

Turning Things On

Embedded SIM and Remote Provisioning



Gemalto Investor Relations

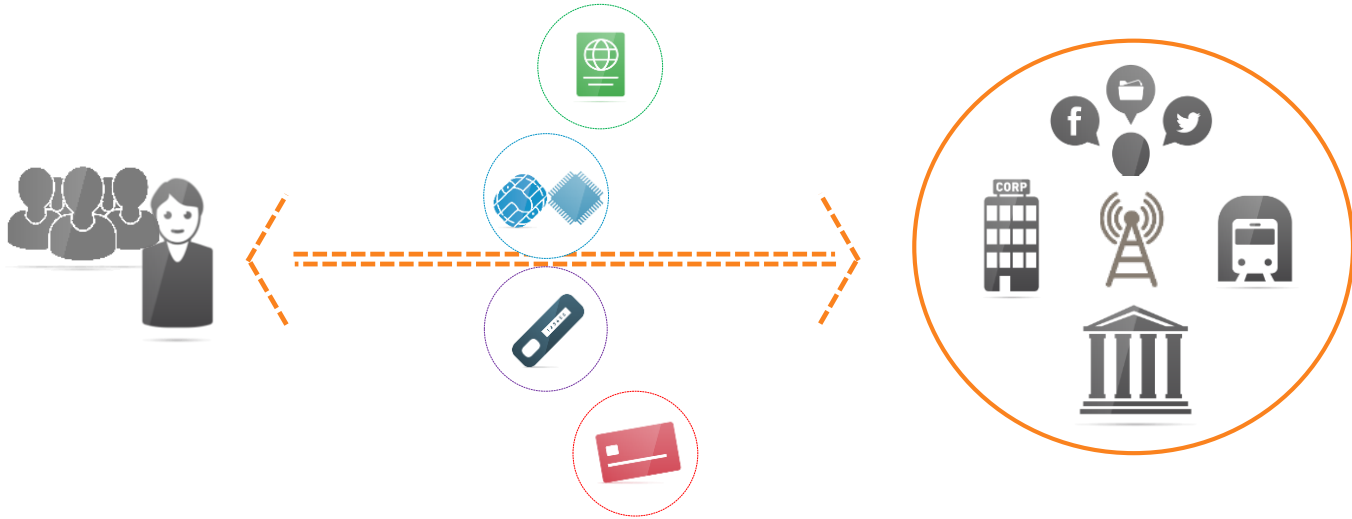
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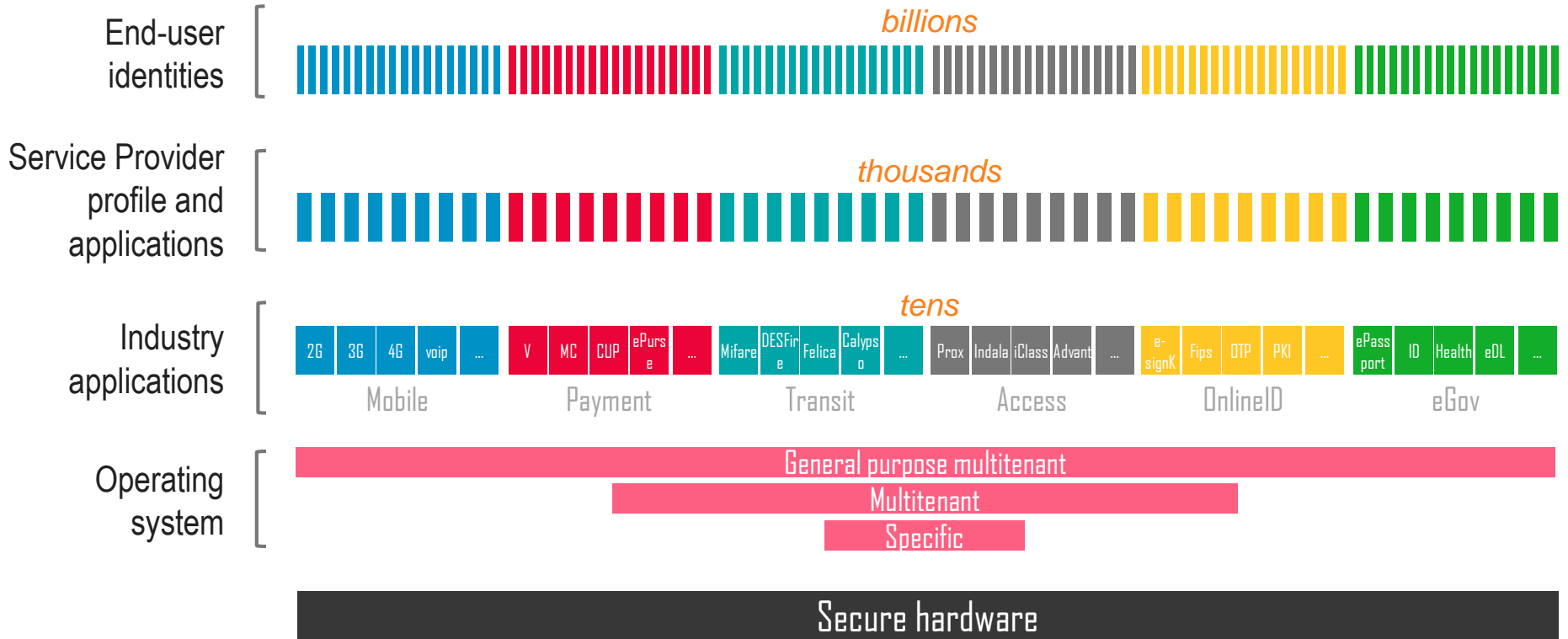
Trust in the digital world starts with a reliable identification

End-users > ...present their **digital ID**... > to the service provider

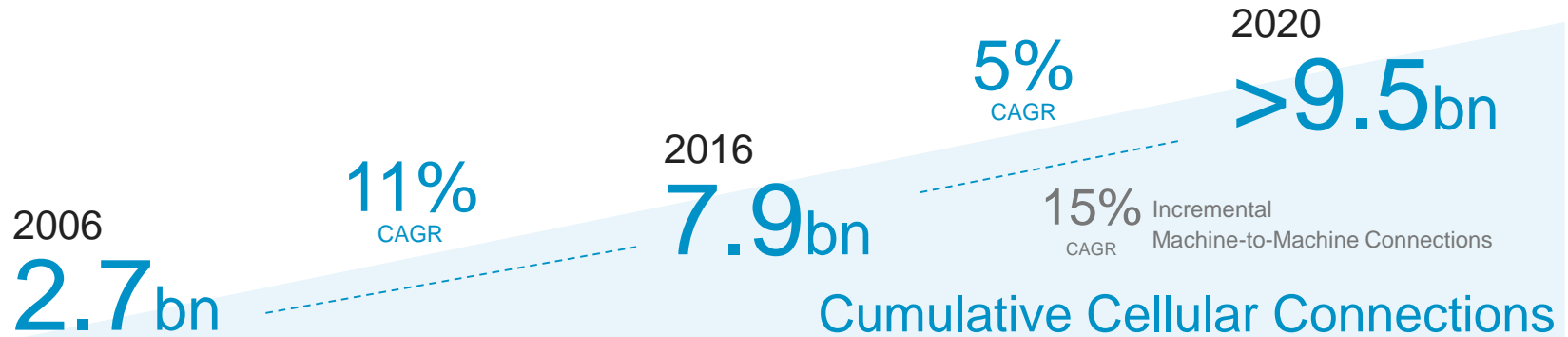
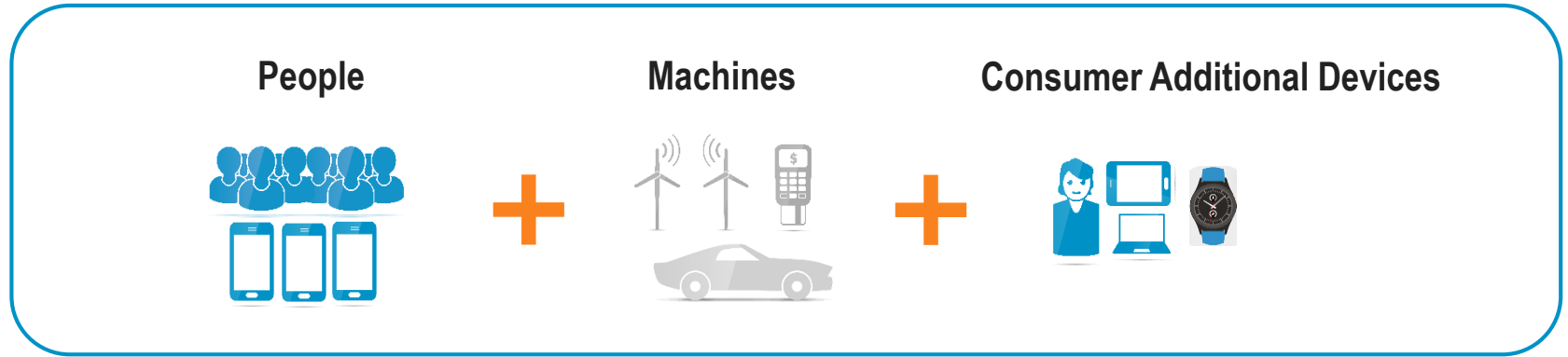


Once the service provider is sure who is accessing it, exchanges can begin

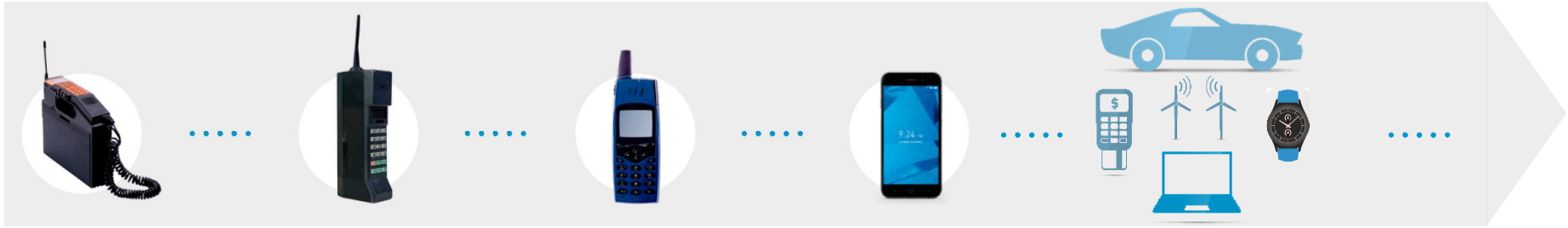
Software and data stacks in secure elements



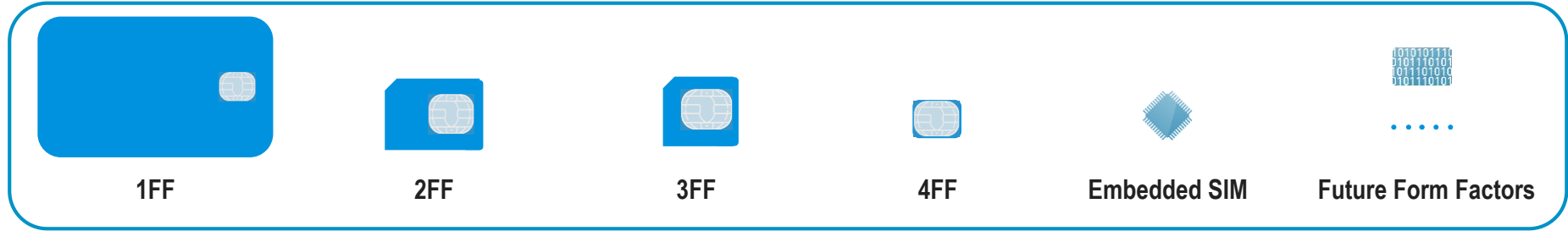
Leveraging cellular networks, Turning Things On



Evolution of connected devices



SIM form factor evolves...



...the need to authenticate remains

Evolution of the specifications and availability of devices



GSMA Specifications
Embedded SIM &
Remote subscription management

2014
Machine-to-Machine (M2M)

Early 2016
Consumer secondary devices

Nov 2016
Consumer all devices

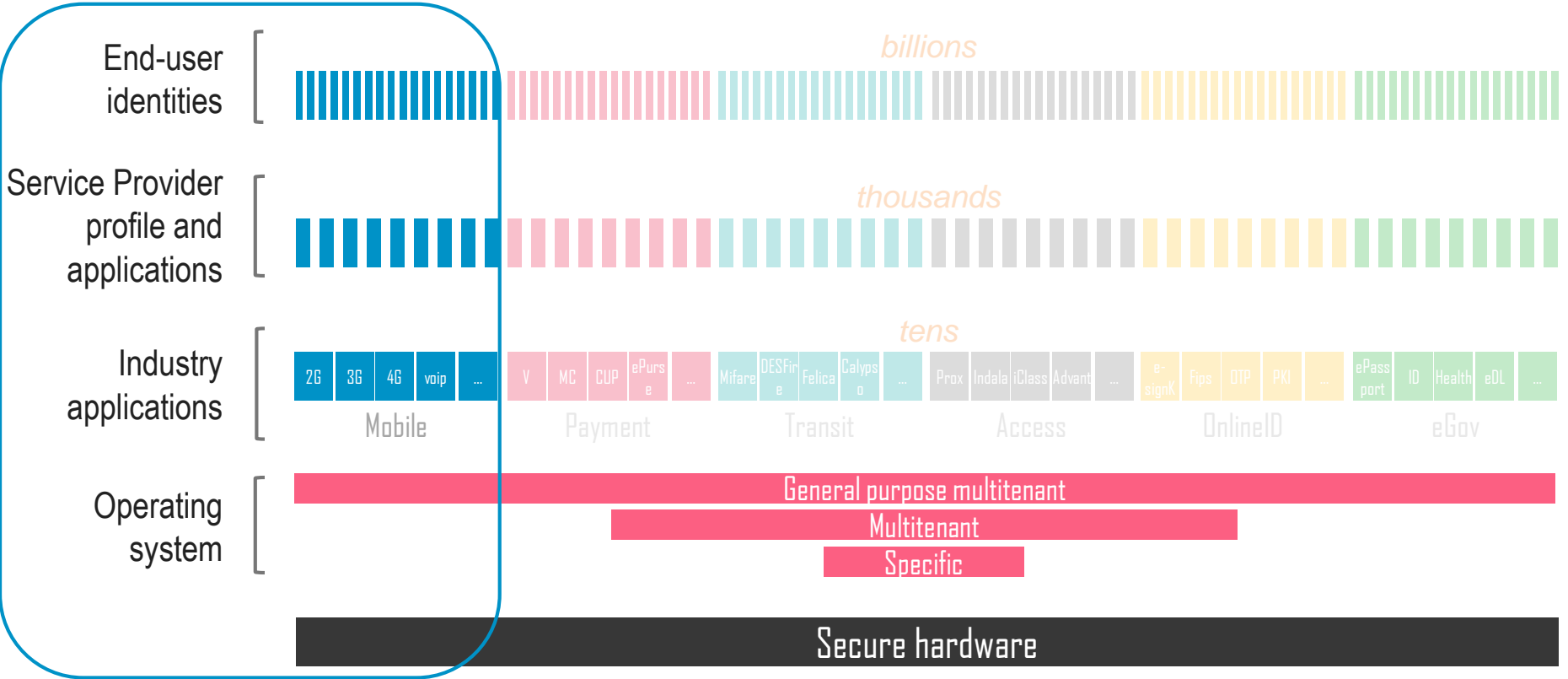
**Devices
in the Market**

Beginning ✓
e.g. Automotive

Limited ✓
e.g. Wearables

Under design

Software and data stacks in secure elements



Software and data stacks in embedded SIM



Mobile Network Operators
Removable SIM



billions

End-user identities



Mobile Network Operator
profile and applications



Industry applications



Operating system

General Purpose

Multitenant

Specific

Secure hardware

Mobile Network Operators
On-Demand Connectivity
Remote subscription management



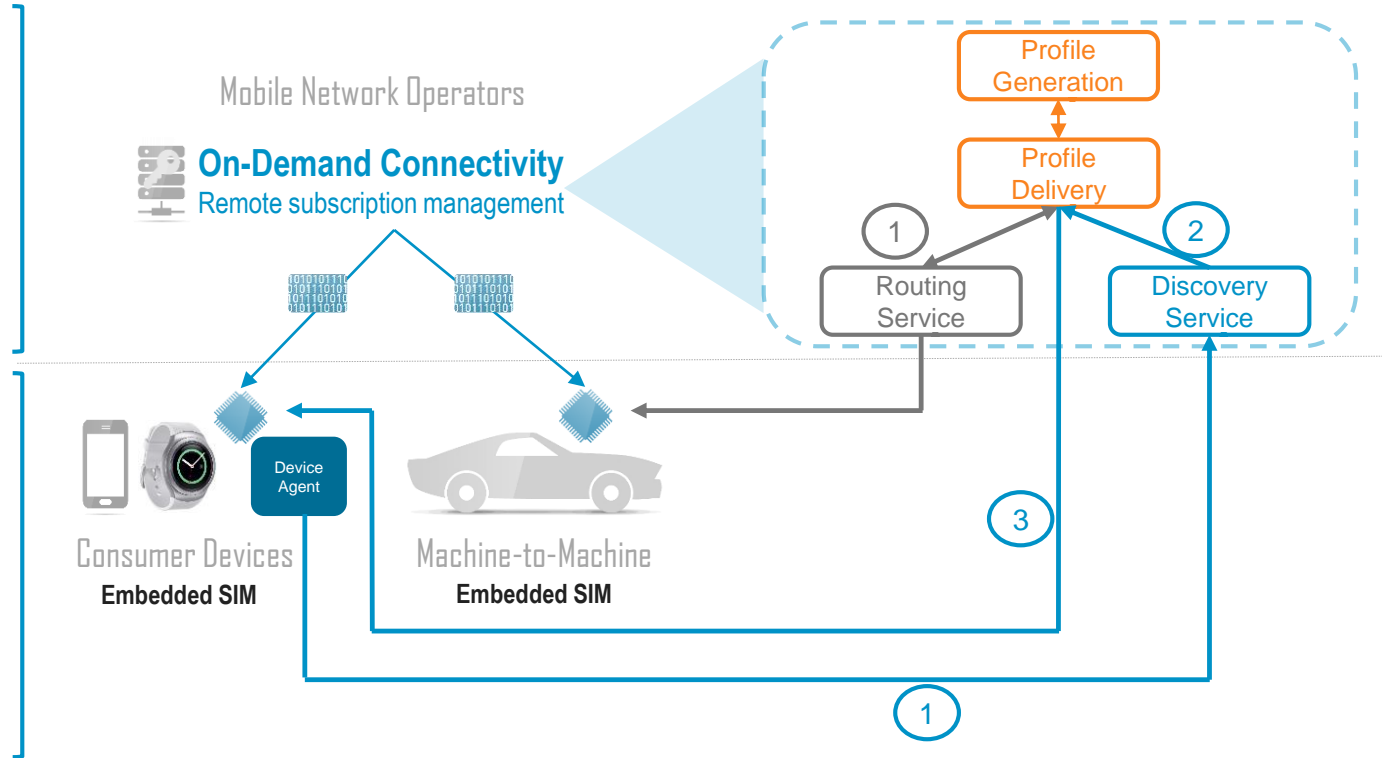
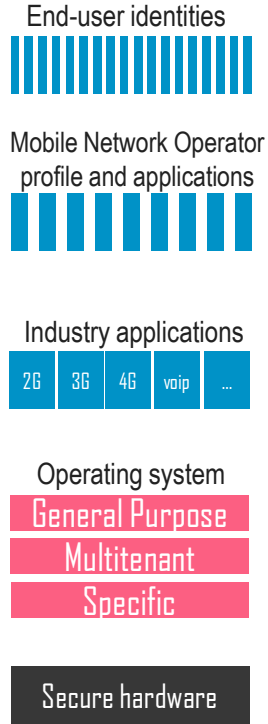
Consumer Devices
Embedded SIM



Machine-to-Machine
Embedded SIM

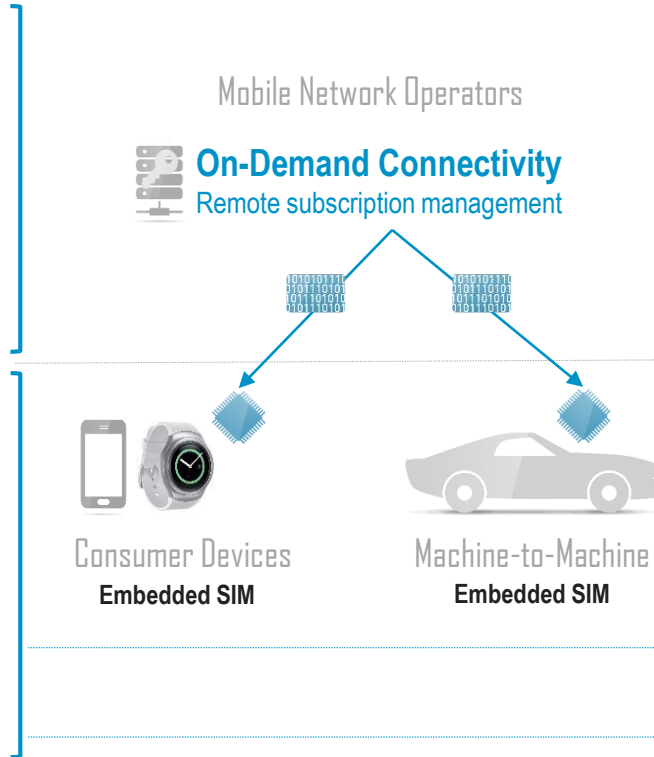
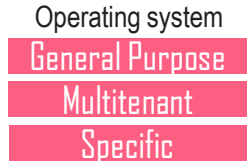
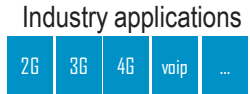
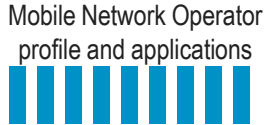
Software Modules for On Demand Connectivity (ODC)

billions



Business Models for Embedded SIM and ODC

billions



Business Models

Hosted/Managed Services

- Event Fee
- Annual Subscriber/Device Fee

On-Premise

- Licenses
- Software Maintenance

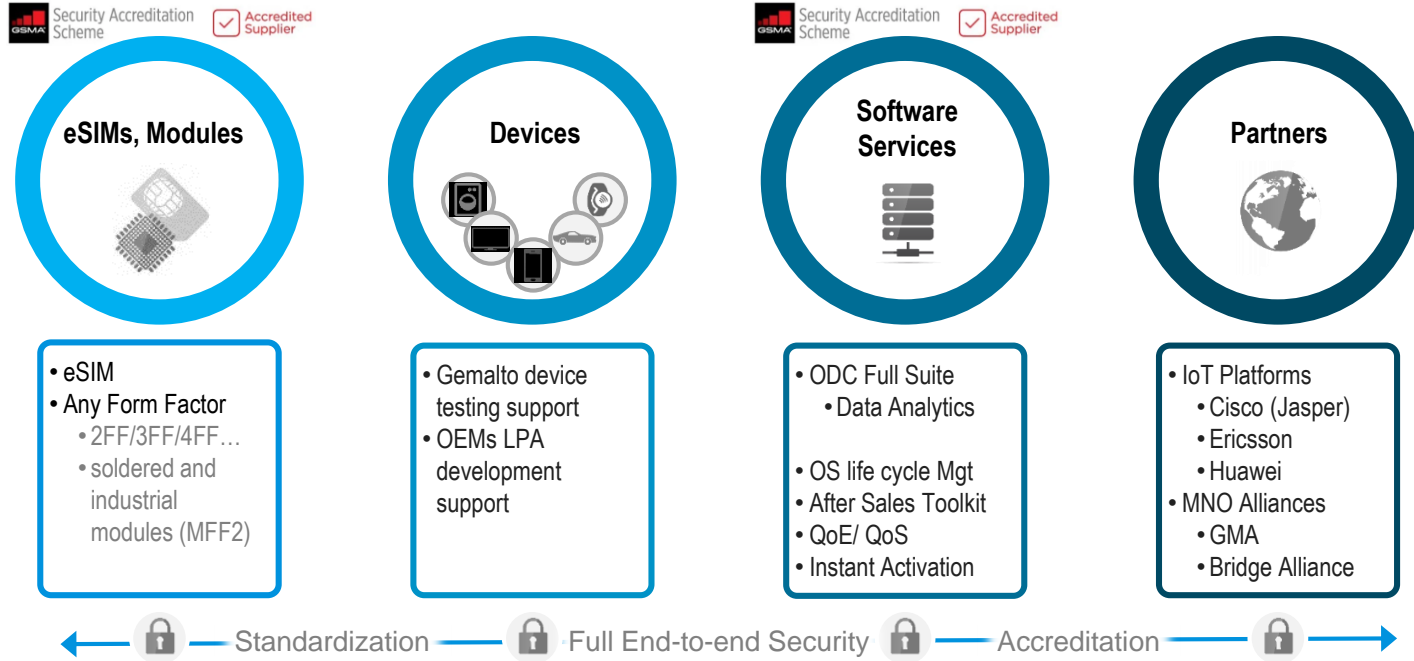
Software stacks only

Per installation

Software stacks & Secure Hardware

Per installation

Ecosystem support and accreditation



A **scalable** solution to support the expected increase of volume with a clear vision on solution **cloud readiness**

Take Away

- SIM form factor has evolved over the years and will continue to evolve
- Functions and principles are unchanged with the need to authenticate the users to access the cellular network
- On Demand Connectivity will trigger new use cases in the Internet of Things providing opportunities in different verticals
- Machine-to-Machine is the first industry to adopt the eSIM and remote provisioning as the Machine just start to get connected
- The consumer market is following based on the recent GSMA architecture we expect the market to migrate progressively

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 ✧