data security products and software is rapidly increasing. "Being a market leader in commercial remote access software solutions and IPSec Toolkits, SSH Communications Security has a strong position in these growing security markets", Mr. Raschke continues.

Global growth in security technologies related to SSH



¹ E.g. Morgan Stanley CIO Survey, July 11, 2002

² IDC, March 4, 2002

³ IDC, February 4, 2003

⁴ IDC, September 13, 2002

⁵ VentureOne, December 20, 2002



Sales, Marketing and Technical Support



Sales and Marketing Backed Up with Services

SSH sells its products through its own sales organization and partners worldwide, with customers ranging from financial institutions and large corporations to government agencies, to which it offers software products for network and systems applications as well as data security management. Another important customer segment for the company is the world's leading hardware and software manufacturers, to which it licenses its technology products. Technical support and training are an integral part of the company's products.

SSH's main markets include the USA; Northern Europe, with an emphasis on Germany; the UK; and the Nordic countries, while Japan, South Korea, and Taiwan, are among the other important market areas where the company operates. As the USA is the world's most advanced data security market, SSH focused on strengthening its position there. Consequently, the company expects that half of its net sales for the years to come will derive from the US market. Also, economic recovery is usually first reflected in US sales. In 2003, SSH will also place a particular emphasis on business development in the UK, Germany and Sweden since, according to the company's estimates, these countries appear to provide a significant growth potential.

Shifting towards End-user Solutions Continues

With the aim of reshaping its business on an increasingly customer-driven basis, SSH reorganized its operations on the basis of its customer segments in the fall of 2002: Enterprise Security Solutions specializes in data security solutions for large corporations, financial institutions, and government agencies, while Security Technologies is responsible for products targeted to the world's leading hardware and software manufacturers.

SSH's business focus has gradually been shifting towards end-user organizations; more than half of 2002's net sales consisted of sales to such customers. The shift from being a technology provider towards offering network and systems applications has proceeded as planned, and the company will continue along the same lines in 2003. In order to ensure an industry-leading technology and interoperability for its products, the company will also continue to serve hardware and software manufacturers.

Hardware and Software Manufacturers

Hardware and software manufacturers, or Original Equipment Manufacturers (OEMs), produce data communications hardware and software such as routers, firewalls and operating systems, enabling data transmission through networks. Compaq, Nokia, Lucent Technologies, Sun Microsystems and over 100 other OEM customers have integrated SSH's software with their own products, providing them with the opportunity to offer their customers products that ensure secure Internet-based data communications.

Sales and Customer Service in Key Markets

SSH's sales offices in Helsinki, Silicon Valley and Tokyo have primary responsibility for selling the company's products and solutions; they are supplemented by smaller, local offices in six US states, Düsseldorf, London, Seoul, Taipei and Gothenburg.

Highly knowledgeable of the entire product range from user-friendly remote use software, such as SSH Secure Shell, to data security software products requiring advanced technological expertise, such as IPSec Toolkit, the company's sales organization serves customers on a comprehensive and individualized basis. SSH plans

Nicolas Gabriel-Robez,
Consultant Network
Security



to further reinforce and develop the core of its sales organization, consisting of its field sales force that actively calls on major customers, supported by in-house sales organization. The combined field sales and in-house sales team provides a strong balance for developing sales and deepening account relationships, while increasing customer satisfaction.

Corporate information system administrators and smaller corporate customers can also purchase SSH's products and maintenance services quickly and conveniently through the company's e-commerce site. Although it still plays a minor role for SSH in financial terms, its role is increasing rapidly as a vehicle for product application information, thereby reducing the technical support workload. Also, Extranet services for customers and partners are starting to play an ever-greater role.

In support of its sales organization, SSH seeks strategic partners with strong sales channels, extensive industry expertise and a broad set of customers. For SSH's sales, the most important partners, by and large, include system integrators involved in business information system projects.

Technical Support and Consulting Services

SSH's global technical support and consulting services teams back up company's direct sales organization and carefully selected integration partners. As an integral part of SSH's products, technical services cover not only technical customer support and the related maintenance services, but also training and consulting services, as well as project-specific installation and rollout services. These supplement SSH's product range, boosting product sales, and enabling SSH to solve problems related to customers' data security technologies on a comprehensive basis.

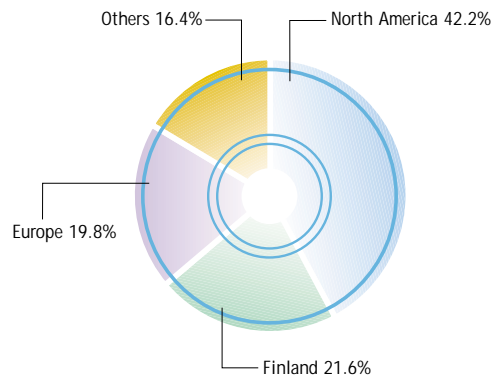
SSH is recognized among its clientele as a developer and manufacturer of reliable, premium quality and user-friendly data security software. The company's products do not require profound knowledge of data security on the part of the customers, who can put them into use without any major integration efforts. The products' technological superiority and SSH's position as an international data security standard-setter and leader have created a significant competitive advantage for the company.

Valuable Feedback Through Training

"I think that the greatest challenge of my job is to forward the feedback and other information offered in partner and customer training sessions to the company's product management, marketing, and sales personnel," says Nicolas Gabriel-Robez, a Data Security Consultant at SSH. After he completed his master's thesis for SSH, his duties at the company have ranged from product management and marketing to customer-driven consulting services. In addition to his consulting and training coordination duties, he is also becoming more and more involved in on-site visits to customers to provide technical support.

"I find my job highly interesting because I have the chance of developing my skills on an ongoing basis. My job requires international contacts, which means that my work involves travel around Europe and Asia. I travel around 80 days a year. Also, I can learn a lot about different corporate cultures in many countries." Gabriel-Robez is confident about the company's future since he is exposed to the needs of customers and partners on a daily basis and has a keen sense of their interest in data security solutions. "The market for these solutions is already out there, and I am confident that dedicated efforts in R&D, sales, and customer services will pave the way for growth," he says, summing up his vision of the future.

Distribution of net sales by market





Research and Development, Products and Services

Product Development Paves the Way for Business Expansion

Aiming to blaze a trail in data security technology, SSH has invested heavily in the development of new technologies and its product portfolio. Thanks to its active R&D, SSH can boast its prize-winning products and standards-setting role within the industry. R&D investments seek to achieve long-term competitiveness supported by patent applications and the further development of core technologies.

SSH develops state-of-the-art network security software solutions, enabling its customers to encrypt their data communications and securely authenticate users and network elements. SSH's products are based on international data security standards and own patented technologies. All products sold are the fruits of the company's own product development.

New Opportunities for Customers

The research unit is responsible for exploring and experimenting on new data security technologies, product ideas and concepts. The R&D unit converts the most viable ideas into finished products, supporting the company's growth in line with identified market requirements and its growth targets. Product development is also responsible for the further development of products as well as for the customer specific customization.

SSH's products enable companies to create new kinds of business models. Company employees, whether as remote workers or on a business trip, can connect securely to the data network for their office, and utilize network resources in the same way as working at the office's workstation. In addition, companies can provide their customers, subcontractors and supply-chain partners with a secure connection to selected fields within the company's data network. The elimination of unneces-

sary intermediary stages from logistics chains shortens response times and cuts costs.

Investment in Process Development

In 2002, R&D accounted for about 49% of SSH's consolidated net sales. SSH invested strongly in the development of product development processes. More efficient processes contribute to balanced resource allocation between projects and improvements in the understanding of customer needs, in addition to improved product quality and easier project scheduling. In 2003, product development will pay particular attention to product launch processes.

Last year, SSH's product development focused on significantly enhancing its existing products and their related use in new applications, on which the company will also work during 2003. In the spring of 2002, SSH decided to discontinue the manufacture of its VPN hardware device and concentrate purely on network data security software products.

During 2002, the company entered into a number of technology partnerships, making it easy for customers to establish a versatile data security solution using SSH's and its partners' products. One of these new technological partnerships was with Check Point Technologies, a world leader in firewalls and VPN technology, which granted SSH the OPSEC™ certification for its SSH Certifier™ PKI product, ensuring product compatibility.

Industry Pioneer

SSH has received international recognition for its core competence in data security and R&D. In 2002, SC Magazine, a revered international computer security magazine, bestowed awards on two of SSH's products. Thus, the company is investing in maintaining and strengthening its

Hannu H. Kari,
Research Director



position as a pioneer in the industry. It intends to ensure its technology leadership in the future by developing and patenting new product concepts, carefully analyzing and meeting markets and customer needs, and being an active participant in different industry standardization organizations such as IETF, PKI Forum and 3GPP.

Patents will support SSH's competitiveness in the long term by providing protection for the company's proprietary technologies, products and solutions. At the end of December 2002, the company held four patents and 37 patents were pending. From SSH's perspective, its patents and patent applications involve a number of innovations related to new products and their user-friendliness, in particular. In addition to patents, SSH concludes well-specified licensing agreements to protect its technology.

Products for End-user Organizations

SSH provides its major target customers including large corporations, financial institutions, as well as government agencies, with its Secure Shell-based data communications solutions and solutions for electronic user authentication. The user-friendly products enable companies to seamlessly integrate data security with their data network infrastructures. Based on the de facto industry standard developed by SSH, SSH Secure Shell is designed for the remote use of data network resources. SSH Secure Shell products enable data network administrators to operate a range of devices connected to the network, on a remote basis. Due to its user-friendly features, the technology is also increasingly applied to ensure secure file transfers and the protection of e-mail connections.

As a market leader in the commercial Secure Shell end-user product market, SSH is confident that the product market for Secure Shell will grow in the coming years, driven by the products' ease-of-use, versatility and manageability, particularly with PKI products.

PKI-based solutions developed by SSH represent technological leadership in their field, enabling, for example, smart card and token-based solutions for electronic user authentication and solutions for network element management.

Products for Hardware and Software Manufacturers

SSH provides hardware and software manufacturers, or OEMs, with various toolkit packages containing its IPSec, Secure Shell and PKI technologies, enabling them to in-

Research Steers the Business in the Right Direction

"The research team is responsible for discovering new opportunities, with a view to determining major future trends. The role of the research is to direct the company into the right direction, to anticipate the technological evolutions and emerging challenges on the focus areas of the company," states SSH's Research Director Hannu H. Kari, a professor in theoretical computer science at the Helsinki University of Technology. This requires active participation in the industry's discussion fora and close cooperation with other players in the industry as well as continuous co-operation with the development.

"The most crucial issues for future in the business world is to protect the assets, such as trade secrets and confidential information, of the company. This requires secured communication within and outside of the company, as well as securing of other communication information, such as user identities, location and time of the users. These issues will be important especially when wireless communication channels are taken into use in order to provide continuous connectivity with the corporate network for mobile employees. Well established security solutions allow corporation to undertake new types of tasks in an ever more efficient and cost-efficient way," sums up Kari.

Since the markets are replete with various types of technologies that enable remote usage of the corporate network, an up-to-date data security solution must be independent of them. Also, a data security solution must be scalable so that the protection level can be adjusted based on the value of the protected assets.

corporate key data security features into their end products. In addition, the company provides them with IPSec based VPN-client products, enabling customers to extend the uses of their own network equipment.

SSH is the market leader for OEM products based on its IPSec and Secure Shell technologies. SSH's toolkit products save OEMs significant development costs and help them get to market more quickly. The company aims to increase its market share by meeting its customers' requirements better than ever and anticipating future requirements.



Personnel

Innovative Employees Keep the Company Dynamic

SSH aims to provide an inspiring and dynamic working environment, since motivated and committed employees foster business growth and competitiveness. Successful corporate performance is based on professional and innovative employees with an experimental spirit, spurring the creation of new data security technologies and the resulting ancillary products and services.

The company's guiding principle in human resources management is open interaction supported by active in-company communications. SSH leaders encourage cross-functional teams to work successfully, and form the basis for effective day-to-day management. It is of paramount importance for business development that all SSH employees understand the company's business goals and strategies and internalize their roles against this background.

During 2002, SSH carried out a business process development project throughout the organization, with a view to ensuring that all employees were fully aware of their responsibilities. The development project also demonstrated SSH's corporate culture that encourages employee participation, as evidenced by the year-end strategy process involving a lively and thoroughgoing debate within the organization.

Personnel Structure

At the year-end of 2002, staff totaled 147, showing a reduction of 34 employees, or 19% year-on-year, of whom 114 work in Finland, 23 in the USA, eight in Asia and two in other countries. Women and men accounted for 19% and 81% of all Group employees, respectively. With an average employee age of around 34, a total of 72 are engaged in R&D, 56 in Sales & Marketing, and 19 in the Group's Administration.

In 2002, SSH reinforced its sales organization by recruiting experienced sales personnel, especially in the USA and Europe. It also set up new offices in the UK and US East Coast.

Ongoing Knowledge Update

Today, rapid technological development is posing challenges for employee expertise. Although challenging daily work fosters ongoing learning, the development of employees' skills also requires updating their knowledge through training. The company's business goals form the basis for its human resource development. Effective employee induction and training aim to ensure that all personnel within the organization work consistently towards common corporate goals.

SSH is determined to put dedicated efforts into its employees' skills development by providing a wider variety of training opportunities in 2003. On-the-job training, which the company fosters through its internal job rotation policy, is an integral part of this skills development policy. The company also sees foreign assignments as an opportunity to enhance employees' know-how and diffuse their acquired skills within the organization. In addition, SSH supports training on a tuition-reimbursement basis.

SSH continuously encourages innovation. Many of SSH's employees have discovered technological innovations for which the company has applied for, or is in the process of applying for, international patents. Altogether, SSH is a holder of four patents, while 37 patents are pending.

Meaningful Work as an Incentive

A favorable working environment creates a positive corporate culture. Employee wellbeing not only relates

Erkki Tapola,
Development
Manager



Having Your Say Enhances Job Motivation

Erkki Tapola thinks that an atmosphere which encourages employees to challenge the way things are done, coupled with brainstorming, forms the key to job satisfaction. Employed by SSH for five years, he enjoys his job as head of SSH Secure Shell product development. He says that the best way to develop processes is to discuss and share a wide variety of views. There are always alternative solutions and new ideas, issuing from people's experiences and various skills. "I enjoy my job so much because I can influence how things are done, and, besides, our firm seems able to remain dynamic alongside its attempts to standardize practices," explains Tapola.

The time of uncertainty has required energy and commitment from personnel. It goes without saying that last year's economic developments and staff reductions have affected the working environment and the overall mood. Although an unpredictable future may make people gloomy, according to Tapola there are always cheerful people around who have positive impact on the overall working atmosphere.

to the establishment of appropriate working conditions, both intellectually and physically, but also overall job satisfaction. SSH provides its employees with opportunities for recreational and leisure activities, with the aim of enhancing their wellbeing. A working environment survey conducted in the fall of 2002 suggests that SSH's employees' job motivation mostly derives from challenging and meaningful duties, and opportunities to have their say in the development of their personal skills.

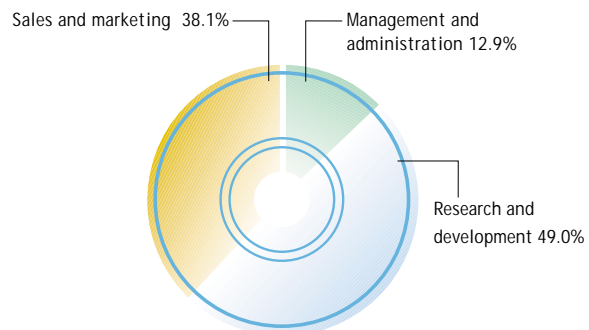
Continuous feedback on good performance is one of the best ways of encouraging employees. SSH also applies other reward systems tied to the achievement of goals such as its stock option scheme open to all personnel. In addition, the company has provided its top management with an extra incentive based on the achievement of Group-level financial goals. The company's sales personnel enjoy commissions determined by closed deals and the resulting customer billing.

Some SSH's employee reward systems vary by country and continent, due to applicable laws and cultural differences. In the USA, for example, the majority of employees enjoy a bonus system based on personal goals set on a quarterly basis.

It's all about Team Play

SSH is a leader in the rapidly developing and growing global network security market. SSH also seeks to become known as an attractive and continuously innovative employer among industry professionals in the future. Its youthful and dynamic environment creates a family-like atmosphere characterized by a sense of togetherness, the aim being high employee motivation and a strong commitment to the company, one's own working community and the development of one's own work and working practices.

Personnel distribution by business area, %





Report of the Board of Directors



Net Sales

SSH's year-on-year consolidated net sales declined by 15.4%, to EUR 16.8 million (EUR 19.9 million in 2001). The underlying reason for the fall being customers' persistent wariness of investment decisions. Parent company net sales decreased by 24.4%, to EUR 11.1 million (EUR 14.6 million).

The year 2002 was characterized by the difficulty to predict the development of SSH's revenues and net sales. The uncertain mood in the US and European information technology markets persisted, leading customers to put off their investment decisions in an increasingly uncertain economic environment.

First quarter consolidated net sales in 2002 fell by 31.3% on a year earlier (EUR 6.4 million), to EUR 4.4 million. Despite the marked deterioration, net sales were still as expected and in line with the Group's forecasts for the year. Second-quarter net sales did not, however, develop as planned and showed a lower figure than in the previous quarter, amounting to EUR 4.2 million (EUR 4.1 million). Third-quarter net sales were particularly affected by the sudden downturn in investment, which was directly reflected in SSH's sales. SSH's consolidated net sales decreased to EUR 3.9 million (EUR 4.5 million). Fourth-quarter net sales increased by 13.8% on the previous quarter, to EUR 4.4 million (EUR 4.9 million). In particular, sales of the SSH Secure Shell product achieved the targets set for the fourth quarter.

Results and Expenses

SSH's consolidated operating loss for the fiscal year reached EUR -14.1 million (a loss of EUR -6.7 million), while its net loss for the same period totaled EUR -13.6 million (a loss of EUR -4.1 million). Parent company operating loss came to EUR -7.7 million (a loss of EUR -6.5 million) and net loss totaled EUR -8.0 million (a loss of EUR -3.8 million). Fourth quarter consolidated operating loss amounted to EUR -2.2 million (a loss of EUR -2.3 million), while net loss totaled EUR -1.7 million (a loss of EUR -1.9 million).

SSH's cumulative results were burdened by the first-half (January–June 2002) write-downs and certain non-recurring

expenses. These write-downs were due to the fact that the company discontinued the development of VPN devices. The non-recurring expenses were attributable to a one-time provision for sublease rate changes pertaining to SSH's facilities in the USA, the reinforcement of the company's sales organization, operational restructuring, and the adjustment of the overall staffing level to the market situation. These non-recurring expenses entered in 2002 totaled EUR 5.1 million.

SSH made dedicated efforts in 2002 to improve its profitability. The impact of these measures will materialize in full as of the beginning of 2003. The Group took measures to adjust its cost structure to meet the changing market situation, including a cautious recruitment policy, postponing IT infrastructure investment, concentrating US operations in Finland and cutting administrative expenses. On the other hand, the company invested strongly in more efficient sales and marketing operations and maintained its R&D spending at a robust level, with a view to ensuring SSH's long-term competitiveness despite the weak market conditions.

SSH's fixed expenses increased to EUR 27.2 million, compared to EUR 23.1 million in the previous year, due mainly to non-recurring expenses resulting, for example, from the discontinuance of the VPN device development and organizational restructuring. Due to the adjustment measures taken, second-half fixed expenses decreased by 32.0% on the first half of the year, to EUR 5.2 million. Second-half fixed expenses decreased by 10.1% year-on-year. The final quarter saw further entries of EUR 0.4 million in credit losses and EUR 0.3 million in non-recurring expenses caused by operational adjustment measures. The cost-cutting measures taken contribute only partly to the second-half results for 2002.

R&D expenses for the fiscal year totaled EUR 8.2 million (EUR 8.1 million) and EUR 1.7 million (EUR 2.0 million) for the fourth quarter. For the fiscal year R&D spending accounted for around 49% of consolidated net sales.

Sales and marketing expenses for the year increased to EUR 14.7 million (EUR 10.0 million), while administrative expenses were EUR 4.3 million (EUR 5.0 million). The increase in sales



and marketing expenses was due to non-recurring expenses resulting from business reorganization, additional investment in sales personnel and the establishment of sales offices in the UK and the US east coast.

Fourth-quarter sales and marketing expenses came to EUR 3.2 million (EUR 3.0 million), while administrative expenses for the same period were EUR 0.8 million (EUR 1.5 million).

Return on investment (ROI) was -30.0% (-7.06%) and return on equity (ROE) came to -31.68% (-7.93%). Earnings per share were EUR -0.49 (EUR -0.15) and equity per share amounted to EUR 1.3 (EUR 1.82).

Balance Sheet and Financial Position

The consolidated balance sheet total on December 31, 2002 stood at EUR 42.0 million (EUR 57.4 million), of which liquid assets accounted for EUR 34.7 million (EUR 44.6 million), or 82.6% of the balance sheet total. The parent company balance sheet total on December 31, 2002 was EUR 45.1 million (EUR 56.0 million). Except for the subordinated loan of EUR 0.2 million in shareholders' equity granted by the National Technology Agency (TEKES), the company has no other long-term liabilities.

Gearing, or the ratio of net liabilities to shareholders' equity, remained at the previous year's level almost throughout the financial year, standing at -95.8% (-89.0%) at the end of December. The Group has no other interest-bearing liabilities except for the above-mentioned subordinated loan. Equity-to-assets ratio on December 31, 2002 was 88.7% (90.1%).

The reported gross capital expenditure totaled EUR 0.4 million (EUR 1.4 million), comprising mainly parent company investments in software, machinery and equipment. The reported financial income consisted of interest income. Financial income and expenses for the year totaled EUR 0.5 million, compared to EUR 2.6 million in the previous year. Exchange rate losses and the general fall in interest rates reduced the financial income reported for the year. The parent company recorded financial income and expenses of EUR -0.4 million, compared to the previous year's EUR 2.7 million.

A total of EUR 0.9 million of product development funding, granted by the National Technology Agency, and consultation fees were entered in the other income from business operations. The Group had two TEKES projects underway during the report period.

Market Developments

The company's target markets experienced a challenging market situation during 2002. Hardware manufacturers', service providers' and end-user organizations' IT investments remained low.

Having started in the third quarter, the flagging investment activity in the USA also continued in the fourth quarter. As forecast by SSH, only some of the investments postponed at the end of the third quarter were implemented during the final quarter of the year. World economic uncertainties and especially the growing threat of war between the USA and Iraq caused a number of US companies to refrain from their investment decisions.

Although end-user organizations, by and large, continued to pursue a cautious investment policy in the fourth quarter, SSH received several orders e.g. from large international banks.

Since service providers' investment activity remained at a very low level throughout 2002, hardware and software manufacturers did not venture to make investments nor resume their product development projects, which was reflected in demand for SSH's IPsec and Secure Shell Toolkit products.

In 2002, SSH's main markets were the USA, Germany, Japan and the Nordic countries, the USA still being the largest market area. SSH increased its sales efforts in the USA, the UK, Germany, Sweden, Taiwan and South Korea.

SSH's competitive position remained steady during the fourth quarter. The company is still the world's leading developer and marketer of Internet Protocol Security (IPsec) and Secure Shell technologies. Competition intensified for IPsec Toolkit products in the segment of customers who manufacture low-cost, low-end network equipment. The VPN and PKI markets were still exposed to fierce competition.

During 2002, SSH continued the process of shifting its role as a technology supplier in the value chain towards a provider of end-user solutions. In line with its long-term strategy, the company will place a particular emphasis on network security solutions designed for large corporations and especially banks and other financial institutions, as well as public-sector organizations. The company is also building relationships with system integrators used in IT deployments by these customers. In addition to end product sales, SSH will license its basic solutions to hardware and software manufacturers. SSH's long-term goal in these customer segments is to become one of the world's leading providers of network-security solutions.

Sales Performance

During 2002, Secure Shell products, IPsec Toolkit products and new VPN and PKI products accounted for 56.0%, 38.3% and 5.7% of SSH's sales, respectively. The sales of new products came mainly from SSH Sentinel VPN client products.

During the fourth quarter, SSH concluded 20 license and maintenance agreements, each exceeding EUR 50,000, of which 15 were one-time licenses. During the corresponding period in the previous year, the number of agreements valued at more than EUR 50,000 totaled 23, of which 14 were one-time licenses.

The 2002 license and maintenance agreements valued at over EUR 50,000 totaled 99 (93 in 2001), of which 64 (41 in 2001) were one-time licenses. Royalties, related down payments, and maintenance charges accounted for nearly 44.9% of consolidated net sales.

The ten largest customers accounted for 17.8% of net sales. None of the customers, however, represents more than 5% of net sales, i.e. the company does not depend on a single customer.

The USA maintained its position as SSH's main market area during the report period. The USA, Finland, the rest of Europe, and the rest of the world – such as Japan – accounted for 42.2% (49.7%), 21.6% (21.6%), 19.8% (15.9%) and 16.4% (12.8%), respectively.

The majority of 2002 net sales derived from direct sales by SSH's own sales organization to its customers. In order to buttress its own sales organization, the company has searched for strategic partners and distributors. The establishment of the distribution network proceeded according to plan in 2002, and SSH had 66 distributors on a global basis at the end of 2002.

During 2002, SSH announced major SSH Secure Shell agreements with two of the world's leading banks, Commerzbank and UBS, and IPsec Toolkit agreements with Hitachi Information Technology and Adaptec, a US company. Since banks and other financial institutions are SSH's key customer segment, these agreements with Commerzbank and UBS will serve as significant references, opening up opportunities for additional agreements. The agreement with Hitachi-IT will be an important reference for SSH in the Japanese market, strengthening the company's market position as a leading provider of IPsec Toolkit software in Asia. Adaptec is one of the world's leading SAN (Storage Area Network) hardware and software manufacturers.

Research and Development

SSH continued to invest in research and development in 2002, reported R&D expenses accounting for 49% of net sales.

SSH launched several products on the market during 2002. In

the first quarter, the company broadened the range of its SSH Certifier PKI product family by introducing software that, for example, enabled the use of electronic certifiers, stored in smart cards, in user authentication. The second quarter saw the launch of two brand new toolkit products: SSH QuickSec Toolkit for SAN is a data security software package especially targeted at the manufacturers of storage area network (SAN) devices, whereas SSH QuickSec Toolkit for Access Networks is a software suite customized for the manufacturers of network equipment containing small, embedded operating systems (so-called access or edge devices).

In the first half of 2002, SSH decided to concentrate on the development of network security software and management products. At the same time, it decided to discontinue the manufacture of VPN hardware, while continuing the development of VPN software. SSH has discontinued the active search of licensing opportunities for its VPN hardware technology.

In October, SSH announced an updated release of its prize-winning SH Sentinel VPN software. In addition, the company launched updated versions of most of its products in 2002. SSH's products also won international prizes during the report period. For instance, SSH Secure Shell and SSH Sentinel were awarded the "Best of 2002" prize by SC Magazine as advanced data security products.

During the report period, SSH entered into several partnerships, of which one of the most important included the OPSEC™ certification granted by Check Point Software Technologies, the world's leading firewall and VPN manufacturer, to SSH Certified. This certification will guarantee that the SSH Certifier product, designed for the granting and management of electronic authentication, is seamlessly integrated with Check Point's VPN-1®/FireWall-1® Next Generation software products. Also, the certification will help SSH sell and market SSH Certifier to Check Point's customers.

At the end of December, SSH held four patents while 37 were pending. During 2003, the company's product development will pay particular attention to the easy installation and manageability of its products.

Human Resources and Organization

At the end of 2002, the Group had 147 employees on its payroll. The number of employees fell by 34, or 18.8%. Employees in R&D, sales & marketing and administration accounting for 49.0%, 38.1% and 12.9% of all Group personnel, respectively.

During the second quarter, SSH adjusted its cost structure to the prevailing market conditions. Consequently, the company entered into Group-wide joint discussions with its personnel, resulting in the reduction of personnel by 33, of which 22 were in Finland and 11 in international offices.

During the second quarter, SSH appointed Arto Vainio, B.Sc. (Econ.), as the new Chief Executive Officer. Vainio assumed the duties of CEO on July 3, 2002, having previously acted as the Marketing Director of Tellabs. At the same time, the previous CEO and founder of SSH, Tatu Ylönen, took over the development of the company's technology strategy and its application in research and development as well as products.

During 2002, SSH restructured its organization on a more customer-driven basis. Based on the redefinition of its business strategy in September, SSH divided its product and marketing

team into two focus areas according to customer segments: Enterprise Security Solutions specializes in network security solutions for selected end-customer segments and Security Technologies is responsible for the sale of SSH's toolkit and other OEM (Original Equipment Manufacturer) products to hardware and software manufacturers. These changes will support the company's redefined business strategy and the shifting of strategic focus towards end-user organizations.

Board and Auditors

SSH Communications Security Corp's Annual General Meeting of April 11, 2002 elected the following Board members: Bo Harald, Tapio Kallioja, Tomi Laamanen and Tatu Ylönen. Tomi Laamanen was re-elected as Chairman.

The AGM of April 11, 2002 re-elected PricewaterhouseCoopers Oy, Authorized Public Accountant, the company's auditors, with Henrik Sormunen, Authorized Public Accountant, acting as the principal auditor.

Shares and Shareholding

The reported trading volume of SSH Communications Security Corp shares for the financial year totaled 4,289,902 shares (valued at EUR 7,137,801.28), i.e. 15.5% of the shares changed hands. The highest quotation for the year was EUR 3.70 and the lowest was EUR 0.6. The trade weighted average price for the year was EUR 1.66, and the company's share closed at EUR 0.75 on the final trading day of the year (December 30, 2002). Fourth-quarter trading volume totaled 1,908,516 shares (valued at EUR 1,535,518.57), i.e. 6.9% of the shares changed hands at a low of EUR 0.6 and a high of EUR 1.20.

There were no substantial changes in SSH Communications Security Corp's shareholding during the financial year. The period-end number of shareholders totaled 7,571 (7,800). On December 31, 2002, the ten largest shareholders accounted for 74.7% (77.0%) of the company's shares and voting rights. Applied Computing Research Ltd (ACR) still holds 61.2% of the company's shares. Foreign shareholding accounted for 0.4%.

Share Capital Developments

The company's registered share capital on December 31, 2002 came to EUR 831,418.05, consisting of 27,713,935 shares. SSH increased its share capital three times during 2002, based on share subscriptions according to SSH's stock options. The number of shares subscribed on the basis of the 1999 stock options totaled 22,750, increasing the company's share capital by EUR 682.50.

SSH's AGM on April 11, 2002 authorized the Board to decide by April 11, 2003 to increase share capital through a rights issue and/or grant stop options or issue bonds with equity warrants or convertible bonds in such a way that the share capital may increase by a maximum of EUR 120,000.

The AGM approved SSH's new stock options plans. On the basis of the stock option plan I/2002, the Group may offer its employees a maximum of two million stock options, each option entitling its holder to subscribe for one SSH Communications Security Corp share at a nominal value of EUR 0.03. Depending on the type of warrant, the subscription period will begin in several stages on May 1 of 2003, 2004, 2005 and 2006 and will expire for all stock options on May 1, 2008. The subscription price of SSH share equals the closing price quoted in continuous trading on the Helsinki Exchanges on March 19, 2002 (EUR 2.67) plus 30% and finally rounded up to the closest ten cent.

As a result of the subscriptions, the company's share capital may increase by a maximum of EUR 60,000.

On the basis of the stock option plan II/2002, the Group may offer its USA employees a maximum of 94,000 stock options, each option entitling its holder to subscribe for one SSH Communications Security Corp share at a nominal value of EUR 0.03. Depending on the type of warrant, the subscription period will begin in several stages on June 6 of 2002, and on May of 2003, 2004 and 2005 and will expire for all stock options on April 11, 2012. The subscription price of SSH share equals the closing price quoted in continuous trading on the Helsinki Exchanges on 6 May, 2002 (EUR 2.00), and, as a result of the subscriptions, the company's share capital may increase by a maximum of EUR 2,820.

SSH Communications Security Corp's Board of Directors decided to grant stock options, as distinct from the shareholders' pre-emption right, to the management and employees of SSH Communications Security, Inc., a USA subsidiary, as part of the Group's incentive scheme (Stock Option Plan III/2002). Consequently, the Group may offer a maximum of 114,498 stock options, entitling their holders to subscribe for 114,498 new SSH Communications Security Corp shares at a per-share nominal value of EUR 0.03. In accordance with the stock options terms, the subscription price of one SSH share equals the closing price quoted in continuous trading on the Helsinki Exchanges on 10 July, 2002 (EUR 1.90). As a result of the subscriptions, the company's share capital may increase by a maximum of EUR 3,434.94.

Events After the Report Period

On February 2003, SSH announced that it would continue the process launched in the spring of 2002 of streamlining and refocusing its operations. As a result, while running down the Kuopio office, SSH will concentrate the product development of SSH Sentinel from Kuopio to Helsinki. At the same time, the company entered into employer/employee negotiations with the Kuopio office personnel. SSH considers that the concentration will have no impact on SSH Sentinel sales.

Prospects for 2003

In the fall of 2003, while redefining its business strategy SSH focused its business on two business areas. The company will increasingly focus on large corporations, banks and other financial institutions, and public-sector organizations. Moreover, it will cooperate closely with the world's leading hardware and equipment manufacturers, to which it licenses its network security software products.

During 2003, SSH will continue to invest strongly in more efficient sales and marketing operations. This will involve developing its own sales organization, finding a few selected partners and cooperating closely with them. The company will also increasingly develop new cooperation models with its existing customers. Ready to strengthen its position across all markets, SSH is geared up for sharp competition.

The company's management estimates that the market situation will remain highly challenging during 2003. End-user organizations will remain wary of their investment decisions. Hardware and software manufacturers' investment activity has not yet rebounded, as they are expecting economic recovery to justify the launch of product development projects. SSH is well positioned to raise net sales once markets rebound and investments take off.

By the light of current development, SSH's consolidated net sales for 2003 are predicted to reach around EUR 18 million, suggesting a sales improvement of 5%, year-on-year. The company management estimates that the growth will derive mainly from the well targeted SSH Secure Shell sales for large corporations, coupled with extended applications for the product. Sales of the IPSec and Secure Shell Toolkit product family are licensed to hardware and software manufacturers, and are predicted to remain almost at the 2002 levels. Also, SSH Certifier and SSH Sentinel products will boost growth in sales.

Although SSH Group will show a loss in the first half of 2003, it should be able to make a profit during the second half. An important reason for this is that the contractual royalties entered as purchasing and production costs that have burdened SSH's results since 2000 will expire at the end of the third quarter. Consequently, the company estimates that the purchasing and production costs will be restored to their normal levels, to less than 5% of net sales. Due to these contractual royalties, a comparable figure in 2002 was about 22% of net sales. This is expected to markedly improve profitability from the fourth quarter on.

During 2002, the company has also taken a number of measures to adjust its cost structure to the prevailing market conditions. Under the terms agreed on January 2003, the new lease on the

company's US office will also substantially lighten the cost structure in 2003, generating annual cost savings of approximately USD 1.0 million. As profitability is SSH's key focus area in 2003, the company is determined to rein in its costs.

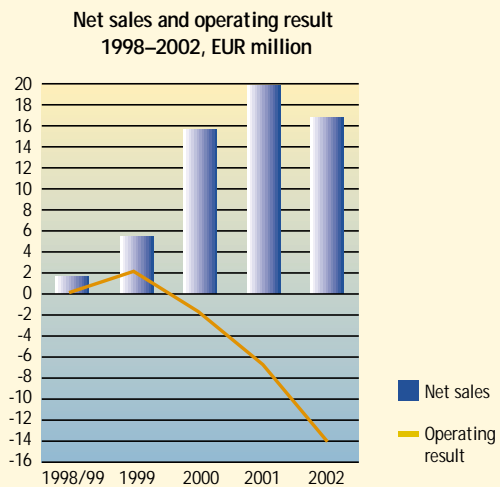
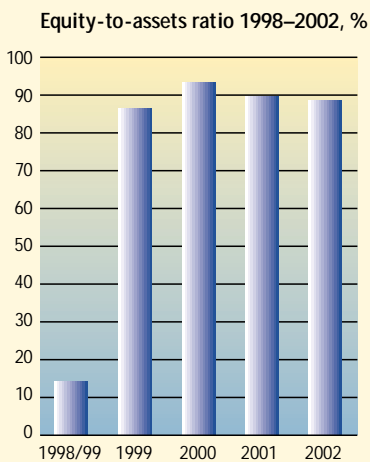
Net sales and profit forecasts depend on world economic developments and, above all, the duration of the war, if it breaks out, between the USA and Iraq including its world economic repercussions. In the event that the war breaks out and has a great economic impact, the company may be forced to revise its forecasts for net sales and profit.

Board Proposal to the Annual General Meeting

The company has no distributable earnings. The Board proposes that no dividend be paid for the financial year 2002 and that the net loss of EUR 8,030,987.71 reported for the period be entered in the shareholders' equity. The Board also proposes that the loss of EUR 13,626,297.62 shown in the balance sheet be covered by reducing the issue premium fund.

Helsinki, February 12, 2003

SSH Communications Security Corp
Board of Directors



Income Statements

EUR	CONSOLIDATED		PARENT COMPANY	
	Jan. 1–Dec. 31, 2002	Jan. 1–Dec. 31, 2001	Jan. 1–Dec. 31, 2002	Jan. 1–Dec. 31, 2001
NET SALES	16,801,297.89	19,851,478.23	11,076,838.30	14,645,425.49
Materials and services	4,586,609.95	4,632,308.98	5,173,431.36	10,033,383.05
GROSS MARGIN	12,214,687.94	15,219,169.25	5,903,406.94	4,612,042.44
R&D expenses	8,232,005.34	8,070,121.13	6,623,393.53	6,163,431.18
Sales and marketing expenses	14,686,487.79	10,027,402.67	4,838,145.17	3,292,754.76
Administrative expenses	4,259,614.80	5,017,552.23	2,965,249.31	2,832,559.82
Other operating income	897,262.09	1,174,450.41	867,840.81	1,135,934.03
OPERATING LOSS	-14,066,157.90	-6,721,456.37	-7,655,540.26	-6,540,769.29
Financial income and expenses				
Interest and financial income from Group companies			180,912.42	150,704.19
Other interest and financial income	869,829.63	3,036,026.46	790,637.88	2,979,120.46
Interest and other financial expenses	165,732.59	435,914.27	1,586,155.16	419,757.94
Fair value losses on current investments	239,157.41	0.00	239,157.41	0.00
Financial income and expenses, total	464,939.63	2,600,112.19	-375,447.45	2,710,066.71
LOSS BEFORE EXTRAORDINARY ITEMS	-13,601,218.27	-4,121,344.18	-8,030,987.71	-3,830,702.58
LOSS BEFORE APPROPRIATIONS AND TAXES	-13,601,218.27	-4,121,344.18	-8,030,987.71	-3,830,702.58
LOSS FOR THE FINANCIAL PERIOD	-13,601,218.27	-4,121,344.18	-8,030,987.71	-3,830,702.58

Balance Sheets

EUR	CONSOLIDATED		PARENT COMPANY	
	Dec. 31, 2002	Dec. 31, 2001	Dec. 31, 2002	Dec. 31, 2001
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Intangible rights	520,042.32	538,631.91	498,956.87	410,137.29
Capitalized development expenses	0.00	474,365.76	0.00	474,365.76
Other capitalized expenditure	503,529.44	728,978.01		
Intangible assets, total	1,023,571.76	1,741,975.68	498,956.87	884,503.05
Tangible assets				
Machinery and equipment	560,412.38	1,010,341.84	296,970.22	439,102.83
Tangible assets, total	560,412.38	1,010,341.84	296,970.22	439,102.83
Investments				
Shares in Group companies			200,344.24	200,344.24
Other shares and participations	84.09	84.09	84.09	84.09
Investments, total	84.09	84.09	200,428.33	200,428.33
NON-CURRENT ASSETS, TOTAL	1,584,068.23	2,752,401.61	996,355.42	1,524,034.21
CURRENT ASSETS				
Inventory	798,173.64	1,086,213.73	798,173.64	1,086,213.73
Receivables				
Current				
Deferred tax	227,716.48	212,386.83		
Accounts receivable	3,414,107.81	5,216,761.74	1,900,761.12	3,772,405.87
Receivables from Group companies			7,223,224.93	4,723,959.91
Other receivables	38,603.32	1,134,938.35	5,345.04	769,304.01
Prepaid expenses and accrued income	1,216,756.20	2,331,250.07	1,076,042.91	2,253,757.44
Current receivables, total	4,897,183.81	8,895,336.99	10,205,374.00	11,519,427.23
Financial investments				
Other securities	20,422,510.98	0.00	20,422,510.98	0.00
Cash in hand and at bank	14,278,229.54	44,630,787.86	12,667,662.09	41,910,215.22
CURRENT ASSETS, TOTAL	40,396,097.97	54,612,338.58	44,093,720.71	54,515,856.18
ASSETS	41,980,166.20	57,364,740.19	45,090,076.13	56,039,890.39

EUR	CONSOLIDATED		PARENT COMPANY	
	Dec. 31, 2002	Dec. 31, 2001	Dec. 31, 2002	Dec. 31, 2001
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	831,418.05	830,735.55	831,418.05	830,735.55
Share premium fund	54,606,319.74	54,602,452.24	54,606,319.74	54,602,452.24
Retained profit/loss	-5,882,395.52	-1,411,501.84	-5,595,309.91	-1,764,607.33
Net result for the year	-13,601,218.27	-4,121,344.18	-8,030,987.71	-3,830,702.58
Subordinated loans	245,218.00	245,218.00	245,218.00	245,218.00
SHAREHOLDERS' EQUITY, TOTAL	36,199,342.00	50,145,559.77	42,056,658.17	50,083,095.88
PROVISIONS	1,500,979.31	0.00		
LIABILITIES				
Current liabilities				
Advances received	1,454,086.56	1,957,577.72	982,680.90	1,313,125.07
Accounts payable	900,645.09	2,889,650.32	801,657.12	2,554,006.26
Liabilities to Group companies			142,414.11	543,428.24
Other liabilities	971,254.00	625,234.90	291,520.90	362,009.29
Accrued expenses and deferred income	953,859.24	1,746,717.48	815,144.93	1,184,225.65
Current liabilities, total	4,279,844.89	7,219,180.42	3,033,417.96	5,956,794.51
LIABILITIES, TOTAL	4,279,844.89	7,219,180.42	3,033,417.96	5,956,794.51
SHAREHOLDERS' EQUITY AND LIABILITIES	41,980,166.20	57,364,740.19	45,090,076.13	56,039,890.39

Cash Flow Statements

EUR	CONSOLIDATED		PARENT COMPANY	
	Jan. 1–Dec. 31, 2002	Jan. 1–Dec. 31, 2001	Jan. 1–Dec. 31, 2002	Jan. 1–Dec. 31, 2001
Cash flow from operations				
Sales revenue	18,078,310.23	19,341,220.04	11,190,839.42	13,639,821.35
Revenue from other operations	874,681.99	567,327.73	845,260.71	567,327.73
Payments for operating expenses	-28,958,126.75	-26,537,961.87	-19,496,653.77	-22,664,245.43
Cash flow from operations before financial items and taxes	-10,005,134.53	-6,629,414.10	-7,460,553.64	-8,457,096.35
Interest paid and payments for other operating financial items	-821,015.67	-435,914.27	-1,587,452.77	-408,147.94
Operating interest received	1,377,539.97	2,515,155.84	1,706,270.67	3,044,868.30
Direct taxes paid	-49,793.11	-360,143.94	0.00	-262,131.00
Cash flow before extraordinary items			-7,341,735.74	-6,082,506.99
Cash flow due to extraordinary items from operations (net)			0.00	0.00
Cash flow from operations	-9,498,403.34	-4,910,316.47	-7,341,735.74	-6,082,506.99
Cash flow from investments				
Investments in tangible and intangible assets	-436,194.00	-1,621,693.00	-410,790.85	-644,508.02
Loans granted			-1,072,065.56	-28,752.05
Other investments			0.00	-8,000.00
Proceeds from sale of tangible and intangible assets	0.00	40,365.10	0.00	40,365.10
Cash flow from investments	-436,194.00	-1,581,327.90	-1,482,856.41	-640,894.97
Cash flow from financing				
Share issue	4,550.00	23,424.70	4,550.00	23,424.70
Payments of long-term loans			0.00	0.00
Cash flow from financing	4,550.00	23,424.70	4,550.00	23,424.70
Change in liquid assets/ increase (+), decrease (-)	-9,930,047.34	-6,468,219.67	-8,820,042.15	-6,699,977.26
Liquid assets at beginning of period	44,630,787.86	51,099,007.53	41,910,215.22	48,610,192.48
Liquid assets at end of period*	34,700,740.52	44,630,787.86	33,090,173.07	41,910,215.22
Change in liquid assets	-9,930,047.34	-6,468,219.67	-8,820,042.15	-6,699,977.26

* liquid assets consist of cash in hand and at bank as well as other securities

Principles of Entering Sales Income

Since the beginning of the fiscal year of 2002, the company changed its revenue recognition principles to conform to those of the International Accounting Standards (IAS). Accordingly, revenue is principally entered in net sales once delivery has occurred or services have been rendered, the contract has been completed or the buyer has placed a written order and it has been assured that the buyer is solvent.

Maintenance agreements are recognized evenly on an accrual basis throughout the contract period. Royalties are recognized as revenue for the period during which the customer has made a payment or provided confirmation, or the amount of royalties has otherwise stated. Sale based on electronic transactions is recognized as revenue on a cash basis. Revenue recognition on a cash basis versus that on an accrual basis has no material effect on net sales or profit for the period.

Function-based Costs

Expenses have been divided among functions according to their causative principles.

Fixed Assets

Fixed assets are entered in the balance sheet at acquisition cost less depreciation according to plan. Planned depreciations are calculated by type on a straight-line basis according to their economic life.

The depreciation periods are:

Machinery and equipment	5 years from month of acquisition
Computer hardware	3 years from month of acquisition
Software and other intangible rights	5 years from year of acquisition
R&D expenses	5 years from year of acquisition
Other capitalized expenditure	5 years from year of acquisition
Basic repairs on rental premises	7 years from year of acquisition

Research and Product Development Expenses

Research and product development costs are entered primarily as annual expenses.

Inventories

Inventories are stated at the lower of acquisition cost or likely net realizable value or replacement cost.

Pensions

Pension expenses for the Group's personnel are managed in external insurance companies. Pension expenses are entered as costs in the period in which they originate following the local legislation in each country.

Financial securities

Financial securities are stated at the acquisition cost.

Items in Foreign Currencies

Liabilities and receivables in foreign currencies have been converted into Finnish currency at the exchange rate on the closing date of the fiscal year. SSH Communications Security Corp has not hedged foreign currency risks.

Deferred Taxes

Deferred tax liabilities and receivables are calculated on the temporary difference between taxation and financial statements, using the tax rate for subsequent years approved on the date of closing. The entire deferred tax liability is included in the balance sheet and the deferred tax receivable has been estimated at its likely amount. According to the prudence principle only the deferred tax receivable has been entered.

SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

SSH Communications Security Corp is the parent company of a subgroup in the Applied Computing Research Group Ltd. The Applied Computing Research Ltd financial statements are available from the Group's head office at Fredrikinkatu 42, FIN-00100 Helsinki, Finland.

The fully-owned subsidiaries SSH Communications Security, Inc. (Palo Alto, USA), SSH Communications Security, K.K. (Tokyo, Japan) as well as SSH Operations Oy (Helsinki, Finland, founded during the fiscal year), are consolidated into the SSH Communications Security Group financial statements.

ACCOUNTING PRINCIPLES USED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Internal Shareholdings

Internal shareholdings have been eliminated using the acquisition cost method. Group subsidiaries are established companies, so there is no consolidated goodwill.

Internal Transactions and Margins

Transactions within the Group, unrealized margins on internal deliveries, internal liabilities and receivables, as well as profit distribution have been eliminated.

Minority Interests

SSH Communications Security Group has no minority interests.

Conversion Difference

The income statements of foreign Group companies have been converted at the middle rate for the financial period and the balance sheets translated into euros at the exchange rate on the day of closing. Conversion difference is included under retained earnings.

Associated Companies

SSH Communications Security Group has no associated companies.

Notes to the Financial Statements

EUR	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001

INCOME STATEMENT

Net sales by market area

Finland	3,621,044	4,288,853	3,621,044	4,288,853
Rest of Europe	3,330,485	3,157,872	3,330,485	3,157,872
North America	7,097,224	9,860,991	976,294	4,654,938
Other	2,752,545	2,543,762	3,149,015	2,543,762
Total	16,801,298	19,851,478	11,076,838	14,645,425

SSH Communications Security Group operates in only one sector, so no sector-specific net sales and operating profit are shown. Operating profits are also not presented by market area because there are no special risks in any of these areas.

Personnel expenses

Wages and salaries	11,138,500	10,798,802	6,240,203	6,078,676
Pension costs	1,038,335	956,424	1,011,766	915,472
Social security expenses	686,210	782,908	277,347	552,912
Total	12,863,045	12,538,134	7,529,316	7,547,060

Personnel on average during the period	166	182	127	142
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The Group employed 147 persons and the parent company 114 persons at the end of the period.

Personnel distribution by business area on Dec. 31

R&D	72	92	65	81
Sales and marketing	56	63	32	38
Administration	19	26	17	22
Total	147	181	114	141

Salaries and other remuneration to management

Managing Directors	554,730	681,414		
Board members*	40,365	20,183	40,365	20,183

* Fees paid to Board members include only meeting fees paid to individuals. Board members outside the company have subscribed option rights according to the Annual General Meeting's decision of April 11, 2002.

Depreciation and write-downs

On software	225,626	180,115	171,782	149,226
On capitalized development expenses	512,116	140,880	512,116	140,880
On machinery and equipment	431,220	429,283	254,373	217,781
On other non-current expenses	109,084	162,866		
Total	1,278,046	913,144	938,271	507,887

Other operating income

Product development funding from the National Technology Agency (TEKES) EUR 743,310 and other income EUR 153,952.

Financial income and expenses

Interest and financial income from Group companies			180,912	150,704
Other interest and financial income	1,270,409	2,005,018	1,238,564	1,948,113
Impairment of short-term investments	239,157		239,157	
Interest and other financial expenses	379	27,765	379	11,610
Net exchange rate differences	-565,933	622,859	-1,555,388	622,859
Total	464,940	2,600,112	-375,448	2,710,066

BALANCE SHEET

Fixed assets and other non-current investments

Software

Acquisition cost Jan. 1	758,089	599,446
Conversion difference	-25,286	
Increase	280,316	260,602
Reduction	-126,714	
Acquisition cost Dec. 31	886,405	860,048
Accumulated depreciation Jan. 1	219,457	189,309
Conversion difference	-44,940	
Depreciation for the period	225,626	171,782
Accumulated depreciation on decrease	-33,780	
Accumulated depreciation Dec. 31	366,363	361,091
Book value Dec. 31	520,042	498,957

Development expenses

Acquisition cost Jan. 1	704,402	704,401
Increase	37,751	37,751
Retirements and disposals	-742,152	-742,152
Acquisition cost Dec. 31	0	0
Accumulated depreciation Jan. 1	230,036	230,036
Depreciation for the period	61,846	61,846
Additional depreciation	450,270	450,270
Accumulated depreciation on retired assets	-742,152	-742,152
Accumulated depreciation Dec. 31	0	0
Book value Dec. 31	0	0

Machinery & equipment

Acquisition cost Jan. 1	1,680,823	797,530
Conversion difference	-144,460	
Increase	118,127	112,635
Reductions	-45,822	-394
Acquisition cost Dec. 31	1,608,668	909,771
Accumulated depreciation Jan. 1	670,471	358,427
Conversion difference	-22,565	
Depreciation for the period	431,220	254,543
Accumulated depreciation on decrease	-30,870	-170
Accumulated depreciation Dec. 31	1,048,256	612,801
Book value Dec. 31	560,412	296,970

Balance sheet value of machinery and equipment Dec. 31, 2002	295,687	159,402
Balance sheet value of machinery and equipment Dec. 31, 2001	623,615	251,346

Other capitalized expenditure

Acquisition cost Jan. 1	905,746	
Conversion difference	-144,581	
Increase	0	
Acquisition cost Dec. 31	761,165	
Accumulated depreciation Jan. 1	176,768	
Conversion difference	-28,216	
Depreciation for the period	109,084	
Accumulated depreciation Dec. 31	257,636	
Book value Dec. 31	503,529	

Group companies	Group holding, %	Parent company holding, %
SSH Communications Security, Inc., Palo Alto, USA	100	100
SSH Communications Security, K.K, Tokyo, Japan	100	100
SSH Operations Oy, Helsinki, Finland	100	100

EUR	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
Current assets				
Finished products/goods	798,174	1,086,214	798,174	1,086,214
Total	798,174	1,086,214	798,174	1,086,214
Receivables from Group companies				
Sales receivables			1,562,077	134,878
Loan receivables			5,661,147	4,589,082
Total			7,223,224	4,723,960
Prepaid expenses and accrued income				
VAT receivables	350,788	458,227	316,115	458,227
Grants	707,240	684,660	707,240	684,660
Interest receivables	18,385	290,980	18,385	226,658
Accrued liabilities and deferred income	115,145,	807,715	28,144	604,714
Withholding taxes	6,124	62,131	0	262,131
Other prepaid expenses and accrued income	19,074	33,537	6,159	20,367
Total	1,216,756	2,331,250	1,076,043	2,253,757
Financial investments				
Financial investments include shares in investment funds. The book value at the end of the financial period is the real market value of the shares.				
Shareholders' equity and liabilities				
Share capital Jan. 1	830,736	827,340	830,736	827,340
New share issue	682	3,396	682	3,396
Share capital Dec. 31.	831,418	830,736	831,418	830,736
Share premium fund Jan. 1	54,602,452	54,582,423	54,602,452	54,582,423
Share premium on share issue	3,868	20,029	3,868	20,029
Share premium fund Dec. 31	54,606,320	54,602,452	54,606,320	54,602,452
Retained earnings	-5,532,846	-1,402,581	-5,595,310	-1,764,607
Conversion difference	-349,550	-8,921		
Profit for the financial period	13,601,218	4,121,344	8,030,988	3,830,703
Subordinated loan	245,218	245,218	245,218	245,218
Shareholders' equity and liabilities, total	36,199,342	50,145,560	42,056,658	50,083,096
SSH has no distributable earnings.				
Provisions				
On the basis of the lease, the rents payable for the vacated US premises were entered as expenses and increase in obligatory reserves for 2002.				
Accrued liabilities and deferred income				
Personnel related	937,920	1,704,185	799,206	1,166,989
Other deferred liabilities and accrued income	15,939	42,533	15,939	14,237
Total	953,859	1,746,718	815,145	1,184,226
Subordinated loans				
The parent company has a subordinated loan issued by the State Treasury/ National Technology Agency. The loan is EUR 245,218 and the loan period eight years beginning November 13, 1998. Up to EUR 88,298.66 will be repaid over four years, after four repayment-free years. The interest payable is one percentage point lower than the Bank of Finland base rate valid at the time, but not less than three percent. A condition of the repayment of the loan is that following the repayment on the loan, a full margin remains for the company's own invested capital and other undistributable funds. Interest for the loan can be repaid in installments when the company has distributable earnings. The company has entered the interest accumulated by the loan as an annual expense.				
Deferred tax receivable				
Deferred tax receivable on timing differences	4,314,652	1,985,666	4,314,652	1,985,666
According to the prudence principle the deferred tax receivable has been entered in the consolidated income statement and balance sheet at EUR 227,716 only. Deferred tax receivable on timing differences. The deferred tax receivable has not been presented in the parent company's income statement or balance sheet, only as a note to the financial statements.				
Income taxes				
Income taxes for operations	15,329	120,364	0	0
Change in deferred tax liability	-15,329	-120,364		
Total	0	0	0	0

Data on share subscriptions based on options and convertible loans

No. of Stock Options issued at subscription price of EUR 0.20, Stock Option Scheme I/1999:

- Warrant A	May 1, 2000–May 1, 2010	15,000
- Warrant B	Nov. 1, 2000–Nov. 1, 2010	62,500
- Warrant C	May 1, 2001–May 1, 2011	67,125
- Warrant D	Nov. 1, 2001–Nov. 1, 2011	69,375
- Warrant E	May 1, 2002–May 1, 2012	91,249
- Warrant F	Nov. 1, 2002–Nov. 1, 2012	103,749
- Warrant G	May 1, 2003–May 1, 2013	91,837
- Warrant H	Nov. 1, 2003–Nov. 1, 2013	25,915

No. of Stock Options issued at subscription price of EUR 6.50, Stock Option Scheme I/2000

- Warrant A	May 1, 2001–May 1, 2011	56,525
- Warrant B	Nov. 1, 2001–Nov. 1, 2011	74,691
- Warrant C	May 1, 2002–May 1, 2012	47,747

By virtue of Board authorization, the number of stock options issued total 42,000, of which 32,000 not exercised, subscription price of EUR 6.50 and the subscription period from Nov. 1, 2000 until Nov. 1, 2010.

No. of Stock Options issued at subscription price of EUR 15.00, Stock Option Scheme II/2000

- Warrant A	Nov. 1, 2001–Nov. 1, 2011	3,250
- Warrant B	May 1, 2002–May 1, 2012	1,625
- Warrant C	Nov. 1, 2002–Nov. 1, 2012	875
- Warrant D	May 1, 2003–May 1, 2013	875
- Warrant E	Nov. 1, 2003–Nov. 1, 2013	875
- Warrant F	May 1, 2004–May 1, 2014	875
- Warrant G	Nov. 1, 2004–Nov. 1, 2014	875

No. of Stock Options issued at subscription price of EUR 7.63, Stock Option Scheme I/2001

- Warrant A	May 1, 2002–May 1, 2004	181,625
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No. of Stock Options issued at subscription price of EUR 3.50, Stock Option Scheme I/2002

- Warrant A	May 1, 2003–May 1, 2008	500,000
- Warrant B	May 1, 2004–May 1, 2008	500,000
- Warrant C	Nov. 1, 2005–May 1, 2008	500,000
- Warrant D	May 1, 2006–May 1, 2008	500,000

No. of Stock Options issued at subscription price of EUR 2.00, Stock Option Scheme II/2002

- Warrant A	June 6, 2002–April 11, 2012	23,500
- Warrant B	May 6, 2003–April 11, 2012	7,875
- Warrant C	May 6, 2004–April 11, 2012	7,875
- Warrant D	May 6, 2005–April 11, 2012	7,875

No. of Stock Options issued at subscription price of EUR 1.90, Stock Option Scheme III/2002

- Warrant A	May 6, 2003–June 26, 2012	27,375
- Warrant B	May 6, 2004–June 26, 2012	27,374
- Warrant C	May 6, 2005–June 26, 2012	27,375
- Warrant D	May 6, 2006–June 26, 2012	27,374

EUR	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
Guarantees given				
Rental guarantees	5,198	3,969	5,198	3,969
Rental guarantees given on behalf of SSH Communications Security Inc.	797,506	1,157,852	797,506	1,157,852
Leasing fees for vehicles and machinery (next year)	90,496	80,657	90,496	80,657
Leasing fees for vehicles and machinery (later)	135,557	71,428	135,557	71,428

There is no value added tax included in guarantees if that can not be deducted from them.

Social security expenses on option rights granted

Social security expenses on option rights exercised during the financial period have been entered in the income statement as expenses. The social security liability from option rights exercised in future years would be EUR 19,495 estimated at the closing price on the last day of the financial period (EUR 0.75). Any social security liability on option rights exercised in future years is not included in the income statement or balance sheet.

Key Figures

Per Share Data	Jan. 1, 2002– Dec. 31, 2002	Jan. 1, 2001– Dec. 31, 2001	Jan. 1, 2000– Dec. 31, 2000	Apr. 1, 1999– Dec. 31, 1999 ¹⁾	Apr. 1, 1998– March. 31, 1999
Earnings per share (Group), EUR	-0.49	-0.15	-0.04	0.07	0.00
Earnings per share (Group) considering dilution effect	-0.48	-0.15	-0.04		
Earnings per share (company), EUR		-0.14	-0.06	0.06	0.01
Shareholders' equity per share (Group), EUR	1.30	1.82	1.97	0.65	0.01
Dividend per share, EUR	0.00	0.00	0.00	0.00	0.00
Dividend pay-out ratio, %	0.00	0.00	0.00	0.00	0.00
Adjusted average number of shares during the period	27,701,641	27,379,418	24,100,563	20,764,364	20,000,000
Adjusted average number of shares at the end of the period	27,713,935	27,691,011	27,577,999	22,710,000	20,000,000
Adjusted average number of shares considering dilution effect	28,133,185	28,211,667	24,310,813		
P/E	-1.55	-20.5	-429		
Market capitalization, EUR million	20.8	84.5	424.7		
Share performance in Helsinki Exchanges, EUR					
Average price	1.66	7.06	15.32		
Share price, period-end	0.75	3.05	15.40		
Lowest	0.60	2.30	14.16		
Highest	3.70	15.99	18.30		
Volume of shares traded, 1,000	4.3	8.4	2,840		
Volumes of shares traded, %	6.9	5.5	10.3		
Key Financial Indicators					
Net sales, EUR	16,801,298	19,851,478	15,624,983	5,477,612	1,582,175
Operating profit/loss, EUR	-14,066,158	-6,721,456	-1,670,212	2,164,105	136,910
% of net sales	-83.72	-33.86	-10.69	39.51	8.65
Result before extraordinary items, appropriations and taxes, EUR	-13,601,275	-4,121,344	-2,507,040	1,444,835	88,849
% of net sales	-80.95	-20.76	-16.05	26.38	5.62
Result before appropriations and taxes, EUR	-13,601,275	-4,121,344	-2,507,040	1,444,834	88,848
% of net sales	-80.95	-20.76	-16.05	26.38	5.62
Return on equity, %	-31.68	-7.93	-7.29	14.31	13.60
Return on investment, %	-30.04	-7.06	-7.07	28.04	26.91
Net interest-bearing debt, EUR	-34,455,523	-44,385,570	-50,853,789	-15,175,352	167,147
Gearing, %	-95.82	-88.95	-93.74	-102.89	95.79
Equity-to-assets ratio, %	88.72	90.06	93.58	86.86	14.71
Gross investments in fixed assets, EUR	436,194	1,390,589	2,436,682	61,368	0
% of net sales	2.60	7.00	15.59	1.12	0
Research and development expenditure, EUR	8,232,005	8,328,745	6,372,329	1,738,430	793,943
% of net sales	49.00	41.96	40.78	31.74	50.18
% of net sales (without investments)	49.00	40.65	38.50	31.74	50.18
Personnel, average	166	182	130	43	22
Personnel at the end of the period	147	181	172	55	28

¹⁾ The financial period was 9 months. The financial ratios expressed per share (earnings per share) for the Group and the company have been adjusted to reflect a 12-month period.

Calculation of Financial Ratios

$$\text{Return on equity, \% (ROE)} = \frac{\text{Profit before extraordinary items and taxes} - \text{taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{(average for the year)}} \times 100$$

$$\text{Return on investment, \% (ROI)} = \frac{\text{Profit before extraordinary items and taxes} + \text{interest and other financial expenses}}{\text{Total assets} - \text{non-interest bearing debt} + \text{(average for the year)}} \times 100$$

$$\text{Equity-to-assets ratio, \%} = \frac{\text{Shareholders' equity} + \text{minority interest}}{\text{Total assets} - \text{advances received}} \times 100$$

$$\text{Earnings per share (EPS)} = \frac{\text{Profit before extraordinary items and taxes} - \text{taxes} + \text{/- minority interest}}{\text{Adjusted average number of shares during the financial period}}$$

$$\text{Dividend per share} = \frac{\text{Dividend}}{\text{Adjusted number of shares at the end of the financial period}}$$

$$\text{Dividend pay-out ratio, \%} = \frac{\text{Dividend per share}}{\text{Earning per share (EPS)}} \times 100$$

$$\text{Shareholders' equity per share} = \frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the accounting period}}$$

$$\text{Gearing, \%} = \frac{\text{Interest-bearing debt} - \text{cash and cash equivalents} - \text{interest-bearing receivables}}{\text{Shareholders' equity} + \text{minority interest}} \times 100$$

Shares and Shareholders

Shares and Share Capital

SSH Communications Security Corp's share capital is a minimum of EUR 600,000 and a maximum of EUR 2,400,000, within which limits it can be increased or reduced without altering the Corporate Bylaws.

The company's registered share capital on December 31, 2002 amounted to EUR 831,418.05, divided into 27,713,935 shares with a per-share nominal value of EUR 0.03. During 2002, a total of 22,750 company shares were subscribed based on the year 1999 stock options. Based on these subscriptions, the company's share capital was increased three times, raising the share capital by EUR 682.50. The year-end number of non-subscribed stock options totaled 3,116,085 and if subscribed, the share capital may increase by a maximum of EUR 93,482.55.

SSH has one class of shares. Each share entitles its holder to one vote at shareholders' meetings.

Shareholders

All SSH shares totaling 27,713,935 have been entered in the book-entry securities systems maintained by Central Securities Depository Ltd.

At the end of 2002, SSH had a total of 7,571 shareholders. Of all the company's shares, a total of 27,666,685 were based on direct shareholding (accounting for 99.83% of shares and voting rights) and 47,250 (accounting for 0.17% of shares and voting rights) were nominee registered shares.

SSH's ten largest shareholders' holdings accounted for approximately 74.7% of the company's shares and voting rights. Foreign shareholding represented 0.44%, of which 0.27% was based on direct holdings and 0.17% on nominee registered shares. SSH holds no treasury shares.

Applied Computing Research (ACR) Ltd., SSH's largest shareholder, held 61.22% of the company's shares and voting rights at the end of the year, thus having a controlling interest in the company as defined in Chapter 1 of the Securities Market Act. ACR is owned by Tatu Ylönen with an 85% holding and voting rights and Tero Kivinen with a 15% holding and voting rights.

The ten largest shareholders on December 30, 2002 (exc. those with nominee registered shares) were as follows:

	%	Number of shares
1. Applied Computing Research (ACR) Ltd.	61.2	16,967,487
2. Mutual Pension Insurance Company Varna-Sampo	2.3	629,350
3. Ylönen Tatu	1.9	526,910
4. Nixu Oy	1.9	520,000
5. Mutual Pension Insurance Company Ilmarinen	1.7	483,450
6. Promotion Capital I Ky	1.7	480,000
7. Kaukonen Kalle	1.3	371,750
8. Markula Jussi	0.9	261,747
9. Mattila Samuli	0.9	240,650
10. Mutual Insurance Company Kaleva	0.8	224,966
Total	74.7	20,706,310
Nominee registered holdings	0.17	47,250

A list of SSH's largest shareholders is available on the company's website at http://www.ssh.com/investors/shares/major_shareholders.html (updated on a monthly basis).

Management Shareholding

Those SSH Board members serving on the Board since April 11, 2002 and the CEO hold about 53.9% of the company's shares and voting rights, either directly or through the companies they own. The Board members, CEO and the Executive Management Team hold about 54.2% of the company's shares and voting rights. Detailed information on management shareholding is available on page 33–35 in the section, Board of Directors and Executive Management Team.

Redemption Clause

SSH's Corporate Bylaws stipulate that a shareholder whose holding in the company's shares or the voting rights entitled by them equals or exceeds 33 1/3 or 50% is obliged to redeem the shares of other shareholders if they so request. This does not, however, apply to SSH's largest shareholder, ACR Ltd., since its holdings in the company already exceeded 50% of shares and votes before the alteration of the Corporate Bylaws (Annual General Meeting on April 19, 2000) and the entry into force of the said redemption obligation.

Public Trading of Shares

SSH shares have been quoted on the Helsinki Exchanges' Main List since December 22, 2000. The company's trading code is SSH1V and a trading lot consists of 50 shares traded in euros. The ISIN code used in the clearing and settlement of international securities is FI0009008270.

Share Performance and Trading Volume

In 2002, a total of 4,289,902 SSH shares, representing 15.48% of all the company's shares, were traded on the Helsinki Exchanges, valued at EUR 7,137, 801.28. The highest share quotation came to EUR 3.70 (EUR 15.99 in 2001) while the lowest amounted to EUR 0.60 (EUR 2.30 in 2001). The weighted average was EUR 1.66. In 2002, the HEX All-Share Index and Portfolio Index fell by 49.17% (December 31, 2002) and 20.68%, respectively. SSH share closed at EUR 0.75 on 31 December 2002, down by 306.67% year-on-year. The market capitalization amounted to EUR 20,785,451.25.

The adjoining chart shows SSH's share performance and trading volume. Information on the company's share trading volume and prices are available on our website at <http://www.ssh.com/investors/shares/monitor.html>.

Dividend for 2002

SSH Communications Security Corp's Board of Directors proposes to the Annual General Meeting that no dividend be paid for the fiscal year 2002 and that the loss for the period be entered in shareholders' equity.

The Board of Directors proposes to the Annual General Meeting that retained loss be covered by reducing the company's issue premium fund.

Taxable Value for Shares in Finland

For the taxable year 2002, the confirmed taxable value for SSH Communications Security Corp shares amounts to EUR 0.51.

Board Authorizations

SSH's Annual General Meeting of April 11, 2002 authorized the Board of Directors to take a decision by April 11, 2003 on increasing share capital through a rights issue and/or granting stock options, or issuing bonds with warrants or convertible bonds that would increase the share capital by a maximum of EUR 120,000 as a consequence of the exercise of the authorization. By December 31, 2002, the Board had exercised this authorization once when it confirmed a stock option plan for the management and employees of SSH Communications Security, Inc., SSH's US subsidiary, as part of the Group's incentive scheme (see Stock Option Plan III/2002 below). On December 31, 2002, there were 3,885,502 authorizations not exercised.

Stock Options

The stock option plan is an integral part of the Group's employee commitment and incentive scheme. SSH's Annual General Meetings of 1998, 1999, 2000 and 2001 decided to issue stock options for share subscription by its employees, subcontractors, and/or partners.

In addition, the Annual General Meeting on April 11, 2002 approved the Board of Directors' proposal for SSH's new stock option plan. On the basis of the stock option plan I/2002, the Group may offer its employees a maximum of two million stock options, each option entitling its holder to subscribe for one SSH Communications Security Corp share at a nominal value of EUR 0.03. Depending on the type of warrant, the subscription period will begin in several stages on May 1 of 2003, 2004, 2005 and 2006 and will expire for all stock options on May 1, 2008. The subscription price of SSH share equals the closing price quoted in continuous trading on the Helsinki Exchanges on March 19, 2002 (EUR 2.67) plus 30% and finally rounded up to the closest ten cent. As a result of the subscriptions, the company's share capital may increase by a maximum of EUR 60,000.

On the basis of the stock option plan II/2002, the Group may offer its US employees a maximum of 94,000 stock options, each option entitling its holder to subscribe for one SSH Communications Security Corp share at a nominal value of EUR 0.03. Depending on the type of warrant, the subscription period will begin in several stages on May 6 of 2002, 2003, 2004 and 2005 and will expire for all stock options on April 11, 2012. The subscription price of SSH share equals the closing price quoted in continuous trading on the Helsinki Exchanges

on 6 May, 2002 (EUR 2.00), and, as a result of the subscriptions, the company's share capital may increase by a maximum of EUR 2,820.

On July 10, 2002, SSH Communications Security Corp's Board of Directors decided to grant stock options, as distinct from the shareholders' pre-emption right, to the management and employees of SSH Communications Security, Inc., a US subsidiary, as part of the Group's incentive scheme (Stock Option Plan III/2002). Consequently, the Group may offer a maximum of 114,498 stock options, entitling their holders to subscribe for 114,498 new SSH Communications Security Corp shares at a per-share nominal value of EUR 0.03. In accordance with the stock options terms, the subscription price of one SSH share equals the closing price quoted in continuous trading on the Helsinki Exchanges on 10 July, 2002 (EUR 1.90). As a result of the subscriptions, the company's share capital may increase by a maximum of EUR 3,434.94.

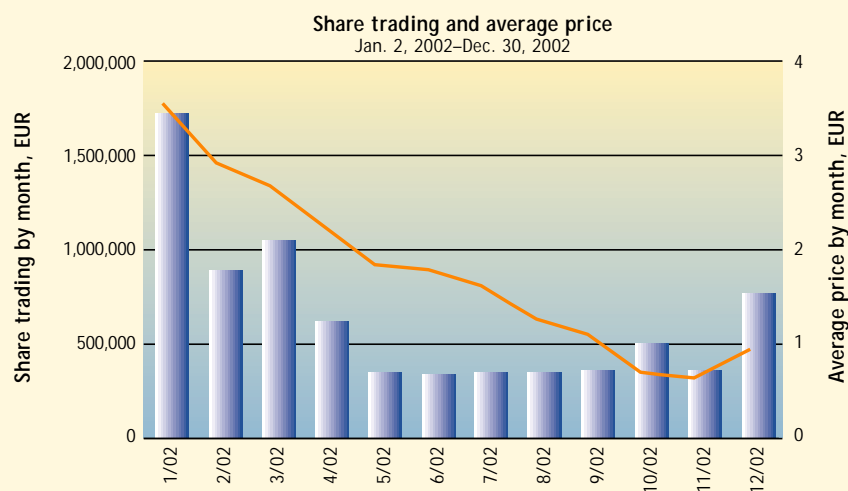
The combined stock options for 1998–2002 held by SSH's Board of Directors, CEO and Executive Management Team accounted for 24.3% of all outstanding stock options. Detailed information on the management stock options is available on page 33–35 in the section, Board of Directors and Executive Management Team.

Largest shareholders, December 30, 2002

Shares	Number of owners	Percentage of ownership, %	Number of shares	Percentage of share capital, %
1–100	4,389	57.95	249,644	0.9
101–1,000	2,384	31.48	1,048,843	3.78
1,001–10,000	708	9.35	1,992,328	7.19
10,001–100,000	73	0.96	2,437,693	8.80
100,001–1,000,000	18	0.24	5,017,940	18.11
1,000,001–	1	0.01	16,967,487	61.22
Total	7,573	100	27,713,935	100
Of which nominee registered	2	0.03	47,250	0.17

Shareholding by sector

Type of sector	Number of shares	Percentage of shares and votes, %
Non-banking corporate sector	18,689,741	67.44
Financial institutions and insurance companies	1,542,916	5.57
Public-sector organizations	1,606,421	5.8
Non-profit organizations	391,504	1.41
Households	5,373,753	19.39
Foreign shareholders	109,600	0.4
Total	27,713,935	100



Auditors' Report

**To the shareholders of
SSH Communications Security Corp**

We have audited the accounting, the financial statements and the corporate governance of SSH Communications Security Corp for the period from January 1, 2002 to December 31, 2002. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the CEO. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting

principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of the audit of corporate governance is to examine that the members of the Board of Directors and the CEO have legally complied with the rules of the Companies Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the CEO of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors concerning the distributable assets is in compliance with the Companies Act.

Helsinki, February 17, 2003

PricewaterhouseCoopers Oy
Authorized Public Accountants

Henrik Sormunen
Authorized Public Accountant

Principles

SSH applies principles of sound corporate governance and high ethical standards, complying with the Finnish Companies Act, Securities Market Act and other regulations on the administration of public companies issued by the authorities. The principles stated herein are intended only to supplement legal provisions.

Shareholders' Meeting

SSH's highest decision-making body is a shareholders' meeting convening at least once a year. The Annual General Meeting (AGM) shall be held not later than six months from the completion of the company's financial statements. The AGM shall decide the number of members on the Board of Directors and appoint Board members. In addition, it is authorized to alter the Corporate Bylaws, adopt the Group's financial statements, determine the amount of dividends and select auditors. Each SSH share entitles its holder to one vote at shareholders' meetings.

Board of Directors

The AGM elects three to eight Board members for a term of one year at a time, consisting of representatives of major shareholders and external experts with broad experience in business and the industry. The Board of Directors elects a Chairman and Vice-Chairman from among its members. SSH's current Board of Directors is made up of industry experts and the company's major shareholders.

Board Responsibilities

SSH's Board of Directors convened fourteen times in 2002. SSH's CEO attends Board meetings and presents items on the agenda to the Board. The company's General Counsel acts as the Board's recording secretary. In addition, the CFO and Executive VP, Sales, attend Board meetings. SSH's Board of Directors is responsible for the company's strategic policies and the appropriate organization of business operations and corporate administration, looking after the company's interests in all situations.

In addition to the tasks and responsibilities specified in law and the Corporate Bylaws, SSH's Board of Directors shall

- Confirm the Group's long-term goals and strategies
- Approve the Group's policy plans, budget and financial plans, as well as monitoring their implementation
- Decide on single large-scale and strategically significant investments, such as corporate and business acquisitions, and divestments
- Decide on strategically significant product-development projects
- Appoint CEO and determine his/her compensation and emoluments
- Decide the top management reward and incentive schemes
- Confirm the Group's risk-management and reporting procedures
- Determine the Group's dividend policy and be responsible for the development of shareholder value.

CEO

SSH's Board of Directors appoints CEO and decides the terms of his/her service contract. CEO is in charge of the Group's business operations and operational management in accordance with the Companies Act and the instructions and authority provided by the Board of Directors.

Tatu Ylönen held the position of Acting President and CEO until July 1, 2002. The Board of Directors appointed Arto Vainio, M.Sc. (Econ.), CEO as of July 3, 2002.

Executive Management Team

Chaired by CEO, SSH's Executive Management Team is made up of eight members who are directors representing the company's various businesses and support functions. It is possible to expand the Executive Management Team if deemed necessary for the matter under consideration.

The Executive Management Team's main responsibility is to assist CEO, monitor and develop the company's business according to the goals set, communicate information and prepare investment decisions for the Board's discussion. It convenes three times a month on average, on a regular basis.

Members of the Board of Directors

*Tapio Kallioja, b. 1948, M.Sc. (Eng.)
Board member since 2001
President, Swelcom Oy,
No shareholding. Holder of 4,000 stock options.*

*Tomi Laamanen, b. 1968, D.Eng.
Board member since 2001
Board Chairman since September 21, 2001
Professor, Director of Department, Industrial
Engineering and Management, Helsinki University
of Technology
Holder of 12,000 shares and 4,000 stock options.*

*Tatu Ylönen, b.1968, Lic.Eng.
Board members since 1995
Board Chairman until September 21, 2001
SSH's President and CEO until July 1, 2002
SSH's CTO and major shareholder
Direct holding of 526,910 shares and indirect holding of
14,371,461 shares through his company. No stock options.*

*Bo Harald, b. 1948, M.Sc.
Board member since 2001
Executive Vice President, Nordea Ab,
Network Banking and Payments
No shareholding. Holder of 4,000 stock options.*



Members of the Executive Management Team

- George F. Adams, b. 1948, MBA, BSEE
Executive Management Team member since 1999
President and CEO, SSH, Inc. Executive VP, Sales
Holder of 84,000 shares and 460,000 stock options.
- Antony Gyursanszky, b. 1969, M.Sc. (Eng.)
Executive Management Team member since 2002
Vice President, Products and Marketing
No shareholding, holder of 30,000 stock options.
- Michael Hoegen, b. 1965
Executive Management Team member since 2001
Director, Technical Services
Holder of 1,560 shares and 20,000 stock options.
- Petri Kaurinkoski, b. 1966, Ph.D. (Eng.)
Executive Management Team member since 2002
Director, Research and Development
No shareholding, holder of 21,750 stock options.
- Johanna Lamminen, b. 1966, Lic.Eng, MBA
Executive Management Team member since 1999
CFO
Holder of 5,190 shares and 48,625 stock options.
- Pekka Rauhala, b. 1960, B.Sc. (Law), MBA
Executive Management Team member since 2001
General Counsel
No shareholding, 65,000 stock options.
- Arto Vainio, b. 1950, B.Sc. (Econ.)
Executive Management Team member since 2002
CEO
Holder of 19,850 shares and 100,000 stock options.
- Tatu Ylönen, b. 1968, Lic.Eng.
Executive Management Team member since 1995
CTO
Holder of 526,910 shares and, through his company,
14,371,461 shares. No stock options.

Salaries and Emoluments

The shareholders' meeting confirms annually in advance the emoluments payable to the members of the Board of Directors. The Board of Directors confirms the salary and other benefits of CEO, and also determines salaries and benefits payable to the top management.

Those who have been SSH's Board members since April 11, 2002, and CEO, hold approximately 53.9 percent of the company's shares and votes, directly or indirectly through the companies they own. The Board members, CEO, and the members of the Executive Management Team hold around 54.2 percent of the company's shares and votes. On December 31, 2002, the stock options held by SSH's Board of Directors, CEO, and the Executive Management Team accounted for 24.3 percent of all outstanding stock options for 1998–2002.

In the fiscal year 2002, Board members received emoluments a total of EUR 40,365. SSH's CEOs received salaries, fees and fringe benefits worth EUR 554,729.70 in 2002.

Insiders

SSH complies with Insider Guidelines in accordance with the Guidelines for Insiders applicable to public companies approved by the Helsinki Exchanges.

Statutory insiders, on the basis of their position, include Board members, CEO, and deputy CEO, as well as the principal auditor. Insiders by definition include members of the core management team, those responsible for corporate communications and investor relations, as well as top management secretaries. In addition, these so-called permanent insiders include non-company lawyers and other employees of the Authorized Public Accountant firm involved in audits on a regular basis. The number of permanent insiders totals 17.

SSH maintains its Insider Register in Finnish Central Securities Depository Ltd's SIRE system. Real-time insider information is available at <http://www.ssh.com/investors/shares/insiders.html>.

MONITORING SYSTEMS

Auditors

SSH has one primary auditor authorized by the Central Chamber of Commerce and one deputy auditor. If the shareholders' meeting elects a firm of Authorized Public Accountants as the principal auditor, there is no need to elect a deputy auditor. The auditor's term of service is one year. Henrik Sormunen, Authorized Public Accountant of PricewaterhouseCoopers Oy, a firm of Authorized Public Accountants, is SSH's principal auditor, responsible for the direction and coordination of auditing.

The company's auditors provide shareholders with a statutory report in connection with the company's annual financial statements, with the primary aim of verifying that the financial statements give a true and fair account of the company's financial performance and position for each accounting year. In addition to the auditors' report provided in connection with the annual financial statements, the auditors report on their findings to the company's Board of Directors in connection with the disclosure of interim reports.

Board of Directors

SSH's Board of Directors has the highest responsibility for accounting and asset-liability management. It is also responsible for approving the company's risk-management and reporting procedures, and ensuring that the company's management processes are adequate, appropriate and effective.

CA

Certification Authority. An authority, usually a trusted third party, issuing digital certificates that enable the secure authentication of individuals and other parties operating in data networks or other equivalent digital environments. Digital certificates issued by the certification authority can be used to identify a secure remote connection's participants or form electronic signatures.

IETF

Internet Engineering Task Force. A worldwide organization primarily responsible for the standardization of the Internet and its core technologies. The IETF's activities are based on its members' equal participatory status. Examples of other organizations involved with the standardization of Internet technologies are W3C, ITU and ETSI.

IP

Internet Protocol. A basic protocol utilized by the Internet and its technologies that facilitates the flexible transmission of packet data over the Internet. Technologies based on IP4, the fourth version, are currently the most prevalent worldwide.

IPSec

Internet Protocol Security. An IETF standard, part of the IPv6 specification, for protecting all IP-based Internet traffic through strong encryption.

Cryptography

The science of data encryption and its related mathematics. See "Encryption".

LAN

Local Area Network. A geographically limited communications network that facilitates the connection of various devices such as computers within a defined area. The local area network's data communications traffic, generally insulated from the actual public Internet or other equivalent large-scale information networks by firewalls, is often administered and owned by a single enterprise.

OEM

Original Equipment Manufacturer. A company that uses its own product name when marketing and selling products with components manufactured entirely or partially by another company.

Firewall

A device or software program connected between the public Internet and a local area network or individual network component that protects the network resources behind the firewall from public network-based intruders. It also allows authorized access to the Internet from the internal network, as well as the linking of various types of functionalities developed for the processing of data communications.

PKI

Public Key Infrastructure. A system of digital certificates and certification authorities (CA) that facilitates the flexible and easily scalable authentication of its participants, either for secure data transmission or for such features as electronic signatures.

Protocol

A communication language used by computers and other equivalent devices when exchanging data in electronic and digital form.

Router

A device that directs Internet traffic through the network's various sections and between its resident IP addresses utilizing standardized routing protocols, in practice by processing individual IP packets.

Encryption

A method of converting information with mathematical formulas into such format that unscrambling into coherent language requires a separately defined decoding key. Only authorized recipient possessing the required key is able to decode and read a message.

Secure Shell

A protocol used to establish safe remote connections over the Internet and other equivalent data networks. The protocol facilitates the secure remote utilization of selected network resources such as individual computers, or the secure transfer of files through a network's computers.

System integrator

Typically a company that provides the system-level integration of products. Often data network-related hardware and software system integrator also retails end-user products and offers related services.

User authentication

A method of joining together individuals or organizations and their electronic identities. These electronic identities can be used in electronic data transmission, electronic payments or similar operations.

Token

A general term for various types of devices, related to the recording of data required for user authentication. Token's common features are a typically compact size and easy connectivity to certain devices requiring identification. Examples of token devices are smart cards as well as the USB tokens connected to PC computers' USB channels.

Antivirus

The safeguarding of a computer's or other network device's normal functioning by the prevention of attacks from malicious software, preventing virus' access to computers and the repair of any resulting damage.

VPN

Virtual Private Network. A secure connection between two communicating parties created by forming a secure "tunnel" through the public Internet. Practically this can be implemented utilizing strong encryption or VPN connections logically separated from other Internet traffic.

Smart card

Smart cards are credit card-sized plastic cards with an embedded microprocessor chip capable of safely storing data and performing various computational tasks like a very small computer. Examples of smart cards are several of the most modern bank and credit cards in which smart card functionality has been added with the magnetic strip as well as various GSM standard-based SIM cards.

Information for Shareholders

Annual General Meeting

SSH Communications Security Corp's Annual General Meeting will be held at the Radisson SAS Royal Hotel, Runeberginkatu 2, on April 29, 2003, starting at 3 p.m.

Those shareholders entered in the shareholders' register, maintained by Finnish Central Securities Depository Ltd., by Wednesday, April 16, 2003, at the latest and registered for the AGM by 4 p.m. on Thursday, April 24, 2003, are entitled to attend the AGM.

Shareholders wishing to attend the AGM must register

- by e-mail: erja.salo@ssh.com;
- by fax to +358 20 500 7011 or
- by mail: SSH Communications Security Corp, Annual General Meeting, Fredrikinkatu 42, FIN-00100 Helsinki

Any proxy, entitling the holder to exercise a shareholder's voting right at the AGM, shall be submitted to SSH by 4 p.m. on April 24, 2003.

Financial Reports in 2003

SSH Communications Security Corp will release the following financial reports:

Report on Financial Statements for 2002	February 13, 2003
Annual Report 2002	week 12
Interim Report January 1 to March 31, 2003	April 23, 2003
Interim Report January 1 to June 30, 2003	July 30, 2003
Interim Report January 1 to September 30, 2003	October 22, 2003

All financial reports are published in Finnish and English as stock exchange releases and on SSH's website at www.ssh.com. The Annual Report is also available in printed form, in Finnish and English. It can be ordered from ir@ssh.com and is also available as a PDF file on SSH's website.



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