2018 Annual General Meeting of Shareholders
May 18, 2018
Agenda Items 2 to 7

Annual recurring items

Voting and discussion items
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Basis of preparation

Segment information
The Mobile segment reports on businesses associated with mobile cellular technologies including Machine-to-Machine, mobile secure elements (SIM, embedded secure element) and mobile Platforms & Services. The Payment & Identity segment reports on businesses associated with secure personal interactions including Payment, Government Programs and Enterprise. The acquisition of 3M’s Identity Management business in May 2017 is part of the Government Programs business.
In addition to this segment information the Company also reports revenues of Mobile and Payment & Identity by type of activity: Embedded software & Products (E&P) and Platforms & Services (P&S).

Adjusted income statement and profit from operations (PFO)
PFO is a non-GAAP measure defined as IFRS operating profit adjusted for (i) the amortization and impairment of intangibles resulting from acquisitions, (ii) restructuring and acquisition-related expenses, (iii) all equity-based compensation charges and associated costs; and (iv) fair value adjustments upon business acquisitions.
In the adjusted income statement, Operating Expenses are defined as the sum of Research and Engineering, Sales and Marketing, General and Administrative expenses, Other income and Other expenses.

Currency exchange rates
In this presentation, revenue variations are at constant exchange rates, and all other figures are at historical exchange rates, except where otherwise noted.

Net debt and net cash
Net debt is a non IFRS measure defined as total borrowings net of cash and cash equivalents. Net cash is a non IFRS measure defined as cash and cash equivalents net of total borrowings.
Full year 2017 Highlights

- Revenue at €3 billion with Platforms & Services at €1 billion. Second semester revenue up +1% year-on-year at constant exchange rates
- Profit From Operations (PFO) at €310 million
- Transition plan savings of €15 million
- Thales launched its offer on all Gemalto shares on December 17th
<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€2,972m</td>
<td>(4%)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>€1,105m</td>
<td>37%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(€795m)</td>
<td>(27%)</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>€310m</td>
<td>10%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>€1.96</td>
<td></td>
</tr>
</tbody>
</table>

Extracts from the adjusted income statement

At historical rates

Gross margin (3.3 ppt)

OpEx ratio (0.7 ppt)

PFO margin (4.1 ppt)
Segments key financial information

<table>
<thead>
<tr>
<th>Payment &amp; Identity</th>
<th>Revenue (2%)</th>
<th>€ 1,889m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit (7%)</td>
<td>€ 736m</td>
<td></td>
</tr>
<tr>
<td>Gross Margin (1.8ppt)</td>
<td>38.9%</td>
<td></td>
</tr>
<tr>
<td>Profit from operations (20%)</td>
<td>€ 233m</td>
<td>12.3%</td>
</tr>
<tr>
<td>PFO Margin (2.6ppt)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Full year revenue at €1,889 million down (2%) from last year
  - Government Programs revenue at €578 million, up +20%
  - Enterprise business revenue at €472 million, up +5%
  - Payment business revenue lower by (15%) year-on-year
- Operating expenses were stable in 2017
  - Increased investments in Enterprise and the addition of Identity Management Business
  - Tightening of operating expenses in the Payment business
- Profit from operations came in at €233 million at 12.3%

<table>
<thead>
<tr>
<th>Mobile</th>
<th>Revenue (7%)</th>
<th>€ 1,078m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit (22%)</td>
<td>€ 366m</td>
<td>34.0%</td>
</tr>
<tr>
<td>Gross Margin (6.1ppt)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit from operations (50%)</td>
<td>€ 86m</td>
<td>8.0%</td>
</tr>
<tr>
<td>PFO Margin (6.6ppt)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Full year revenue at €1,078 million down (7%) from last year
  - Machine-to-Machine up +10% in 2017 at €348 million
  - SIM business down (15%) to €508 million
  - Mobile Platforms & Services revenue lower by (11%) at €222 million
- Operating expenses decreased by (€19) million
  - Sustained investments in Machine-to-Machine and next generation connectivity
  - Tightening of "cost to serve" SIM business and portfolio optimization
- PFO at €86 million
3M Identity Management Business (IMB) Integration

- **Strategic Rational**: Integrating 3M’s Identity Management Business, Gemalto takes a leading position in biometric identification.
- **Gemalto uniquely positioned** to accelerate its offerings in public services and expand the use of trusted identities in the commercial realm.
- **May 1st** closing of the acquisition of 3M’s Identity Management Business.
- **Government Programs revenue** at €578 million, up +20% of which €123 million from IMB.
- **Initial deliveries** of Identity Management Business core solutions to Gemalto’s historical customers.
- **Won a first large commercial project** (banking sector) using IMB biometric technology.

**Authenticating** and **Identifying** individuals in a fast and reliable way through the use of unique biological characteristics will enable consumers to have seamless access to services.
## Reconciliation from adjusted financial information to IFRS

<table>
<thead>
<tr>
<th>€ in millions</th>
<th>Adjusted financial information</th>
<th>Fair value adjustment upon acquisitions</th>
<th>Amortization and impairment of intangible assets</th>
<th>Equity based compensation</th>
<th>Restructuring and acquisitions related expenses</th>
<th>IFRS financial information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2,972</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,972</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>310</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFRS operating profit</td>
<td></td>
<td>(10)</td>
<td>(514)</td>
<td>(37)</td>
<td>(114)</td>
<td>(365)</td>
</tr>
<tr>
<td><strong>FY 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>3,127</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,127</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>453</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFRS operating profit</td>
<td></td>
<td>(3)</td>
<td>(58)</td>
<td>(9)</td>
<td>(36)</td>
<td>347</td>
</tr>
</tbody>
</table>
Healthy cash generation and strong balance sheet

- Free Cash Flow generation
- Cash used by acquisitions: 759 million
- Paid Dividend: 190 million
- Others: 45 + 3 = 48 million

Net Debt:
- 31/12/2016: 67 million
- 31/12/2017: 684 million

Net Debt / Adj. Ebitda: 1.5x
Transition plan on track

Transition plan announcement in H1 2017
1. SIM and related services:
   - Refocus on key geographical areas → adapt sales force
   - Portfolio review in services → Marketing and delivery resource optimization / shut down of a sub business line
2. Payment:
   - Footprint optimization → manufacturing rationalization (i.e. US, China)

On a full year basis

1. SIM and related services:
   - Geographical refocus and portfolio review to continue
2. Payment:
   - Further footprint and capacity optimization
   - Increase operating efficiency
3. Full effect of the measures launched in 2017

Around €15M
Positive PFO impact

Around €15M
Positive PFO impact

Above €50M
Positive PFO impact
Sustainability: reporting areas

<table>
<thead>
<tr>
<th>1</th>
<th>Business and Customers</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>People</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Main suppliers have</td>
<td>87%</td>
<td>89%</td>
</tr>
<tr>
<td></td>
<td>signed our purchasing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR charter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Governance and</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>compliance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Society and community</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>Environment</td>
<td>2016</td>
<td>2017</td>
</tr>
</tbody>
</table>

- **Business and Customers**
  - Of clients are "satisfied" or "very satisfied": 98%
  - Main suppliers have signed our purchasing CSR charter

- **People**
  - Nationalities across 48 countries: 119
  - Satisfaction rate based on our ‘PeopleQuest’ results: 2016 82%, 2017 80%
  - Positive response by employees to ethics related question in ‘PeopleQuest’: 2016 91%, 2017 91%

- **Governance and compliance**
  - People trained in trade compliance since 2010: 3600+

- **Society and community**
  - Employee projects funded through the ‘Your World’: 2016 54, 2017 61
  - Of workforce based at sites with HSE management System: 2016 76%, 2017 84%

- **Environment**
  - People reached through our mobile financial services worldwide: 1.05bn
  - Of CO2eq offset since 2009: 25Ktons

In 2015, we carried out an extensive analysis to identify and re-prioritize the topics that are important to Gemalto and our stakeholders.

The results are shaping how we now organize, report and communicate about sustainability. These can be found in details in Gemalto 2017 Sustainability Report.
2018 onward sustainability agenda

From Boardroom to site level, everyone in Gemalto has a role to play in managing sustainability

2018 onwards Sustainability agenda, 5 engagements

- Intensify our data security and resilience
- Develop our agile skills and digital learning
- Implement best practices in the protection of personal data
- Build our ‘non-profit program for trust in the digital world’
- Increase our renewable energy use
Risk management
Risk management

The way we manage risk

Determined by
Our overall strategy and objectives reflecting our risk appetite

Governed by
Policies defining risk management and control standards for all our operations, published on our intranet and regularly updated

Risk management pillars

Shaped by
Our culture and values, guiding our approach to risk management

Supported by
Training on topics such as internal control, ethics, anti-fraud, authority limits, crisis and business continuity management and compliance
Risk management

8 Principal risks & associated mitigation plans

- Market growth
- Competition
- Data protection and cybersecurity, data privacy regulations
- Product quality and service delivery
- Talent management
- Business integrity, ethics and reputation
- IP protection and claims
- Contracts
Application of the remuneration policy in 2017

Discussion Item
Remuneration

Remuneration of the Non-executive Board members

- Remuneration is adopted by the shareholders

Definition process

Latest modification

- The shareholders adopted an amended remuneration structure for the Non-executive Board members in 2013.

Remuneration of the CEO

- Remuneration policy is adopted by the shareholders.
- The Board decides on the remuneration of the CEO within the limits of such policy.

Latest modification

The shareholders adopted the remuneration policy in 2008. In 2015, the Board reviewed and adapted the composition of the comparison group in order to improve the level of representativeness in terms of size, industry and geography. The Compensation committee analyzed the competitiveness of the CEO’s remuneration against the two following panels, which include international high-tech and European companies:

**International high-tech peer companies**

- Atos
- Cegos
- Capgemini
- Dassault Systèmes
- Essilor
- Idemia
- Infineon Technologies
- Logitech
- NXP
- VMware

**French peer companies**

- Altran Technologies
- Atos
- Bic
- Cegos
- Capgemini
- Dassault Systèmes
- Essilor
- Idemia
- Ilia
- Imerys
- Ingenico
- Legrand
- Nexans
- STMicroelectronics
- Technicolor
- Thales
- Vallourec
Remuneration of the CEO

Gemalto policy is to maintain overall compensation levels at the 60th percentile for on-target performance – and in cases of exceptional performance within the upper quartile – benchmarked against a comparison group of relevant companies, which include international high-tech and European companies. The CEO’s targets for 2018 will be along the same structure as for 2017 and will be linked to the objectives of the new multi-year development plan.

<table>
<thead>
<tr>
<th>Compensation elements</th>
<th>Policy</th>
<th>Compensation in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base salary</strong></td>
<td>Benchmark: Median level in comparison group</td>
<td>€750,000</td>
</tr>
<tr>
<td>Fixed part of the annual cash compensation</td>
<td>Unchanged, includes €300,000 as executive Board member of Gemalto N.V.</td>
<td></td>
</tr>
<tr>
<td><strong>Performance related short-term variable incentive</strong></td>
<td>Benchmark: 60th percentile over the years for on-target performance (100% of objectives)</td>
<td>€406,800</td>
</tr>
<tr>
<td>Part of the annual cash compensation focusing on business priorities for the financial year ahead</td>
<td>Resulting from 45.2% achievement of annual objectives</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Achievement details:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Revenue: 0% of objective target</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Profit from operations: 0% of objective target</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Free cash flow: 89% of objective target</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Personal targets: 100% of objective target</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Variable from 0 to 180% of base salary upon achievements against yearly objectives (120% for on-target), with:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Financial targets (2/3 of the variable incentive):</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Revenue (4/15), Profit from operations (4/15), Free cash flow (2/15)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Personal targets (1/3 of the variable incentive):</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- CEO’s specific responsibilities, including customer and employee satisfaction.</td>
<td></td>
</tr>
<tr>
<td><strong>Performance related long-term variable incentive</strong></td>
<td>Benchmark: Clearly above median level in comparison group with maximum value equivalent to 250,000 market value share options</td>
<td>0 to 65,000 RSUs with vesting conditions:</td>
</tr>
<tr>
<td>Conditional multi-year share-based plan</td>
<td>Based on Restricted Share Units (RSU) since 2009</td>
<td>- Performance: Reaching a certain relative performance of Gemalto Total Shareholder’s return versus the index STOXX Europe 600 Technology Total Shareholder’s Return</td>
</tr>
<tr>
<td></td>
<td>- Service: Employee of Gemalto on September 30, 2020</td>
<td>- Free cash flow: 89% of objective target</td>
</tr>
<tr>
<td><strong>Benefits and mandatory pension contributions</strong></td>
<td>Cost of the mandatory plan required by law in France. No supplemental pension plan is provided.</td>
<td>€60,251</td>
</tr>
</tbody>
</table>
Remuneration of Board members

The current annual remuneration for Non-executive Board members, as approved by the 2013 AGM, is:

- €250,000 for the Non-executive Chairman of the Board.
- €70,000 for each other Non-executive Board member.
- Additional €16,000 for each member of the Audit committee and €30,000 for the committee chairman.
- Additional €8,000 for each member of every other Board committee and €15,000 for the committee chairman.

<table>
<thead>
<tr>
<th>In Euros</th>
<th>2017 total</th>
<th>Board</th>
<th>Audit committee</th>
<th>Nomination and Governance committee</th>
<th>Compensation committee</th>
<th>M&amp;A committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alex Mandl</td>
<td>265,000</td>
<td>250,000</td>
<td>-</td>
<td>15,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Philippe Vallée**</td>
<td>300,000</td>
<td>300,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Homaira Akbari</td>
<td>94,000</td>
<td>70,000</td>
<td>16,000</td>
<td>-</td>
<td>-</td>
<td>8,000</td>
</tr>
<tr>
<td>Buford Alexander</td>
<td>86,000</td>
<td>70,000</td>
<td>-</td>
<td>8,000</td>
<td>-</td>
<td>8,000</td>
</tr>
<tr>
<td>Philippe Alfroid</td>
<td>93,000</td>
<td>70,000</td>
<td>-</td>
<td>-</td>
<td>15,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Joop Drechsel</td>
<td>97,567</td>
<td>70,000</td>
<td>19,567*</td>
<td>-</td>
<td>8,000</td>
<td>-</td>
</tr>
<tr>
<td>Johannes Fritz</td>
<td>93,000</td>
<td>70,000</td>
<td>-</td>
<td>8,000</td>
<td>-</td>
<td>15,000</td>
</tr>
<tr>
<td>John Ormerod</td>
<td>104,433</td>
<td>70,000</td>
<td>26,433*</td>
<td>-</td>
<td>8,000</td>
<td>-</td>
</tr>
<tr>
<td>Olivier Piou</td>
<td>90,055</td>
<td>70,000</td>
<td>13,370*</td>
<td>-</td>
<td>-</td>
<td>6,685*</td>
</tr>
<tr>
<td>Jill Smith***</td>
<td>58,718</td>
<td>43,726</td>
<td>9,995</td>
<td>-</td>
<td>4,997</td>
<td>-</td>
</tr>
<tr>
<td>Yen Yen Tan</td>
<td>86,000</td>
<td>70,000</td>
<td>-</td>
<td>8,000</td>
<td>-</td>
<td>8,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,367,773</td>
<td>1,153,726</td>
<td>85,365</td>
<td>39,000</td>
<td>35,997</td>
<td>53,685</td>
</tr>
</tbody>
</table>

* Changes in committee composition during the year: amount paid pro rata.
** Fixed fee for his position as executive Board member. For an overview of his compensation, please refer to page 58.
*** Joined as Board member during the year: amount paid pro rata.
Corporate Governance Structure and compliance with the Dutch Corporate Governance Code (2016)

The corporate governance structure is described in detail in the 2017 Annual Report.

The Board agrees with the Dutch corporate governance code’s general approach and the majority of its principles and best practice provisions.

In accordance with the 2016 code’s ‘comply or explain’ principle, the departures from its provisions are explained in the Annual Report.
Agenda Item 2d - Voting item

Proposed resolution:

“To adopt the Company's 2017 Financial Statements, as drawn up by the Board.”
Agenda Item 3a – Discussion item

Dividend Policy

The Company’s policy on additions to reserves and distributions of dividends is that the amount of dividends to be paid by the Company to its shareholders shall be determined by taking into consideration the Company’s capital requirements, return on capital, current and future rates of return and market practices, notably in its business sector, as regards the distribution of dividends.
Agenda Item 3b – Discussion item

No Dividend for the 2017 financial year

Given the special circumstances of the public offer made by Thales, the Board prefers to leave the shares “cum dividend” and make use of its discretionary power under the Articles of Association to allocate the full amount of results as they appear from the adopted Financial Statements over the financial year 2017 to the retained earnings of the Company.
Agenda Item 4a – Voting item

Proposed resolution:

“To discharge the Chief Executive Officer from liability for the fulfillment of his duties during the 2017 financial year.”
Agenda Item 4b – Voting item

Proposed resolution:

“To discharge the Non-executive Board members from liability for the fulfillment of their respective duties during the 2017 financial year.”
Agenda Item 5a – Voting item

Proposed resolution:

“To reappoint Mr. Philippe Alfroid as Non-executive Board member as of May 18, 2018, for a period ending at the close of the AGM to be held in 2020.”
Agenda Item 5b – Voting item

Proposed resolution:

“To reappoint Mr. Johannes Fritz as Non-executive Board member as of May 18, 2018, for a period ending at the close of the AGM to be held in 2020.”
Agenda Item 6 – Voting item

Proposed resolution:

“To irrevocably authorize the Board to cause the Company to acquire, whether as an on or off financial market purchase, shares in the share capital of the Company under the following conditions:

- this authorization is as from May 18, 2018 for a period of eighteen (18) months up to and including November 17, 2019,
- on such dates and in such portions as the Board may deem appropriate, as long as, such repurchase is limited to a maximum of and the Company will not hold more than 10% of the Company’s issued share capital as per May 18, 2018, and
- in consideration of a purchase price per share which shall not be less than the par value of the shares to be repurchased and not be more than 110% of the average closing share price per share in the Company on the trading venues of the Euronext regulated market of the country in which the purchase is carried out during the five trading days preceding the date on which the shares concerned are acquired by or on behalf of the Company.”
Agenda Item 7a – Voting item

Proposed resolution:

“To designate the Board of the Company as the authorized corporate body to have the power to resolve upon the issue of shares and to determine the terms and conditions of such issue and to grant rights to acquire shares, up to a total of 5% of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018, for a period of eighteen (18) months, starting on May 18, 2018, with the power to limit or exclude pre-emptive rights accruing to shareholders with respect to such share issues or grants to acquire shares.”
Agenda Item 7b – Voting item

Proposed resolution:

“To designate the Board of the Company as the authorized corporate body to have the power to resolve upon the issue of shares and to determine the terms and conditions of such issue and to grant rights to acquire shares, up to a total of 25% of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018, for a period of eighteen (18) months, starting on May 18, 2018, without the power to limit or exclude pre-emptive rights accruing to shareholders with respect to such share issues or grants to acquire shares.”
Agenda Item 7c – Voting item

Proposed resolution:

“To designate the Board of the Company as the authorized corporate body to have the power to limit or exclude pre-emptive rights accruing to shareholders in connection with the above resolution 7.b up to 5% of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018, for the purpose of M&A and/or (strategic) alliances for a period of eighteen (18) months, starting on May 18, 2018.”
Proposed resolution:

“To designate the Board of the Company as the authorized corporate body to have the power to limit and exclude pre-emptive rights accruing to shareholders in connection with the above resolution 7.b up to 10% of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018, for the purpose of a non-dilutive tradable rights offering for a period of eighteen (18) months, starting on May 18, 2018.”
The recommended public offer made by Thales

Voting and discussion items
Agenda Item 8

Explanation of the recommended offer made by Thales

Discussion Item
Transaction highlights

- Recommended all-cash offer for all the issued and outstanding Ordinary Shares in the capital of Gemalto

- Gemalto and Thales intend to create a leading global player in digital security

- Offer Price of EUR 51.00 per Ordinary Share (cum dividend), values Gemalto at approximately EUR 4.8 billion

- Offer price represents a premium of 57% over Gemalto’s unaffected closing Share price as of 8 December 2017

- Initial Acceptance Period from 28 March 2018 to 6 June 2018. This period will be extended until customary conditions are met, in particular obtaining the required regulatory clearances (long stop date: 31 March 2019)

- Payment of the Offer Price will be at Settlement, expected in the course of the second half of 2018

Note: capitalized terms used in this section have the meaning attributed to them in the offer document dated 27 March 2018
Chronological sequence of events

- 4 October / 15 November 2017: Preliminary and exploratory discussions between Thales and Gemalto
- 28 November 2017: Gemalto receives unsolicited and unconditional proposal from Atos
- 13 December 2017: Gemalto rejects Atos’ offer as it was not compelling when compared to Gemalto’s standalone strategy
- 17 December 2017: Thales and Gemalto announce they have reached an agreement on the Offer
- 28 March 2018/ 6 June 2018: Initial Acceptance Period
- 18 May 2018: AGM Gemalto
- Second half 2018: Expected Settlement of the Offer
Creation of a global digital security leader

- Gemalto and Thales have the intention to create a leading global player in digital security:
  - Acceleration of Gemalto’s standalone strategy within the Thales group and of Thales’s digital strategy
  - Unique and innovative technology portfolio in IoT, mobile and cloud worlds
  - Creation of a global leader in digital security and cybersecurity
  - Capacity to address all customer digital security needs
  - R&D: the common DNA of Thales’s and Gemalto’s digital businesses

- The Gemalto Board fully supports and unanimously recommends to the Shareholders to tender their Shares

- All members of the Gemalto Board have irrevocably committed to tender all of their Shares into the Offer
Non-financial covenants to protect interests of Gemalto and its stakeholders

In case of successful offer

- Minority protection:
  - Protection against unfair dilution or unequal treatment of shareholders and other stakeholders
  - Certain veto rights for two independent Gemalto Board members
  - Non-financial covenants in principal cease to apply after two years
  - If Offer is closed at acceptance level lower than 67%, Thales and Gemalto will discuss whether additional governance arrangements need to be taken

- Organization:
  - Thales shall create a “Digital Security” global business unit (DIS GBU), headquartered in the Paris region by contributing its world class digital-security business to Gemalto
  - R&D expenditures in the coming years will be in excess of the current combined R&D expenditures of Thales and Gemalto. The current Gemalto R&D activity will remain within the DIS GBU
  - Gemalto’s brand will be maintained
Non-financial covenants (cont’d)

- Employees:
  - Existing rights of Gemalto employees will be respected
  - Individuals currently holding management and staff positions within Gemalto will be given fair opportunities in the DIS GBU or the Thales Group pursuant to the “best fit for the job” principle
  - Gemalto employees will have access to Thales internal learning capabilities

- Finance:
  - Thales will continue to remain disciplined from a financing standpoint (i.e. no excessive leverage ratio’s at Gemalto level)

- Integration Committee:
  - Integration Committee will be established as of the Settlement Date and composed of representatives of both Thales and Gemalto. The Integration Committee will determine an integration plan, monitor its implementation and do all things necessary to assist and facilitate the integration
Future composition of the Gemalto Board

- Philippe Vallée (CEO)
- Pascal Bouchiat (non-executive director)
- Pierre-Eric Pommellet (non-executive director)
- Isabelle Simon (non-executive director)
- Philippe Alfroid (independent non-executive director)
- Marie-Hélène Sartorius (independent non-executive director)
Regulatory clearances

- Filings to obtain the required clearances from the competent antitrust authorities in Australia, the European Union, China, Israel, Mexico, New Zealand, Russia, South Africa, Turkey, and the United States

- Filings to obtain approval from the Committee on Foreign Investments in the United States and similar regulatory clearances from the competent authorities in Australia, Canada and Russia

- Expect to have obtained all regulatory clearances in the course of the second half of 2018

- Thales will timely request an exemption from the AFM and extend the Acceptance Period until such time as Thales, in consultation with Gemalto, reasonably believes is necessary to obtain the required regulatory clearances
Declaring the Offer unconditional

- Thales must declare the Offer unconditional if the Acceptance Level by Gemalto shareholders is >67% and all other conditions are satisfied or waived. If the Acceptance Level is below 67% but above 50%, Thales can choose to declare the Offer unconditional.

- The consummation of the Offer is further subject to:
  - Having obtained the required regulatory clearances by the closing of the Acceptance Period;
  - No material adverse effect having occurred and be continuing;
  - No material breach of the merger agreement having occurred; and
  - No Superior Offer having been made or agreed upon.

- Ultimately on the third business day following the Acceptance Closing Date, Thales will determine whether the Offer is unconditional.

- Post-Closing Acceptance Period of max. two weeks to enable shareholders to tender their shares under the same terms and conditions applicable to the Offer.

- Settlement Date no later than five business days after the Offer having been declared unconditional.
Liquidity and delisting

- **Delisting:** Thales and Gemalto intend to procure the delisting of the Shares on Euronext Amsterdam and Euronext Paris as soon as possible. This may further adversely affect the liquidity and market value of any Shares not tendered.

- **Squeeze-out Procedure:** if Thales hold at least 95% of the outstanding issued share capital of Gemalto, Thales intends to commence a compulsory acquisition procedure or the takeover buy-out procedure to buy out the Shareholders that have not tendered their Shares into the Offer.

- **Post-Settlement restructuring measures:** If Thales does not hold 95% or more of the outstanding issued share capital of Gemalto, Thales may restructure the Gemalto Group for the purpose of acquiring 100% of the Shares. Thales may delist Gemalto in accordance with the merger rules and the applicable laws, even though some of the restructurings may have the effect of diluting the interest of any remaining minority Shareholders.
Conclusions

The Gemalto Board unanimously recommends the Offer and concludes that the Offer provides a strategic direction that is in the best interest of Gemalto and all its stakeholders

- The Board followed a careful process, and reviewed the Offer (including the strategic, financial and non-financial aspects of the Offer for all the stakeholders) and all strategic alternatives, including Atos’ proposal

- The Board supports the strategic direction for Gemalto as part of the Thales group, creating a leading global leader in digital security

- Offer is attractive for Gemalto’s Shareholders and financing is fully committed

- The position of all stakeholders is adequately protected, including through the non-financial covenants

- All regulatory clearances are expected to be obtained in the course of the second half of 2018
Agenda Item 9a – Voting item

Proposed resolution:

“Subject to the condition of the Settlement Date having occurred to amend the Articles of Association in accordance with Proposal I on or shortly following the Settlement Date and to authorize each Board member, as well as each (deputy) civil law notary and paralegal employed by Allen & Overy LLP and/or NautaDutilh in Amsterdam, The Netherlands, to execute such notarial deed of amendment to the Articles of Association and to undertake all other activities that the holder of the power of attorney deems necessary or useful in connection therewith.”
Agenda Item 9b – Voting item

Proposed resolution:

“Subject to the condition precedent of the Settlement Date having occurred to convert Gemalto into a private limited liability company and to amend the Articles of Association in accordance with Proposal II on or shortly following the date of delisting from Euronext Amsterdam and Euronext Paris and to authorize each Board member, as well as each (deputy) civil law notary and paralegal employed by Allen & Overy LLP and/or NautaDutilh in Amsterdam, The Netherlands, to execute such notarial deed of Conversion and amendment to the Articles of Association and to undertake all other activities that the holder of the power of attorney deems necessary or useful in connection therewith.”
Agenda Item 10a – Voting item

Proposed resolution:

“To appoint Mr. Pascal Bouchiat as Non-executive Board member subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place, effective as of Settlement, for a period ending on the day two years after Settlement Date, without being remunerated.”
Agenda Item 10b – Voting item

Proposed resolution:

“To appoint Mr. Pierre-Eric Pommellet as Non-executive Board member subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place, effective as of Settlement, for a period ending on the day two years after the Settlement Date, without being remunerated.”
Agenda Item 10c – Voting item

Proposed resolution:

“To appoint Ms. Isabelle Simon as Non-executive Board member subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place, effective as of Settlement, for a period ending on the day two years after the Settlement Date, without being remunerated.”
Agenda Item 10d – Voting item

Proposed resolution:

“To appoint Ms. Marie-Hélène Sartorius as Non-executive Board member subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place, effective as of Settlement, for a period ending on the day two years after the Settlement Date.”
Agenda Item 11a – Voting item

**Proposed resolution:**

“To grant the Chief Executive Officer discharge from liability for the fulfillment of his duties performed in the period following the end of the financial year 2017 and up to and including the date of the AGM of May 18, 2018.”
Agenda Item 11b – Voting item

Proposed resolution:

“To grant the Non-executive Board members discharge from liability for the fulfillment of their respective duties performed in the period following the end of the financial year 2017 and up to and including the date of the AGM of May 18, 2018”.

18 May 2018
2018 Annual General Meeting of Shareholders
Agenda Item 11c – Voting item

Proposed resolution:

“To grant Mr. Alex Mandl, Ms. Homaira Akbari, Mr. Buford Alexander, Mr. Joop Drechsel, Mr. Johannes Fritz, Mr. John Ormerod, Mr. Olivier Piou, Ms. Jill Smith and Ms. Yen Yen Tan full and final discharge from liability for the fulfillment of their respective duties, subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place.”
Agenda Item 12

Questions
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 ☒