
Didier Lamouche speech

Good morning everyone!

Let me say what a privilege it is for me to welcome you here in the heart of the Seine Musicale. We are just outside Paris in France. I'd like to thank you most sincerely for accepting our invitation, in such great numbers. We are honored by your presence here today and we feel a great sense of responsibility.

As you know, four months ago we announced the merger of our two major companies:

- Oberthur Technologies (so-called OT)
- Safran Identity and Security (so-called Morpho)

with the ambition of creating the world leader in digital security and identification technologies.

A few numbers:

Combined, OT-Morpho represents:

- Close to 3 billion dollars in aggregated sales, 14,000 employees around the world, more than 80 nationalities, serving customers in almost 180 countries around the world. And here are a few impressive figures to illustrate the power and depth of our business:
- Last year, we sold together more than 2 billion products embedding our secure devices / secure operating systems under the form of payment cards, sim cards, phones, ID documents, wearables, watches, you name it, **2 billion products** were distributed... It means that statistically: close to 40% of the World population has received last year a technology product from OT+Morpho securing its transactions or access rights! More than 40% of the world population!
- We are trusted by 1,800 financial institutions, and by 500+ mobile operators, by major industrial OEMs in the automotive and smartphone industries
- In the government field, we are #1 in police biometric systems
- We are #1 in civil identity solutions where OT and Morpho together have supplied today more than 3BN ID documents — again, more than 40% of the world population statistically has been identified through an OT-Morpho product!
- In the US, more than 170 Million of our Driving Licenses are currently in use, representing 80% of the total market
- **In the R&D field**, we own close to 1,400 patents
- And I could continue like that on and on...

We joined forces to create the world leader in digital security and identification technologies, exactly at a time when the world we live in today — and of course, the world of tomorrow — is

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facing crucial challenges relating to the identification and protection of devices, objects and individuals.

Identify and protect: those 2 words could pretty much sum up our **mission**; our "**raison d'être**", you could say! But our mission, the way we see it, goes over and beyond "just" protecting objects and people. We are also here **to help and support, to actively contribute to the development of our societies and the social advancement of their most vulnerable and fragile members** by providing them with our most innovative solutions. What we can bring to them is the next most precious thing after life itself: we allow each individual to exist in the eyes of society. We provide them with a recognized identity, one of the most fundamental rights that a large fringe of people unfortunately do not benefit from today.

Do you know that today over 2BN people do not have a form of legal ID in the developing world?

So look what we're doing in India with Aadhaar. It's the largest ever ID program in the world, **we have created** digital identities for 1.1BN Indian people: just to give you an idea, that's the size of Facebook! Such a database is tapped at a rate of 800M pings per month **by businesses to authenticate** individuals in their digital life, commercial life, transactions, every day.

Ladies and Gentlemen,

All of you here are our clients or prospects, journalists, opinion leaders, professionals working in politics or the public sector, private sector, partners and decision-makers, all of you here are the witnesses, the observers, the analysts, the messengers and obviously the actors of this world which is changing today like **never** before.

These changes, this disruption, happens at a faster pace every day, generating ever greater quantities of security problems and challenges that we must address.

Why?

We have identified 4 major trends influencing these changes...

1/ First up, we have to deal with the exponential increase in connected objects, devices and services.

Automotive, Home, energy, Healthcare, Industry, Waste Management, Farming, Finance, IoT is everywhere!

In 2025, 25+ billion connected devices will mean 25+ billion opportunities for professional hackers to get hold of our lives: to get into your home; to get into your car; to hack your phone; to hack your cameras... And this is not science fiction, believe me. Examples:

- CARS: In 2015, you may remember this, two US hackers succeeded in remotely taking

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control of the onboard computer of a car, including windshield wipers and radio, - that's the nice part - but also shut off the engine and the brakes... And just after this happened, the group in question announced that almost half a million vehicles were potentially affected by this flaw. Believe me, the autonomous car — the hottest R&D topic at the moment — will not exist, will not happen unless we fix that problem! And above all, unless we give full confidence to the consumer, to you and me, that the risk has disappeared.

- How about hacking in the Personal Credit area? I had to refresh this **speech** last week to mention the major hack of an American company leaking 100 millions of personal data including bank account, social security numbers in the US — 100 million!, when you know how important a social security number is in the US, you can understand how critical that is.

And let me tell you why these types of risks will continue to increase exponentially: Simple reason:

- because more and more devices mean more and more connections
- and because most of these connections are still made on worldwide open networks, via standard protocols which can be hacked easily — affecting thousands of devices at once

So, our mission is both simple and complex:

Not only securing the lives of people, but also the objects and devices they interact with.

This was the first trend.

2/ The second trend, which is just as massive and powerful as the development of connected objects, is the exponential growth of exchanges. I'm talking about exchange of data, exchange of money, and even exchange and movement of people and populations. And again we see that every day.

And here once again, the figures speak for themselves:

- Mobile data traffic will grow 8 times from 2015 to 2020 and 3 trillion minutes (5M years) of video content will cross the Internet each month in 2020
- Air passenger traffic will double in the next 10 years or so, to more than 7 billion passengers a year
- And the situation can change overnight. Literally overnight. Allow me give you an example from my latest trip in India **two weeks ago**: There's a major Network operator in India — I should say a "digital experience provider" and I think he's in the room — He introduced a groundbreaking special offer on data consumption, and in the space of just one year, he has propelled the Indian market to the #1 position in the world in term of data consumption per inhabitant. The country was ranked number 150 a year ago. From 150 to first position in less than a year! The average consumption by Indians today is 1.2GB a

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month! Twice the US! In India! Thanks to a special promotion by one company! One hundred and fifty... to one! So you see, things change so rapidly!

You can take money, data, leisure, travel or communications: the same thing is true everywhere: the increase in exchanges causes an increase in the development of major risks.

And the challenge is the same in every country, every firm, on every device, in every transaction: the challenge is how to manage the increase of massive volumes while enhancing security in a rapidly-changing world, and it's a world where physical or digital borders — where they still exist — are tested to the limit.

Our mission is to embrace these challenges by ***creating new solutions to address new sectors, people, issues, players and threats.***

That was the second challenge: exponential growth of exchanges.

3/ The third big trend, which is one that we have been seeing for quite some time now is the digitalization of the economy.

Paper, contracts, signatures, border controls, objects, currency, products, transactions... all these physical and tangible things that we used to be able to touch or put in a safe, which required us to be physically face to face with someone else, all of this is gradually slipping, faster and faster, towards becoming intangible.

Here are a few figures so we can see what to expect going forward:

- 180M online shoppers in Europe (almost half of its total population), representing more than €200BN online sales in 2016
- Online and mobile platforms are developing (like peer-to-peer transportation, peer-to-peer accommodation, collaborative finance), and this Sharing Economy facilitates more than €30BN transactions just within Europe.

But look: most innovations so far have been to secure payments in the physical space, but when you look at payment security in the digital space, on the Internet, it's still in the stone age! ...I mean...sending a second security code thru an SMS... what an innovation!! Today, the result is that 50% of all payment transaction fraud in the world is linked to online transactions...

We have a twofold mission:

- ***One: We have to do for the digital space the same as we do for the physical world: secure and make sure security is effective.***

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- ***And 2: we also have to anticipate the incredible opportunities that come from the sharing economy, when transactions happen between individuals.***

This was the third trend.

4/ And finally, we have a fourth mass phenomenon, which is technology consumerization.

In other words: today, technology is no longer in the hands of the people who create it, is no longer for the primary use of business, but in the hands of those who use it every day — i.e. the consumer, the end customer: you, me, everybody.

And so, as security professionals, this means our technology has to meet three criteria

1. Easy to use — meaning we need to come up with intuitive user interfaces, App based.
2. We need to be the first mover on a new market — in the Internet space, the winner takes it all
3. You have to offer the right retail price — **asking someone to pay 1,500 dollars for connected glasses just doesn't work.**

This new environment means that in every sector, firms have to revisit their R&D processes, their development policies and their marketing strategies. But our ambition is quite straightforward: ***Be the first to deliver a convenient and easy to use solution at the right cost.***

So that's how **our world is** today and how it's going to look increasingly in the years to come:

- Exponential growth of connected objects
- Exponential growth in exchanges
- Digitalization of the economy
- Technology Consumerization

And this new world, more than ever, requires a new value proposition.

A new offer that meets these 4 major trends, put forward by a new Company.

We are this new Company.

By merging OT and Morpho, we are creating the one and only Company that is able to combine and offer:

- Security
- Convenience
- The human factor
- Continuity

...what we refer to as "**the magic combination**". Allow me to explain.

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1/ Security

- What does Security mean for us? It means two things:
 - Our approach is to secure the access and manage the access rights to critical use cases and applications — identification, payment and communication. Our clients rely on us to provide critical solutions to authenticate a passport or make sure that a means of payment is bullet proof.
 - But more and more, especially in the digital space, we are ensuring the security of mission-critical systems of our clients... Examples: the real-time generation of digital payment cards, or real time connection to a car, the real time generation of an authentication code to authorize a transaction, the real time analysis of videos originating from thousands of surveillance cameras to prevent tragic events...
- As the leader we have unmatched experience and this allows us to address and secure every type of critical use case.

2/ Convenience

- What does Convenience mean for us? Fairly simple! Turning very complex technologies into something that is easy-to-use, fast & frictionless (as we say today) for the consumer. It is an essential attribute of everything we do: if enhancing security means more and more constraints for the end user, more and more passwords and codes for the consumer, we will miss the point. The consumer wants bullet-proof security, but no constraints, a **frictionless experience, easy-to-use and convenient**.

Let me give you an example: did you know: when you shop online, and you receive an SMS to secure your online purchase, did you know that introducing that technology does actually enhance security, but it reduces revenue conversion for eCommerce sites by up to 25%!! What company can afford to lose 25% revenue? That shouldn't be the price to pay to enhance security!

Let me give you the example of Motion Code. The traditional static 3-digit code on the back of a payment card has been replaced by a mini-screen displaying a code, and this code automatically refreshes every hour. This solution **makes it useless** for fraudsters to copy card information, and it has eradicated online payment fraud in all countries where the solution has been deployed. And what's the best and most innovative aspect of this invention? It requires zero change in user habits. Motion Code conforms to standard credit card format and thickness and does not require any re-education or change in behaviour. So that's what convenience is about.

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3/ *The Human factor*

- What does the Human factor mean for us? Let me tell you: what is a more convenient, more efficient way to define a security credential than your own physical credentials: What **you ARE**, rather than what **you KNOW!**
- For decades, MORPHO has been breaking new ground in biometric technology, and this means that today we are the undisputed leader in this field.
This is what we call the “Human Factor” —, replacing the daily use of PIN codes, security codes and passwords — like a link between physical and digital identities. Using your fingerprint, your face, your iris, your voice,
In other words,
replacing what you must remember
by what you are.
And in addition, the more you prove WHO you are through biometrics,
the more CRITICAL your transactions can be.

4/ *Continuity*

- What does Continuity mean for us? Addressing all worlds in which human beings are evolving: physical of course, but also digital, commercial of course, but also civil.
This is what I call the 7th continent. And as we need physical passports to travel to 5 to 6 continents, we also need digital identity to travel the 7th continent: the Digital Space.
And again, we need to provide the consumer with a seamless and frictionless experience between the physical and digital space.
- Thanks to our specific and complementary fields of expertise, we are the only company capable of simultaneously addressing all environments and providing the bridge between these different worlds.

Up to now, new innovations and use-cases were approached and designed without necessarily raising the question of security. And so this question inevitably comes back and bites you when you meet with problems. This is how major inventions like the computer and internet were born: first the door, then the lock.

But in today’s world, and the world to come — our physical, digital, "phygital" world— the question is no longer « **How to secure?** », but « **How to be sure?** ». « **How to build-in security from the start?** »

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Make sure that the smartphone that can make a purchase, BELONGS to the buyer, and make sure that the person carrying out the transaction IS INDEED the owner of the smartphone.

From a Security aspect, we have moved on to a question of Identity and Authentication.

The world is more connected for both individuals and objects, and this means that identification and authentication become more critical. This means being able to control our identities and credentials in every interaction or transaction, to connect, pay, exchange, vote or travel.

In fact,

It's all about identification (you are you)

It's all about authentication (only you can be you)

It's all about **IDENTITY**

And better than IDENTITY, it's all about what we have chosen to call "**AUGMENTED IDENTITY**".

- An **ENHANCED** Identity: which means *"I'm able to do more things and enjoy life"*
- An **ADAPTABLE** Identity: which means *"My identity is adapted to the environment, use cases and needs of today and tomorrow"*
- A **REINFORCED** Identity: which means *"A stronger identity trusted by everyone"*
- A **SELF-SOVEREIGN** Identity: which means *"I am the source and in direct control of my identity"*

Augmented Identity is security that you benefit from, every minute of every day without even seeing it, without even knowing that it is there. **It's native identity, built in into each individual.**

Security that protects us and allows us to enjoy life to the full and with even greater peace of mind. Retina, **fingerprint**, face... biometrics, DNA... here are tomorrow's "augmented solutions".

This is an exciting vision, but let me show you that this is already starting to become reality, thanks to our technology.

So there you have it, in about 2 minutes, you have seen our promiss in action, **Augmented Identity** that you benefit from, every minute of every day without even noticing it. And this is precisely what you didn't see in this film: security solutions that we deploy and which help people in their everyday lives, in everything they do, from the most routine tasks to the most important ones. Transparent security. Let me just spend a few minutes on what **we've not seen** just now in the film.

The first one was in a bank.

OK, so I'm sure you all agree: how time-consuming it could be to open a bank account, to check out from a hotel, to rent a car. You see, with our solutions which come into play during the film, difficulties and frictions are over! No more forms, no paperwork... Frictionless! So what did we just see? Or rather, what did we not just see?

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We didn't see 4 solutions:

1. First of all, the **IN-BRANCH INSTANT ACCOUNT OPENING**
 - The bank adviser uses the customer's biometric passport to verify and confirm their identity in real time. This is our technology **ID document verification and biometric identification**, we have already successfully deployed with the ITAU bank in Brazil, which has identified 45 million customers through their biometrics.
 - Thanks to our **MorphoWave** technology, it scans the client's fingerprints, which are directly recorded and stored into the biometric F-Code payment card. **We will be launching the F-Code card on the market soon.**
 - And straight after that, the bank can produce and issue a payment card to the customer. This is what we call **Instant card issuance**.
 - This operation, from start to finish, takes only a few minutes to perform!
 - At the same time, a digital payment card can also be downloaded **immediately** into the client's smartphone, so they can use it to pay **as soon as they walk out of the bank**. It's more convenient for the consumer, it accelerates revenue for the bank. It's win-win.
2. Then, in parallel, in the Digital Space, we saw a woman open a bank account online. And here again, our technologies help to accelerate and simplify the process and make it frictionless, whilst still guaranteeing the highest levels of security. This is our **DIGITAL INSTANT ACCOUNT OPENING**
 - The future customer is identified in quite a simple way: first, she takes a photo of her ID — the authenticity of her ID can be verified through our Cloud based systems, like in the US for example we supply 80% of all drivers licenses. Then she takes a selfie so that her face can be immediately analyzed and compared with the one on her ID — This process is simple, fast and efficient, and combines two of our technologies: **ID document verification**, and **Biometric identity verification (through facial recognition)**.
 - The contract is then signed using an electronic signature
 - And so, quite logically, the process ends right where it started: in the customer's hands; a new payment card is immediately issued, digitalized and activated into her smartphone's secure element — all of this thanks to our **Digital Enablement platform**.
 - **Until now, no bank has offered all of this just using a smartphone-based digital process.** But things are changing rapidly because we are in the process of deploying this type of prototype with a French bank.
3. In the next scene, you probably worked out that this man and woman are married, and they want to buy flowers.

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- Inside the shop, the woman wanted to pay, but the man got there first with our **BIOMETRIC PAYMENT CARD (ATTENTION → pour l'infographie à l'écran, écrire BIOMETRIC CARD PAYMENT)**: he used his contactless F-code card and his index fingerprint to confirm the purchase of the bouquet.
- But if his wife had managed to pay first, she would have used her smartphone to pay. This is what we call **IN-STORE MOBILE PAYMENT. And we are already doing that for major payment systems like Apple Pay in Japan, Samsung Pay in Spain, Orange Pay in France, Westpac in Australia, Falabella in Chile....**
- So you see that we can use two methods, physical and digital, to make the same purchase. Both in a highly convenient way.

Let me tell you about the second part of the film. **The airport.** The stress of traveling. An airport is a place where security-driven requirements are in conflict with the need to move passengers quickly and smoothly, in ever-increasing numbers.

This journey starts, as everyone knows, with something that feels like an obstacle course. You have to accept **these security measures** of course, because of the **threat of terrorism.**

But you saw in the film a few minutes ago that the woman we followed in her smooth and seamless journey from her home to the plane was quite chilled out.

So why and how was this possible?

1. The story begins with easy and secure **traveler enrolment**, based on the same principle as the one used to open a bank account remotely: you scan your passport, you authenticate using a selfie. She gets her boarding card on her smartphone, and she also receives the confirmation of the validity of her passport, and also a message telling her to go straight to security. This is **CHECK-IN WITH FACIAL AUTHENTICATION.**
2. Thanks to our **FAST BIOMETRIC BORDER CONTROL**, our traveler then goes through security through an **eGate**, without producing a passport or any form of ID because her face is used to identify her.
3. The biometric face recognition is also used at the snack bar, where she buys her sandwich and newspaper without her payment card, using **FACIAL RECOGNITION PAYMENT...** or when she boards without producing any document whatsoever, using **BIOMETRIC AUTOMATED BOARDING.**

This example shows the power that **our companies extract** from all of **their** different forms of know-how:

- We use Morpho's biometric solutions to secure the journey of a passenger through the airport. They fit into the existing infrastructure and they comply with legal requirements.
- We use OT's digital technology to transfer credentials from fixed equipment in airports to our smartphones.

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Science fiction? No! This type of solution will be introduced for the first time in the world at terminal 4 of Changi airport in Singapore — the most advanced airport in the world — this coming November. By eradicating the queuing time at all of these airport control points, we believe that through our solutions, each passenger should be able to reach the Duty Free zone less than 10 minutes after they arrive. 10 minutes, you will agree with me, this is obviously a revolution compared to what we all experience today!

The third example is car rental. Probably my favorite one. Because it shows the power of our two companies: OT and Morpho technologies merged to develop a unique solution that fixes one of the most severe pain points of travelers: how to rent a car simply and fast? I am still amazed that it takes only 3 hours to go from Paris to Marseille, by train, in France, and once you arrive in Marseille you need to queue for half an hour at least to rent a car.

Here again, our innovations work at all levels to make the journey both frictionless and secure.

From booking to the moment he leaves the car park, there are four OT-Morpho solutions at work:

1. First, the person books his car online and uploads his driver's license. Then he takes a selfie of himself so he is bridging the identity to the document. Now you have a real person in front of you who is authorized to drive. What comes into play here is **TRUSTED DIGITAL IDENTITY**.
2. Then we have **KEYLESS CAR ENTRY** and **IN-CAR CONNECTIVITY**:
 - Thanks to his phone, he knows where the car is, he goes directly to the parking lot. But even better, we can securely download the digital key onto his phone so he can open the car.
 - Then he gets in the car and can enjoy his favorite music, his best seat position and other personalized preferences, as this information has been sent remotely to the connected vehicle, thanks to our eSIM technology — all of this makes the car able to propose online and infotainment services. **You can even push the solution to have driver facial recognition. The guarantee that the person behind the wheel is really the one who rented the car**
3. Finally, leaving the car park is very straightforward, thanks to **IN-CAR PAYMENT**, a new digital payment experience that our driver enjoys. His bank details and other biometric data had been transferred to the car's eSE and so the car can make payments (car parking, toll charges, gas station), which saves the user the trouble of producing his credit card.

Daimler Benz has millions of connected vehicles in its fleet, and was the first car maker to deploy smart connectivity management for the new Mercedes E Class. This, you understand, optimizes quality of services, connectivity deployment and connectivity costs.

Fourth and last example, another place and another story: the man you just saw going to a concert.

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Once again, this is a risk zone — in terms of safety, of course — and a source of stress for a fan who is worrying about maybe arriving late or not finding a seat. How can you explain, with all the technology that exists today, that we need to manually search 80,000 people just to bring a bit of safety to a concert hall or a stadium?

For these people, and for many others, we develop solutions so that security doesn't get in the way of enjoying your free time. Among the solutions in the film, I could mention these:

1. Our music fan arrives at the show venue using the OT-Morpho **TSA PRE-CHECK** using his passcode displayed on his connected watch. Our TSA Precheck Application Program — also deployed for travelers as for other services — has already achieved a milestone by enrolling in the US more than 5 million customers to facilitate air passengers on boarding.
2. Our fan of music then gets inside the venue much faster through the priority lane, then through the security check which he gets through easily using his smart watch or his fingerprint. **This use case is made simple thanks to three of our technological bricks coming together into one play: our BIOMETRIC FAST PRE-CHECK, and our CONNECTED WATCH FOR ACCESS CONTROL** solutions, combining an embedded Secure Element (eSE) and an embedded SIM.
3. Our fan's journey is smooth right to the end: he uses our **CONNECTED WATCH FOR PAYMENT** to buy his **drink** and find his seat, because his wallet and concert ticket were both available and secured in his connected watch.

As you've gathered from these four examples of real life, our solutions and innovations live up to our ambitions. Some of them already exist. This is not Science Fiction. Some of them are still in development and testing. Many more are being **invented** by our employees. This is the future. This is the Vision we are proposing to you.

These innovations are made possible—thanks to our unrivalled position on the Security, Identity and Authentication markets. This position was born from the coming-together of two unique and complementary DNAs to form just one: a market-leading group. This leadership is the result of our talented people: **the women and the men in our group**, who anticipate, dream up, design, develop and market our Digital Security, Identification and Authentication solutions of today and tomorrow. 14,000 employees working for a safer world, all over the world:

- In Lodz, Poland
- In Jakarta, Indonesia
- In Noida, India
- In Johannesburg, South Africa

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- In Abu Dhabi, Middle East
- In Billerica, Massachusetts, US

In fact, at this very moment, there are more than 12,000 of them who are connected to our live stream, to share this very special day with us...

And actually, guess what? A part of them — the Paris teams, 1,500 are right here. You don't believe me? Yes, they are, look, they are right here with us, in front of you this morning. And I think we can give them a big round of applause!

And what I can say is: our 14,000 people all have one thing in common: **they are really, really proud to be part of the leader of Augmented Identity, as I am personally really, proud to reveal, finally, our new Brand, our new Name:**

IDEMIA, here is the name of the NEW Augmented Identity leader.

IDEMIA, for:

I... because our technologies are centered on the individual

ID,... obviously meaning Identity

Idem,... the same, as we build a bridge between physical and digital worlds, for individuals and objects

ID,... for Idea

IDEMIA, because:

You are you

Only you can be you

And IDEMIA helps you to prove it

So before I bring this founding moment in the life of our company **IDEMIA** to a close, I would like to thank you all here today. I'd like to thank all of our employees first of all for their professionalism, for their passion in what they do and for their commitment. **Augmented Identity** is now between your skilled hands. Thank you! I am proud and privileged to be your CEO. And I want to thank you, friends and colleagues, for coming here this morning. By coming here, you have shown how interested you are in Security issues.

To finish, I'd like to make an analogy with this magnificent building that we are in this morning. You have noticed the enormous photovoltaic sail in front of this building, turning towards the sun, supplying energy to this venue. We, IDEMIA, intend to remain at the forefront of Security in the 21st century to supply the world with what it needs: Augmented Identity. And we need all of you

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here today: to be the ambassadors of what we are trying to achieve together: Making the world a safer place. So let's go and see some of our innovations!

Thank you!

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