

2005-04-06

Report from Annual General Meeting in Protect Data AB (publ), Tuesday, April 5, 2005

CEO's address to shareholders included the following information.

Earnings increased sharply during 2004 and amounted to a profit after net financial items of SEK 20.7 M, compared with SEK 2.0 M for the preceding year. The increase in profit was primarily due to a strong improvement in sales of the proprietary product Pointsec. Sales of Pointsec increased for the second consecutive year by more than 60 percent and amounted to SEK 149.5 M (91.9).

Toward the end of the year a decision was taken to concentrate the Group's operations to Pointsec. As a result, the Solutions business area was discontinued. The Digital Identities product area was integrated into the Pointsec organization. The Anti-virus and Network Security product areas were sold to an external buyer, while other commission sales and consulting operations were discontinued.

Protect Data's strong financial position was further strengthened during the year, and on December 31, 2004, the Group had an equity/assets ratio of 66 percent and equity of SEK 175 M. Liquid funds, including unutilized credit facilities and surplus values in financial investments, amounted to SEK 182 M.

The CEO also informed the meeting about some business deals during the first quarter 2005. Among other developments, the US Army selected Pointsec's security solution for its handheld computers for a new system for field medical care, and the Swedish Labor Market Administration selected a system for securing internal web services called Entrust Identity Guard that is supplied by Pointsec. These orders were previously announced in press releases.

At the Annual General Meeting, the following decisions were taken:

- A new Board of Directors was chosen in which Martin Bjäringer, Jonas Fredriksson, Ulrika Hagdahl, Harald Nilsson and Carl Rosvall were re-elected and Henrik Ekelund was newly elected. Ekelund, who was born in 1955, is president and CEO, as well as principal owner, of BTS Group AB, which is listed on the O list of the Stockholm Stock Exchange. Other board positions are member of BTS Group AB and deputy of Universum Communications AB.
- Board fees totaling SEK 540,000 were approved for those Board members who are not employed by the company. These funds will be distributed according to the Board's decision. Of this amount, SEK 30,000 will be compensation for committee work.
- A proposal was approved to grant authorization to the Board of Directors up until the next Annual General Meeting to take decision on acquisition of at most 1,000,000 of the company's own shares to be purchased on the Stockholm Stock Exchange. The purchases will take place at market price, and it will be possible to transfer the shares to another party, in an acquisition, for example, with exemption from preferential shareholders rights.
- A proposal was approved for a new warrants program directed to non-American employees. The warrants program carries the right to subscription of at most 250,000

new shares at a subscription price of SEK 124 and extends until May 15, 2008. The warrants are offered at a market price calculated according to the Black & Scholes method. The program will result in a dilution effect of 2.2 percent.

A proposal was approved for a new warrants program comprising 150,000 warrants carrying subscription rights to the same number of shares. This program is directed to current and future employees in the US. The warrants were subscribed by Protect Data's American subsidiary Pointsec Mobile Technology and will be transferred in accordance with the terms of a Stock Option Plan. The warrants will thus be transferred according to an American model that entails in part that the warrants will be earned during the employee's employment period and through performance. The warrants will be received without cost, and the warrant holder's exercise price will correspond to the market price on the date they were granted, although not lower than SEK 91. The dilution effect of the new program will be about 1.3 percent.

For all outstanding warrants programs, the dilution effect amounts to about 7.7 percent.

- A proposal was approved to grant authority to the Board of Directors up until the next Annual General Meeting to issue at most 1,500,000 new shares in the company.
- A decision was taken on an initiative from the largest shareholders to appoint a Nominations Committee of three or four members. The committee members, the majority of whom, including the chairman, may not be members of the company's Board of Directors, will be announced no later than six months prior to the Annual General Meeting.
- A dividend of SEK 1.25 per share totaling SEK 13,717,712 was approved. April 8, 2005 was established as the record date.

The complete decisions taken by the Annual General Meeting are available at the company's office.

At the following statutory meeting of the Board of Directors, Martin Bjäringer was re-elected as Chairman and Carl Rosvall as Vice Chairman.

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