Introduction to SafeNet

the world leader in data protection and software monetization

March 2, 2015

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For a better understanding of the current and future evolution of its business, the Company prepares an adjusted income statement where the key metric used to evaluate the business and take operating decisions is the profit from operations. This adjusted income statement is provided for all operations and for ongoing operations.

**Adjusted income statement and Profit from operations**

Profit from operations (PFO) is a non-GAAP measure defined as the IFRS operating result adjusted for the amortization and depreciation of intangibles resulting from acquisitions, for share-based compensation charges, and for restructuring and acquisition-related expenses. EBITDA is defined as PFO plus depreciation and amortization expenses, excluding the above amortization and depreciation of intangibles resulting from acquisitions.

**Segment information**

From January 1, 2014, segment information is modified to report on progress towards the objectives set as part of the Company’s new development plan covering the years 2014 to 2017, publicly announced on September 5, 2013.

The Mobile segment reports on businesses associated with mobile cellular technologies. The former Mobile Communication and Machine-to-Machine segments are part of Mobile. The security evaluation business for third parties, whose contribution to Mobile Communication was minor, is now managed together with the Patents business and is as of 2014 reported in the Patents & Others segment.

The Payment & Identity segment reports on businesses associated with secure personal interactions. The former Secure Transactions and Security segments are part of Payment & Identity.

In addition to this segment information, the Company also reports as of 2014 revenue of Mobile and Payment & Identity by type of activity: Embedded software & Products (E&P) and Platforms & Services (P&S).
January 8, Gemalto announced the closing of the acquisition of SafeNet, the worldwide leader in data protection and software monetization
SafeNet, the Company

SafeNet is trusted by 25,000 customers and partners in 100 countries, including blue-chip organizations.

- Protecting over 80% of the world’s intra-bank fund transfers
- Root of trust through 86,000 digital key managers protecting 750 million keys
- Protecting most high-value software with 100 million license keys

SafeNet is trusted by 25,000 customers and partners in 100 countries, including blue-chip organizations.
Digital services always rely on a two-sided trust chain

**Security at the CORE**

World #1

![SafeNet Logo](image)

Encryption of “data at rest” and “data in motion” within the network for exposure to authorized users only

**Security at the EDGE**

World #1

![Gemalto Logo](image)

Reliable authentication to validate users and their access requests and to initiate a secure channel
SafeNet – Established routes to market

Global Enterprise salesforce with established direct and indirect routes to market globally

- **40%** Direct Sales
- **60%** Channel Sales

The largest ecosystem of data protection integrations in the industry to fuel direct and indirect sales channels

- **550+ Technology Integrations** for enabling strong authentication, encryption, and key management for 3rd party applications and environments.

- **1,307** Resellers
- **164** Distributors

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## SafeNet’s portfolio

<table>
<thead>
<tr>
<th>Data Protection</th>
<th>Software Monetization</th>
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<tbody>
<tr>
<td><strong>Encryption &amp; Crypto Management</strong></td>
<td><strong>Licensing and Entitlement Management</strong></td>
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<td><img src="image" alt="Encryption &amp; Crypto Management" /></td>
<td><img src="image" alt="Licensing and Entitlement Management" /></td>
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<tr>
<td>World leader</td>
<td>Award winning</td>
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<td>Recognized market leader</td>
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**Enterprise Authentication**

**March 2015 Gemalto - Introduction to SafeNet**
Session focus

Data Protection
Our digital world is changing…

More data…

- Customer Personal Identifiable Information (PII)
- Social Security Numbers
- Data Encryption & Transaction Keys
- Account Numbers
- Transaction History
- Sensitive Corporate Information
- Credit Card Numbers
- Employee Records

In more places…

- Networks
- Servers (On-premises/Cloud/Virtual)
- Media (Data-in-Motion)
- Storage (Drives and Tapes, Files, Databases, and Virtual Machines) (Volumes or Shares)

Facing more threats…

- Identity Theft
- Fraud
- BYOD
- Social Engineering
1,023,108,267 records were exposed globally in 2014 as the result of 1,541 data breaches, 5 per day.

Unfortunately, in all breaches, >95% of involved data was not encrypted.

Leaving access to stolen information.
This is driving a fundamental change to the security paradigm as we know it today....
It is a new mindset

MOVE FROM BREACH PREVENTION TO BREACH ACCEPTANCE

1. Get ready for the Breach
   Perimeter security is important but no longer enough

2. Protect What Matters, Where It Matters
   Data is the new perimeter

3. Secure the Breach
   Attach security to the data and applications.
   Insider threat is greater than ever

Breaches will happen – we must prepare!

http://securethebreach.com/
CISOs know they are at risk

71% of IT professionals say protecting data in the cloud is more difficult using conventional data security.

60% of IT decision makers are not confident their data would be secure if their perimeter security was breached.

41% of IT decision makers believe unauthorized users are able to access their networks.

25% of IT decision makers said they would not trust their own company to store and manage their personal data.
We must **protect** what matters where it matters at the **edge** AND at the **core**
Securing the Breach - SafeNet’s Data Protection Solutions

1. Data Encryption
   - Protect the data as it moves & where it is stored – on-premise or in the cloud.

2. Crypto Management
   - Manage & secure encryption keys centrally.

3. Access Control
   - Protect identities & ensure only authorized users have access to applications & systems.
Why enterprises encrypt…

Encryption Use Cases Growing
SafeNet Data Encryption Solutions

The world’s **most comprehensive portfolio of solutions for encrypting data at rest** in physical, cloud, or virtual datacenters, as well as, **in transit** from trusted location to another.

Offers the industry’s **most expansive ecosystem of integrations** for encrypting data within third party environments.
Once you have encrypted data, how you **generate, manage, and store** your **encryption keys** is just as critical...
SafeNet offers the world's most certified and widely deployed portfolio of crypto management solutions for securing and managing encryption keys and also executing cryptographic functions such as code signing.

Indicates a SafeNet Product

Industry’s most expansive ecosystem of crypto management integrations

37 KeySecure Integrations

359 HSM Integrations
Encryption Case Study

Challenge
Mercury needed to implement encryption on legacy and proprietary systems, as well as install a FIPS-certified centralized encryption and key management solution that would interoperate with a variety of existing databases.

Solution
SafeNet KeySecure with Crypto Pack enabled Mercury to encrypt and tokenize high-value data and centrally manage encryption keys with a high-assurance hardware appliance.

Benefit
Mercury is able to secure sensitive data on a variety of systems, all without impacting end-user performance.

“Getting the right solution that managed keys and encrypted or tokenized data on our core systems without impacting our users and business processes was like open heart surgery – a complex operation at the heart of business-critical processes. SafeNet provided us the ability to implement the security we needed without negatively impacting performance. With KeySecure, we have a world-class enterprise encryption key management solution.”

- Art Coble, Director of Information Security, Mercury Insurance
# Data Encryption & Crypto Management competitive landscape

<table>
<thead>
<tr>
<th>SafeNet</th>
<th>Thales</th>
<th>Vormetric</th>
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<th>RSA</th>
<th>IBM</th>
<th>Trend Micro</th>
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<td>Tokenization</td>
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<td>Enterprise Key Management</td>
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<td>Cloud as-a-Service</td>
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SafeNet also enables IT departments to **control** employee, partner, and contractor **access** to secure places and applications…
SafeNet Enterprise Authentication

SafeNet’s Authentication Portfolio

Enterprise Endpoints

SafeNet’s Authentication Ecosystem

VPNs  VDI  SaaS Apps  Web-mail  Web Apps  ERP  IAM
The SafeNet Enterprise Authentication Advantage

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Why SafeNet leads?

1. **Breadth of Portfolio**
   The only security vendor to offer and end-to-end offering for protecting the entire data lifecycle.

2. **Expansive Ecosystem**
   The industry’s largest ecosystem of technology integrations for enabling encryption, key management, and strong authentication for 3rd party applications and technologies.

3. **Certifications and Recognized Leadership**
   SafeNet has more FIPS 140-2 and Common Criteria certifications than any vendor, giving peace of mind to our customers.

4. **Proven Execution**
   Proven track record of protecting critical data and transactions – trillions of dollars in bank transfers, stored streaming videos, and from M1 tanks to Air Force One.
Integration & Reporting
Integration with Gemalto and reporting

- SafeNet will be integrated with Gemalto’s existing Identity & Access Management (IAM) activities, protecting access and resources for enterprises.

- Revenue will
  - be included in the Payment & Identity segment
  - be part of the Platforms & Services activity.

The new entity has 2000 employees across 25 countries.
Enterprise expected revenue growth

- Total information security spending to reach $76.9 billion in 2015, with data loss prevention segment recording the fastest growth at +19%
- Addressing existing threats and vulnerabilities emerges as a high or critical priority for 88% of technology decision-makers.

From current business

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From cross sales synergies

- **In the banking sector**
  Securing the payment infrastructure for Banks, from the edge to the core, offering them Authentication and Encryption solutions

- **In the mobile sector**
  Reinforce mobility solutions for Enterprises and develop Authentication-As-A-Service

Source: Gartner, Forrester

Gemalto’s anticipated double-digit 2014-2017 CAGR is in line with
SafeNet already has a solid financial profile

### 2013 Profit & Loss

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<tbody>
<tr>
<td>Revenue</td>
<td>€253m</td>
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<tr>
<td>Gross profit</td>
<td>€173m</td>
<td>67%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(€147m)</td>
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<tr>
<td>Profit from operations</td>
<td>€26m</td>
<td>10%</td>
</tr>
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</table>

### Sales by region

- **Americas**: 46%
- **EMEA**: 38%
- **Asia**: 16%

Figures are based on Gemalto average 2013 full year exchange rate
Gemalto

Enabling trust in the digital world

- World Leader in Digital Security
- Markets in Strong Development
- Unique Technology Portfolio
- Blue Chip Customers
- Large Free Float and Robust Financials
- A Business Model with Strong Leverage on Growth