

Listing Prospectus dated as of March 31, 2016



WIS@key International Holding Ltd
(a stock corporation organized under Swiss law)

Listing of
14,668,392
Registered Shares
With a Par Value of CHF 0.05 Each
Formal Listing of 10,669,212 Registered Shares
With a Par Value of CHF 0.05 Each

This listing prospectus (this “**Listing Prospectus**”) relates to (i) the listing of 14,668,392 registered shares of WIS@key International Holding Ltd (the “**Company**” and, together with its subsidiaries, unless the context otherwise requires, the “**Group**”, “**WIS@key**”, “**we**”, “**us**” or “**our**”), with a par value of CHF 0.05 each, that are issued as of the date of this Listing Prospectus (the “**Issued Shares**”) and (ii) the formal listing of 10,669,212 registered shares of the Company, with a par value of CHF 0.05 each, that may be issued out of the Company's conditional share capital (the “**Additional Shares**” and, together with the Issued Shares, the “**Listed Shares**” or the “**Class B Shares**”), in each case on the SIX Swiss Exchange Ltd (the “**SIX**”) in accordance with the International Reporting Standard thereof (the “**International Reporting Standard**”). The Listed Shares are fully fungible and rank economically *pari passu* in all respects with each other and all other issued registered shares of the Company.

In addition to the Issued Shares, the Company has issued 40,021,988 registered shares with a par value of CHF 0.01 each (the “**Class A Shares**” and together with the Class B Shares the “**Shares**”). The Company's articles of association (the “**Articles**”) provide that each of its Shares, irrespective of its par value and its class, has one vote. As a result, relative to the investment required to acquire a Class A Share, holders of Class A Shares benefit from a voting privilege, as one Class A Share grants its holder the same voting right as the higher par value Class B Shares. Class A Shares will not be listed and tradable on the SIX.

An application has been made to, and approval has been given by, the SIX to list the Issued Shares and formally list the Additional Shares on the SIX in accordance with the International Reporting Standard. The listing of the Listed Shares is expected to become effective, and trading in the Issued Shares on the SIX in accordance with the International Reporting Standard is expected to commence, on March 31, 2016 under the symbol “WIHN”, with International Securities Identification Number (ISIN) CH0314029270 and Swiss Security Number 31402927.

Listed Shares traded on the SIX in accordance with the International Reporting Standard will be traded in Swiss francs and settle and clear through SIX SIS Ltd (“**SIS**”).

Investing in the Shares involves risks. For a discussion of certain factors that should be considered in connection with an investment in the Shares, see “Risk Factors” beginning on page 13 of this Listing Prospectus.

This Listing Prospectus is not an issue prospectus pursuant to article 652a of the Swiss Federal Code of Obligations (the “**CO**”). This Listing Prospectus constitutes a listing prospectus pursuant to articles 27 *et seq.*

of the listing rules of the SIX (the “**Listing Rules**”) and has been prepared solely for use in connection with the listing of the Class B Shares on the SIX in accordance with the International Reporting Standard. This Listing Prospectus may not be used for, or in connection with, and does not constitute, an offer to sell, or a solicitation of an offer to buy, any Shares. The distribution of this Listing Prospectus may be restricted by law in certain jurisdictions. Persons in possession of this Listing Prospectus are required to inform themselves of and observe such restrictions. We do not accept any responsibility for any violation by any person of any such restrictions.

Listing Agent



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IMPORTANT INFORMATION ABOUT THIS LISTING PROSPECTUS

The Company assumes responsibility for the content of this Listing Prospectus pursuant to section 4 of Scheme A of the Listing Rules. The Company confirms that, to the best of its knowledge, the information in this Listing Prospectus is correct and no material facts or circumstances have been omitted.

This Listing Prospectus has been prepared solely for use in connection with the listing of the Listed Shares on the SIX in accordance with the International Reporting Standard. This Listing Prospectus may not be used for, or in connection with, and does not constitute, an offer to sell, or a solicitation of an offer to buy, Shares. The distribution of this Listing Prospectus may be restricted by law in certain jurisdictions. Persons in possession of this Listing Prospectus are required to inform themselves of and observe such restrictions. The Company does not accept any responsibility for any violation by any person of any such restrictions. Except as otherwise indicated, this Listing Prospectus speaks as of the date hereof, and any information contained in a document incorporated by reference herein is current only as of the date of such document. The delivery of this Listing Prospectus shall, under no circumstances, imply that there has been no change in the affairs of the Company or its subsidiaries or that the information herein is correct as of any date subsequent to the earlier of the date of this Listing Prospectus and any specified date with respect to such information. Our business, financial condition, results of operations and prospects may have changed since such dates.

Each potential investor in Shares should consider the merits and risks involved in making such an investment decision. Investors in Shares are not to construe the contents of this Listing Prospectus as legal, business or tax advice, and they should inform themselves *inter alia* as to (i) the risk factors described in detail in “*Risk Factors*” beginning on page 13 of this Listing Prospectus, (ii) the possible tax consequences, (iii) the legal requirements and (iv) any foreign exchange restrictions or exchange control requirements that they might encounter under the laws of the countries of their citizenship, residence or domicile and that might be relevant to the purchase, holding or disposal of Shares. Neither the Company nor the Listing Agent is making any representation to any investor regarding the legality of an investment by such investor under appropriate legal investment or similar laws.

In making a decision to invest in the Shares, investors must rely on their own evaluation of the Company and the Shares, including the merits and risks involved. Nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of the Company.

No person has been authorized to give any other information, or to make any representations in connection with the listing of the Listed Shares on the SIX, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Company or the Listing Agent.

Unless expressly incorporated by reference herein, information on the Company's website, any website directly or indirectly linked to the Company's website or any website mentioned in (or in any of the documents incorporated by reference into) this Listing Prospectus does not constitute in any way part of, and is not incorporated by reference into, this Listing Prospectus, and investors should not rely on any such information in making any decision with respect to the Shares.

FORWARD-LOOKING STATEMENTS

This Listing Prospectus includes forward-looking statements concerning the Company and its business, and the industry in which it operates. Certain of these forward-looking statements are identifiable by use of the following words and other similar expressions:

- | | | | |
|-----------------|---------------|--------------|---------------|
| ▪ “anticipates” | ▪ “estimates” | ▪ “may” | ▪ “projects” |
| ▪ “believes” | ▪ “expects” | ▪ “might” | ▪ “scheduled” |
| ▪ “budgets” | ▪ “forecasts” | ▪ “plans” | ▪ “should” |
| ▪ “could” | ▪ “intends” | ▪ “predicts” | |

Forward-looking statements contained in this Listing Prospectus relate to, among other things, without limitation, statements about the following subjects:

- macroeconomic factors, including supply and demand and the downturn in the global economy or market outlook for the various sectors that we operate in geographically;
- the Internet security market, including the demand for cybersecurity, digital identification and authentication solutions and anti-counterfeiting technology;
- customer contracts, contract commencements, contract extensions, contract terminations, contract option exercises and contract revenues;
- the level of expected investments in the development of new or the improvement of existing technologies;
- the level of expected capital expenditures and research and development expenses as well as the timing thereof;
- liquidity and adequacy of cash flow to satisfy our obligations;
- our results of operations and cash flow from operations, including revenues and expenses;
- the timing of acquisitions and dispositions and the proceeds of dispositions;
- tax matters, including our effective tax rate, changes in tax laws, treaties and regulations, tax assessments and liabilities for tax issues;
- the possible benefits, effects or results of the listing of the Listed Shares on the SIX in accordance with the International Reporting Standard;
- legal and regulatory matters, including results and effects of legal proceedings and governmental audits and assessments, outcomes and effects of internal and governmental investigations; and
- insurance matters, including adequacy of insurance and insurance proceeds.

These forward-looking statements involve certain known and unknown risks, uncertainties and assumptions and other factors that could cause the Company's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets the Company serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements, including those set forth in “*Risk Factors*” beginning on page 13 of this Listing Prospectus.

All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on its behalf are expressly qualified in their entirety by reference to these risks and uncertainties.

Each forward-looking statement speaks only as of the date of the particular statement, and the Company undertakes no obligation to publicly update or revise any forward-looking statements, except as required by law. Therefore, you should not place undue reliance on forward-looking statements contained herein.

The foregoing risks and uncertainties are beyond our ability to control, and in many cases, we cannot predict the risks and uncertainties that could cause our actual results to differ materially from those indicated by the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated.

AVAILABILITY OF DOCUMENTS

Copies of this Listing Prospectus are available free of charge from Acxit Capital Partners Ltd (telephone: +41 44 575 20 00, facsimile +41 44 575 20 07, e-mail: zurich@acxit.com). Copies of the Company's Articles (*Statuten*) can be downloaded from the Company's website at www.wisekey.com.

As a result of the listing of the Listed Shares on the SIX in accordance with the International Reporting Standard, under Swiss law and the rules and regulations of the SIX, the Company will be subject to reporting obligations, including the publication of annual reports (including annual financial statements and an audit report thereon) and unaudited semi-annual financial statements. Pursuant to rules and regulations of the SIX, the publication of quarterly financial statements is voluntary. The Company does currently not intend to publish quarterly financial statements. In addition, the Company will be subject to (i) the SIX ad hoc publicity requirements, pursuant to which the Company must disclose any potentially significant price-sensitive facts (*i.e.*, any facts that are capable of affecting the average market participant in its, his or her investment decision), and (ii) the SIX management transaction disclosure requirements, pursuant to which the Company must ensure that the members of its board of directors and executive management report the direct or indirect purchase or sale of the Company's equity securities and certain other securities that are convertible or otherwise linked to the Company's equity securities. The Company will publish the aforementioned reports, financial statements and other information in accordance with the Listing Rules.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The audited annual combined consolidated financial statements of the Company for the period ended and as of December 31, 2014, 2013 and 2012, and the unaudited combined consolidated financial statements for the period ended and as of June 30, 2015 included herein have been prepared in accordance with United States generally accepted accounting principles ("**U.S. GAAP**") and Swiss law.

Reference to any fiscal year of the Company refers to its fiscal year ending on December 31.

In this Listing Prospectus, references to "**CHF**" or "**Swiss francs**" are to the lawful currency of Switzerland and references to "**USD**", "**\$**" and "**dollars**" are to the lawful currency of the United States. References to the "**U.S.**" or the "**United States**" are to the United States of America.

UNITED STATES RELATED MATTERS

THE SHARES HAVE NOT BEEN REGISTERED WITH OR APPROVED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAS ANY SUCH SECURITIES COMMISSION OR REGULATORY AUTHORITY CONFIRMED THE ADEQUACY OR ACCURACY OF THIS LISTING PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE UNDER THE LAWS OF THE UNITED STATES.

SUMMARY

*The following summary (the “**Summary**”) highlights information contained elsewhere in this Listing Prospectus. This summary is qualified in its entirety by, and is subject to, and should be read in conjunction with, the information contained elsewhere in this Listing Prospectus. Capitalized terms used but not defined in this Summary have the meanings assigned to such terms elsewhere in this Listing Prospectus. References in the “Risk Factor” section to “WISeKey”, the “Company,” the “Group,” “we,” “us” and “our” generally refer to the Company and its consolidated subsidiaries.*

Overview of WISeKey

WISeKey International Holding Ltd is a Swiss corporation with its registered office at General-Guisan-Strasse 6, 6300 Zug, Switzerland, and its head office at c/o WISeKey SA, route de Pré-Bois 29, World Trade Center, 1217 Meyrin, Switzerland.

WISeKey offers digital security technology in the field of cybersecurity, digital identification and authentication of people and objects. We have developed asymmetric encryption methods based on a root of trust (“**Root of Trust**” or “**RoT**”) that we believe provide military-grade security to users. RoT is a set of functions in the computing module that is always trusted by the computer's operating system. The RoT serves as separate computing engine controlling the trusted computing platform's cryptographic processor on the desktop, mobile device, wearable device or Internet of things (“**Internet of Things**” or “**IoT**”) in which it is embedded.

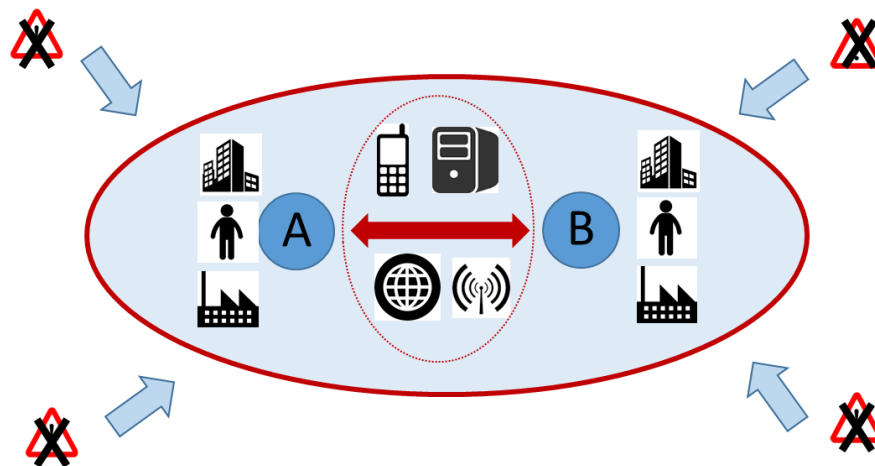
WISeKey's technology ensures secure authenticated digital communication and data transfer between people and people and objects, both in relation to mobile and fixed line Internet transfers.

Our authentication and identification cybersecurity technology and platform:

- is based on a cryptographic rootkey that:
 - (1) is embedded in over 2.6 billion desktop browsers, mobile browsers and IoT devices;
 - (2) is owned by the International Organization for Secure Electronic Transactions (“**OISTE**” or “**OISTE.ORG**”), a member of the United Nations' Economic and Social Council (“**ECOSOC**”), acting as a trusted third party and non-for-profit entity in charge of ensuring that the Root of Trust remains neutral and trusted, and located in Switzerland as an independent, neutral jurisdiction; and
 - (3) OISTE has exclusively licensed to us for the use and the development of technologies and processes based on its exclusive independent trust model;
- is platform agnostic and is thus compatible with a wide range of Internet and mobile applications and operating systems; and
- is crypto and software based and tailored to address the key cybersecurity requirements of corporate, retail and/or government customers in the field of cybersecurity, identification and authentication management.

Security threats in today's global networks are omnipresent. Following a number of widely publicized security breaches, including at well known corporates, governments, businesses and consumers have

come to realize the potential disruptive effects and the financial and reputational damage that can arise if the digital communication and data transfer on which they rely can no longer be trusted to be secure. WISeKey's entire offering circles around a technological software platform that we believe ensures secure communication between "A" (a person, a device or an object or an entity) and "B" (a person, a device or an object or an entity) based on an encrypted authentication process that also offers protection against intrusion from the outside.



Our solutions address a number of fast growing markets ranging from mobile and social media applications to luxury brands concerned about counterfeiting and the identification and authentication of the industrial Internet and IoT. Due to the increasing connectivity of the Internet and the increasing threat of loss of protected data, we believe the demand for cybersecurity products will continue to rise significantly. GSMA, an organization representing the interest of mobile operators, estimates that more than 7.4 billion objects are currently connected to the Internet. By 2020, it is expected that already over 50 billion objects will be connected to the Internet, representing a growth of almost 700% in only four years. Given our technological assets and the related patents and other intellectual property rights we own, we believe that we will be able to develop robust revenue models, scale the sales of our technology and products and thus also grow our revenues and increase profitability.

In order to address our future growth, we have divided our solutions into three business areas: cybersecurity services, Internet of Things / digital brand management ("**Digital Brand Management**" or "**DBM**") and mobile security. Each of these business areas consists of a number of products already on the market (see the graph below) and products under development, such as the WISeID IoT Blockchain, that we believe will enable the Company to grow further and enter new market segments.

Cybersecurity Services



- Protects digital communications & data with personal, corporate and server (SSL) digital certificates.
- Protects corporate data with trusted archiving, invoicing & more.

WIS©Security

IoT / Digital Brand Management



- Digital Item ID.
- Ensures the authenticity of goods, online and physically, from the supply chain to the end user.

WIS©Authentic

NFC Trusted

Mobile Security



- Digital Personal ID.
- Protects privacy by securing mobile phone communications, data, and transactions.

WIS©WATCH

WIS©id

History of WIS©Key

Following the recent corporate reorganization of WIS©Key Group (see the section “Recent Developments” below), WIS©Key International Holding Ltd is the holding company of the WIS©Key Group. WIS©Key’s origin traces back to the incorporation by Carlos Moreira of WIS©Key SA in 1999, a Swiss corporation with registered office in Meyrin, Switzerland. As a pioneer in realizing the necessity for and the potential of cybersecurity solutions, WIS©Key, in cooperation with the Canton of Geneva, provided security for the first ever binding Internet vote, including through the use of biometric enabled public key infrastructure (“PKI”) e-voting. In 2005, WIS©Key began marketing security products for computers and digital video broadcasting. In 2006, WIS©Key launched its CertifyID product for digital certification and identity management. In 2007, WIS©Key continued to grow its family of security products with solutions for secure registration and access control of online offerings, dematerialization and secure electronic document dematerialization. In 2008, WIS©Key launched its Citizen Services Platform in a partnership with Microsoft Corporation for confirming citizen access to government services and validity of citizen electronic IDs. Between 2010 and 2012, WIS©Key began marketing its WIS©ID and Social ID Fans (now marketed as WIS©fans) mobile products for securing social media applications and for effective data protection. Over the last two years, WIS©Key has been developing and commenced marketing and deploying its WIS©Authentic product for the security of luxury goods, artwork, pharmaceuticals, spare parts and VIP social networking. Over 1 million luxury watches are already digitally certified with WIS©Key’s technology.

Recent Developments

- Immediately prior to the listing of the Listed Shares on the SIX, we have reorganized our Group structure by setting up WIS©Key International Holding Ltd as our Group holding company. The reorganization of our Group structure was effected as follows:
 - WIS©Key International Holding Ltd, with registered office in Zug, Canton of Zug, was incorporated in December 2015.

- In March 2016, WISeKey International Holding Ltd acquired the entire equity interest of WISeTrust SA against the issuance of 40,021,988 new shares, which, under the Articles, are now Class A Shares. As a result, the Company acquired:
 - the U.S. distribution rights pertaining to the technology offered by WISeKey;
 - WISeTrust SA's 50% equity interest in WISeKey USA, Inc., an operating company incorporated in Delaware, with a focus on business opportunities in the United States; the other 50% interest in WISeKey USA, Inc., is held by WISeKey SA.
 - WISeTrust SA's entire equity interest in WISeKey SA, which at the time of the contribution represented approximately 19.4% of WISeKey SA's issued share capital.
- Concurrently, we completed a share exchange offer submitted by us to all holders of WISeKey SA shares for the exchange of five WISeKey SA shares for one Class B Share (the "**Exchange Offer**"). To settle the Exchange Offer, WISeKey International Holding Ltd issued 13,234,027 new Class B Shares against contribution in kind of all WISeKey SA shares tendered in the Exchange Offer. WISeKey International Holding now holds 90.9% of WISeKey SA's share capital and voting rights. The Company intends to acquire 100% ownership of WISeKey SA, either through entering into private transactions with the WISeKey SA shareholders that have not tendered their WISeKey SA shares in the Exchange Offer or through a squeeze-out merger pursuant to the Swiss Merger Act. In such a merger, WISeKey SA would be merged with and into a wholly-owned Swiss subsidiary of WISeKey International Holding Ltd (with the Swiss subsidiary being the surviving entity).
- In March 2016, we raised a total of CHF 7,671,825 in cash by issuing 1,434,365 Class B Shares. 100,000 of these Class B Shares were issued in an ordinary share capital increase, carried out concurrently with the share capital increase to settle the Exchange Offer, at an issue price of CHF 10, and 1,334,365 of these Class B Shares were issued in an authorized share capital increase carried out shortly before the listing of the Class B Shares at an issue price of CHF 5, whereby preferential subscription rights of shareholders were withdrawn and allotted to strategic investors to enable the Company to raise capital in a fast and flexible manner and thus achieve the listing of its Class B Shares on the SIX. In connection with the capital raise out of authorized share capital, we also granted the strategic investors 268,292 warrants exercisable to purchase an equal number of Class B Shares at par value. The exercise period of the warrants is three months, commencing on the date of the issuance of the warrants (March 31, 2016).

Following completion of the equity transactions described above, WISeKey International Holding Ltd has thus a dual share structure, *i.e.*, 40,021,988 Class A Shares, which are privileged voting stock and will not be listed and traded on the SIX, and 14,668,392 Class B Shares, which will be listed and traded on the SIX.

Each holder of Class A Shares has entered into an agreement with WISeKey International Holding Ltd, according to which such holder has undertaken vis-à-vis the Company not to sell and transfer Class A Shares, except if such sale and transfer constitutes a Permitted Transfer (as defined and further described under "*Related Party Transactions – Shareholders' Agreement*", on page 51).

- In February 2016, we signed a non-binding letter in relation to a potential acquisition of a security solutions business generating about USD 33 million revenue in 2015 for a consideration of

between CHF 10 million to CHF 14 million, payable in cash or a mix of cash and the issue by us of an instrument convertible into Class B Shares. We are currently performing a detailed business, financial, legal and technical due diligence. Detailed discussions on the definitive terms of the transaction are ongoing and accordingly, no assurance can be given whether, when and on what final terms a possible transaction might occur. We would be required to pay a substantial penalty to the seller of the business for the exclusivity granted to us if we do not pursue the transaction.

The Shares and the SIX Listing

Additional Shares	The formal listing of 10,669,212 registered shares of the Company, with a par value of CHF 0.05 each, that may be issued out of the Company's conditional share capital
Class A Shares.....	Shares in registered form with a par value of CHF 0.01 each (not listed and tradable on the SIX). All Class A Shares are fully paid and economically rank <i>pari passu</i> in all respects with each other and all other Shares. As of the date of this Listing Prospectus, 40,021,988 Class A Shares have been issued and are outstanding.
Class B Shares.....	Shares in registered form with a par value of CHF 0.05 each, listed and tradable on the SIX. All Class B Shares are fully paid and economically rank <i>pari passu</i> in all respects with each other and all other Shares. As of the date of this Listing Prospectus 14,668,392 Class B Shares have been issued (<i>i.e.</i> , the Issued Shares) and are outstanding.
Issued Shares	The Class B Shares issued as of the date of this Listing Prospectus.
Listed Shares	The Issued Shares and the Additional Shares collectively.
Shares	The Class A Shares and the Class B Shares collectively.
SIX Listing	Application has been made to, and approval has been given by, the SIX to list the Issued Shares and formally list the Additional Shares on the SIX in accordance with the International Reporting Standard. The listing of the Listed Shares on the SIX in accordance with the International Reporting Standard is expected to become effective, and trading in the Issued Shares on the SIX in accordance with the International Reporting Standard is expected to commence on March 31, 2016.
Settlement and Clearance.....	Listed Shares traded on the SIX in accordance with the International Reporting Standard will settle and clear through SIX SIS Ltd.
Listing Agent.....	Acxit Capital Partners Ltd is acting as the recognized representative of the Company for the listing of the Listed Shares on the SIX in accordance with the

	International Reporting Standard within the meaning of article 43 of the Listing Rules.
Official Notice	<p>The Official Notice for the Listed Shares is expected to be published on the website of the SIX (http://www.six-swiss-exchange.com/index.html and https://www.six-exchange-regulation.com/en/home.html, respectively) on March 31, 2016. In addition, SIX may publish the Official Notice via e-mail messages to interested recipients.</p> <p>Any amendments or changes to the terms of the listing of the Listed Shares on the SIX in accordance with the International Reporting Standard or to this Listing Prospectus will be announced through electronic media and, if required, published in electronic form by way of an Official Notice on the website of the SIX (http://www.six-swiss-exchange.com/index.html and https://www.six-exchange-regulation.com/en/home.html, respectively) in accordance with the Listing Rules.</p>
Dividend and Other Distribution Rights	Holders of the Shares are equally entitled to receive dividends and other distributions declared by the Company with respect to the Shares (if any) proportionally to the par value of the respective Shares. See “ <i>Share Capital and Shares – Description of the Shares – Dividends and Other Distributions</i> ” on page 63 of this Listing Prospectus.
Transfer Restrictions	The Shares are not subject to any restrictions on transfer.
Voting Rights	Each Share carries one vote at general meetings of shareholders of the Company. See “ <i>Share Capital and Shares – Description of the Shares – The Shares</i> ” on page 62 of this Listing Prospectus.
Swiss Taxation	Dividends paid on the Shares are subject to Swiss withholding tax. Distributions of cash or property that are based upon a capital reduction or that are paid out of statutory reserves from capital contribution are not subject to Swiss withholding tax. See “ <i>Certain Swiss Tax Considerations – Swiss Withholding Tax (Verrechnungssteuer)</i> ” on page 77 of this Listing Prospectus.
Risk Factors	For a discussion of certain factors that should be considered in connection with an investment in Shares, see “ <i>Risk Factors</i> ” beginning on page 13 of this Listing Prospectus.

SIX Ticker Symbol.....	WIHN.
Swiss Security Number (<i>Valorennummer</i>)	31402927.
International Securities Identification Number (ISIN)	CH0314029270.
Law and Jurisdiction.....	Swiss law, Zug, Switzerland.

RISK FACTORS

The realization of one or more of the events described below may have a material adverse effect on our cash flows, results of operations, financial condition or growth prospects or the Share price. You should note that the risks discussed below are not the only risks to which we are exposed. Additional risks, which are not presently known to us or which we currently believe are immaterial, could likewise result in a material adverse effect on our cash flows, results of operations, financial condition or growth prospects or the Share price. The order in which the following risks are presented does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential material adverse effects on our cash flows, results of operations, financial condition or growth prospects or the Share price. References in this "Risk Factor" section to "WiSeKey," the "Company," the "Group," "we," "us" and "our" generally refer to the Company and its consolidated subsidiaries.

Prolonged economic uncertainties or downturns could materially adversely affect our business.

Our business depends on our current and prospective customers' ability and willingness to invest money in security applications, which in turn is dependent upon the overall economic health. Negative economic conditions in the global economy, including conditions resulting from financial and credit market fluctuations, could cause a decrease in corporate spending on information security software. Continuing economic challenges may cause our customers to re-evaluate decisions to purchase our solution or to delay their purchasing decisions, which could adversely impact our results of operations.

In addition, we expect a significant portion of our revenues to be generated from manufacturers of luxury goods, which generally suffer more dramatically during a time of economic downturn. Negative economic conditions may cause such customers from that industry to reduce their spending, including for security applications. Customers may delay or cancel projects, choose to focus on in-house development efforts or seek to lower their costs by renegotiating service agreements with us. To the extent purchases of our products are perceived by customers and potential customers to be discretionary, our revenues may be disproportionately affected by delays or reductions in their security and authentication spending. If the economic conditions of the general economy or industries in which we operate worsen from present levels, our results of operation could be adversely affected.

The future growth of the information technology and cybersecurity industry is uncertain.

Information (including cybersecurity) technology companies are generally subject to the following risks: rapidly changing technologies; short product life cycles; fierce competition; aggressive pricing and reduced profit margins; the loss of patent, copyright and trademark protections; cyclical market patterns; evolving industry standards; and frequent new product introductions. Information technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Information technology company stocks, especially those which are Internet related, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance. These companies may also be smaller and less experienced companies, with limited product lines, markets, qualified personnel or financial resources.

Slowdowns in the industries for digital security, Internet of Things, anti-counterfeiting and mobile data could adversely impact WISEKey's results of operations, financial condition and liquidity.

WISEKey operates in several new and rapidly evolving industries, including digital security, authentication and mobile applications. Organizations that use our products may believe that their existing solutions sufficiently address their business and security needs. Therefore, they may continue allocating their budgets to their existing or other security products and may not adopt our solution.

Although we believe that our technology responds to the current security threats, hackers and counterfeiters may be able to develop technologies that surpass the protection that we provide to our customers. A change in the threat level could result in a shift of corporate budgets away from solutions such as ours.

WISEKey faces intense competition from digital security vendors, some of which are larger and better known than we are, and we may lack sufficient financial or other resources to maintain or improve our competitive position.

The digital security market in which we operate faces intense competition, constant innovation and evolving security threats. There are several global security companies with strong presence in this market, including VeriSign, Inc., Symantec Corporation, FireEye, Inc., Red Hat Software, VASCO Data Security International, Inc., and Zix Corp. Some of our competitors are large companies that have the technical and financial resources and broad customer bases needed to bring competitive solutions to the market and already have existing relationships as a trusted vendor for other products. Such companies may use these advantages to offer products and services that are perceived to be as effective as ours at a lower price or for free as part of a larger product package or solely in consideration for maintenance and services fees. They may also develop different products to compete with our current solution and respond more quickly and effectively than we do to new or changing opportunities, technologies, standards or client requirements. Additionally, we may compete with smaller regional vendors that offer products with a more limited range of capabilities that purport to perform functions similar to our solution. Such companies may enjoy stronger sales and service capabilities in their particular regions.

WISEKey's competitors may have competitive advantages over us, such as:

- greater name recognition, a longer operating history and a larger customer base;
- larger sales and marketing budgets and resources;
- broader distribution and established relationships with distribution partners and customers;
- greater customer support resources;
- greater resources to make acquisitions;
- larger intellectual property portfolios; and
- greater financial, technical and other resources.

Our current and potential competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their resources. Current or potential competitors may be

acquired by third parties with greater available resources. As a result of such acquisitions, our current or potential competitors might be able to adapt more quickly to new technologies and customer needs, devote greater resources to the promotion or sale of their products and services, initiate or withstand substantial price competition, take advantage of other opportunities more readily or develop and expand their product and service offerings more quickly than we do. Larger competitors with more diverse product offerings may reduce the price of products that compete with ours in order to promote the sale of other products or may bundle them with other products, which would lead to increased pricing pressure on our products and could cause the average sales prices for our products to decline.

WISeKey may not be able to successfully anticipate or adapt to changing technology or customer requirements on a timely basis or at all. If WISeKey fails to keep up with technological changes or to convince our customers and potential customers of the value of our solution even in light of new technologies, our business, results of operations and financial condition could be materially and adversely affected.

If WISeKey does not successfully anticipate market needs and enhance existing products or develop new products that meet those needs on a timely basis, WISeKey may not be able to compete effectively and WISeKey's ability to generate revenues will suffer.

Many of our customers operate in markets characterized by rapidly changing technologies and business plans, which require them to adapt to increasingly complex digital security infrastructures to protect internal and external corporate communications. As our customers' technologies and business plans grow more complex, we expect them to face new and increasingly sophisticated threats of security breach or counterfeiting. WISeKey faces significant challenges in ensuring that our solution effectively protects identities of individual customers, company information and their brands. As a result, we must continually modify and improve our products in response to changes in our customers' technology infrastructures.

WISeKey cannot guarantee that it will be able to anticipate future market needs and opportunities or be able to develop product enhancements or new products to meet such needs or opportunities in a timely manner, if at all. Even if we are able to anticipate, develop and commercially introduce enhancements and new products, there can be no assurance that enhancements or new products will achieve widespread market acceptance.

Our product enhancements or new products could fail to attain sufficient market acceptance for many reasons, including:

- delays in releasing product enhancements or new products;
- failure to accurately predict market demand and to supply products that meet this demand in a timely fashion;
- inability to interoperate effectively with the existing or newly introduced technologies, systems or applications of our existing and prospective customers;
- defects in our products;
- negative publicity about the performance or effectiveness of our products;
- introduction or anticipated introduction of competing products by our competitors; and

- installation, configuration or usage errors by our customers.

If WISeKey fails to anticipate market requirements or fails to develop and introduce product enhancements or new products to meet those needs in a timely manner, it could cause us to lose existing customers and prevent us from gaining new customers, which would significantly harm our business, financial condition and results of operations.

WISeKey is subject to a number of risks associated with global sales and operations.

Business practices in the global markets that we serve may differ and may require us to include non-standard terms in customer contracts, such as extended payment or warranty terms. To the extent that we enter into customer contracts that include non-standard terms related to payment, warranties or performance obligations, our results of operations may be adversely impacted.

Additionally, our global sales and operations are subject to a number of risks, including the following:

- greater difficulty in enforcing contracts and managing collections, as well as longer collection periods;
- higher costs of doing business globally, including costs incurred in maintaining office space, securing adequate staffing and localizing our contracts;
- fluctuations in exchange rates between CHF and foreign currencies in markets where we do business;
- management communication and integration problems resulting from cultural and geographic dispersion;
- risks associated with trade restrictions and foreign legal requirements;
- greater risk of unexpected changes in regulatory practices, tariffs, and tax laws and treaties;
- compliance with anti-bribery laws;
- heightened risk of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of, or irregularities in, financial statements;
- social, economic and political instability, terrorist attacks and security concerns in general;
- reduced or uncertain protection of intellectual property rights in some countries; and
- potentially adverse tax consequences.

These and other factors could harm our ability to generate future global revenues and, consequently, materially impact our business, results of operations and financial condition.

We are a growth company and there is uncertainty about future revenue growth.

There can be no certainty that WISeKey will be able to generate a profit in the long term or that revenue will significantly increase.

Our research and development efforts may not produce successful products or enhancements to our solution that result in significant revenue or other benefits in the near future, if at all.

Investing in research and development personnel, developing new products and enhancing existing products is expensive and time consuming, and there is no assurance that such activities will result in significant new marketable products or enhancements to our products, design improvements, cost savings, revenues or other expected benefits. If we spend significant time and effort on research and development and are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected.

If WISeKey is unable to successfully enter new geographic markets, our future revenues and operating results will be harmed.

Our success depends on our ability to acquire new customers through entrance into new geographic regions. If WISeKey is unable to successfully enter new markets and attract a sufficient number of new customers, we may be unable to generate revenue growth at desired rates. Successful entrance into new markets requires a large amount of investment in sales and marketing and support personnel in these new regions. The digital security and mobile application markets are competitive and many of our competitors have substantial financial, personnel and other resources that they utilize to develop products and attract customers. As a result, it may be difficult for us to add new customers to our customer base, especially in the United States and other regions that we have not yet penetrated. Competition in these marketplaces may also lead us to win fewer new customers or result in us providing discounts and other commercial incentives. Additional factors that impact our ability to successfully join new markets and acquire new customers include the perceived need for digital security, authentication products and mobile applications, the size of our prospective customers' budgets for these products, the utility and efficacy of our existing and new offerings, whether proven or perceived, and general economic conditions. Should we fail to successfully enter new markets, we may be unable to achieve our projected growth and there may be a meaningful negative impact on future revenues and operating results.

If WISeKey is unable to acquire new customers, our future revenues and operating results will be harmed.

Our success depends on our ability to acquire new customers, particularly in our Internet of Things and Digital Brand Management businesses product family. The number of customers that WISeKey adds in a given period impacts both our short-term and long-term revenues. It is our business strategy to grow our DBM line by attracting new customers in the luxury watch industry and by entering new markets such as designer handbags and products of high fashion houses. If WISeKey is unable to successfully attract a sufficient number of new customers in these industries, we may be unable to generate revenue growth as projected.

A large amount of investment in sales and marketing and support personnel is required to attract new DBM customers. It may be difficult for us to add new customers to our customer base as luxury product manufacturers may be unfamiliar with our technical product as a way to prevent counterfeiting. Such manufacturers have historically relied on traditional approaches to thwart copying or have simply accepted losses due to counterfeiting. If we are unable to convince these potential new customers of a need for our product or if we are unable to persuade them of our products' efficacy, we may be unable to achieve our projected growth and there may be a meaningful negative impact on future revenues and operating results.

If WISeKey is unable to sell additional products and services to our existing customers, our future revenues and operating results will be harmed.

A significant portion of our revenues is generated from sales to existing customers. Our future success depends, in part, on our ability to continue to sell new licenses and incremental improvements to our existing customers. We devote significant efforts to developing, marketing and selling additional products and services to existing customers and rely on these efforts for a portion of our revenues. These efforts require a significant investment in building and maintaining customer relationships, as well as significant research and development efforts in order to provide product upgrades and launch new products. The rate at which our existing customers purchase additional products and services depends on a number of factors, including the perceived need for additional security and authentication products, the efficacy of our solutions and the utility of our new offerings, whether proven or perceived, our customers' budgets, general economic conditions, our customers' overall satisfaction with the maintenance and professional services we provide and the continued growth and economic health of our customer base to require incremental users and servers to be covered. If our efforts to sell additional products and services to our customers are not successful, our future revenues and operating results will be harmed.

WISeKey has entered, and expects to continue to enter, into cooperation agreements and these activities involve risks and uncertainties.

WISeKey has entered, and expects to continue to enter, into cooperation agreements in order to effectively grow our revenue and penetrate certain geographic regions. In particular, we plan to seek partners to connect our U.S. venture with customers in Europe and the United States. Entering into cooperation agreements or other similar forms of partnership involves risks and uncertainties, including the risk that the partners that we enter into joint ventures with will not have the market connections that we expect them to bring to the joint venture. Additionally, there is a risk that a given joint venture could fail to satisfy its obligations, which may result in certain liabilities to us for guarantees and other commitments. Further, since we may not exercise control over our current or future joint ventures, we may not be able to require our joint ventures to take actions that we believe are necessary to implement our business strategy. Additionally, differences in views among joint venture participants may result in delayed decisions or failures to agree on major issues. If any of these difficulties cause any of our joint ventures to deviate from our business strategy or if this leads any of our joint ventures to fail to attract the customer base that we project it to attract, our results of operations could be materially adversely affected.

WISeKey may acquire other businesses, which could require significant management attention, disrupt our business, dilute shareholder value, and adversely affect our results of operations.

As part of our business strategy and in order to remain competitive, WISeKey may acquire or make investments in complementary companies, products or technologies. However, WISeKey has not made any acquisitions to date, and as a result, our ability as an organization to acquire and integrate other companies, products or technologies in a successful manner is unproven. WISeKey may not be able to find suitable acquisition candidates, and WISeKey may not be able to complete such acquisitions on favorable terms, if at all. If WISeKey does complete acquisitions, these acquisitions may not ultimately strengthen its competitive position or achieve our goals, and any acquisitions WISeKey completes could be viewed negatively by our customers, analysts and investors. In addition, if WISeKey is unsuccessful at integrating such acquisitions or the technologies associated with such acquisitions, our revenues and results of operations could be adversely affected. Any integration process may require significant time and resources, and WISeKey may not be able to manage the process successfully. WISeKey may not

successfully evaluate or utilize the acquired technology or personnel, or accurately forecast the financial impact of an acquisition transaction, including accounting charges. WISeKey may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could adversely affect our financial condition. The sale of equity or issuance of debt to finance any such acquisitions could result in dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations.

A meaningful percentage of our sales is concentrated among a small number of large customers, and our business would be adversely affected by the loss of any of these customers.

In 2015, one of our customers in the luxury watch business accounted for 53% and two costumers for 17% each of our revenues. We plan to broaden our customer base but expect that a limited number of customers will continue to account for a meaningful portion of our revenue for the foreseeable future. The loss of any of these customers could have an adverse effect on our revenue, financial condition and results of operations.

WISeKey has a history of losses and may not achieve profitability in the future.

WISeKey has invested over CHF 105 million so far on its brand technology and market position. We have not been profitable since our inception and we had an accumulated cumulative loss of USD 113.2 million as of December 31, 2014 and of 118.2 million as of June 30, 2015. In the past, we made significant investments in our operations which have not resulted in corresponding revenue growth and, as a result, increased our losses. WISeKey expects to make significant future investments to support the further development and expansion of our business and these investments may not result in increased revenue or growth on a timely basis or at all. In addition, as a public company, WISeKey will incur significant legal, accounting and other expenses that we did not incur as a private company. As a result of these increased expenditures, we have to generate and sustain increased revenue to achieve and maintain profitability.

WISeKey may also incur significant losses in the future for a number of reasons, including slowing demand for our products and services, increasing competition, weakness in the software and security industries generally, as well as other risks described in this Listing Prospectus, and we may encounter unforeseen expenses, difficulties, complications and delays, and other unknown factors. If WISeKey incurs losses in the future, we may not be able to reduce costs effectively because many of our costs are fixed. In addition, to the extent that we reduce variable costs to respond to losses, this may affect our ability to acquire costumers and grow our revenues. Accordingly, WISeKey may not be able to achieve or maintain profitability and we may continue to incur significant losses in the future.

If WISeKey is unable to hire, retain and motivate qualified personnel, our business will suffer.

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel. Any of our employees may terminate their employment at any time. Competition for highly skilled personnel is frequently intense. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or have divulged proprietary or other confidential information. Further, the training and integration of new employees requires allocation of a significant amount of internal resources and, even if we make this investment, there is no guarantee that existing or new personnel will remain or become productive members of our team. Our inability to attract or retain qualified personnel or delays in hiring required personnel, particularly in sales &

marketing and research & development, may seriously harm our business, financial condition and results of operations.

Furthermore, WISeKey's performance depends on favourable labour relations with our employees and compliance with labour laws in the countries where it has employees and plans to hire new employees. Any deterioration of current relations or increase in labor costs due to our compliance with labour laws could adversely affect its business.

Dependence on key personnel and loss of such key personnel may have a negative impact on the operations and profitability of WISeKey.

Our future success depends in part on the continued service of our key personnel, particularly, Carlos Moreira, our founder, chief executive officer and chairman of our board of directors (the "**Board**" or the "**Board of Directors**"). We have employment agreements with our key personnel, but these do not prevent such personnel from choosing to leave the company.

We may not complete our analysis of our internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may adversely affect investor confidence in our company and, as a result, the value of our common stock.

As a result of becoming a public company, we will be obligated to develop and maintain proper and effective internal control over financial reporting. To comply with the requirements of being a public company, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring accounting or internal audit staff.

Software errors may affect our reputation and our financial results.

WISeKey's software applications are complex and there is a risk that defects or errors could arise, particularly where new versions or enhancements are released. This could result in adverse consequences for the Group, such as lost revenue, a delay in market acceptance or a customer claim.

WISeKey's reputation and business could be harmed based on real or perceived shortcomings, defects or vulnerabilities in our solution or the failure of our solution to meet customers' expectations.

Organizations are facing increasingly sophisticated digital security threats and threats of counterfeiting. If WISeKey fails to identify and respond to new and increasingly complex methods of counterfeiting products or hacking personal and corporate digital accounts, our business and reputation will suffer. In particular, WISeKey may suffer significant adverse publicity and reputational harm if any of our products fail to perform as advertised. An actual or perceived breach of our customers' sensitive business data, regardless of whether the breach is attributable to the failure of our products, could adversely affect the market's perception of the efficacy of our solution and current or potential customers may look to our competitors for alternatives to our solution. Similarly, an actual or perceived failure of our product to prevent counterfeit products from being detected, regardless of whether such failure is attributable to our products, could adversely affect the market's perception of the efficacy of our authentication solutions and could encourage current or potential customers to look to our competitors for an alternative to our products. The failure of our products may also subject us to product liability lawsuits and financial losses stemming from indemnification of our partners and other third parties, as well as the expenditure of significant financial resources to analyze, correct or eliminate any vulnerability. It could also cause us to suffer reputational harm, lose existing customers or deter them from purchasing additional products and services and prevent new customers from purchasing our solution.

The cryptographic rootkey used by WISEKey is owned by the International Organization for Secure Electronic Transactions ("OISTE"). OISTE has granted us a perpetual license to exclusively use the cryptographic rootkey. A termination of the license agreement would present a significant threat to WISEKey's existing business model.

The cryptographic rootkey used by WISEKey is owned by OISTE acting as a trusted third party and not-for-profit entity in charge of ensuring that the Root of Trust remains neutral and trusted. The name of the Root of Trust is OISTE/WISEKey, as shown in all major current browsers that embed the rootkey. Two members of the three member foundation board of OISTE are WISEKey board members. Members of the foundation board of OISTE are appointed by a policy authorizing authority ("**Policy Authorizing Authority**" or "**PAA**"), whose members are international organizations, governments and large corporations that use the OISTE/WISEKey Root of Trust. OISTE has received special consultative status from the United Nations (ECOSOC) promoting a "Switzerland on the Internet" to provide net cloud neutrality. OISTE has granted us a perpetual license to exclusively use the cryptographic rootkey and develop technologies and processes based on OISTE's trust model. The perpetual license agreement can only be terminated under limited circumstances, including if WISEKey were to move from the trust model developed by OISTE and/or changing the location of the Root of Trust from Switzerland to another country. A termination of the license agreement would present a significant threat to WISEKey's current trust model. For further information on our relationship with OISTE, please refer to note 9 to the Combined Consolidated Financial Statements for the period ending on and as of December 31, 2014, 2013 and 2012 on page F-23 *et seq.*

If WISEKey is unable to adequately protect its proprietary technology and intellectual property rights, its business could suffer substantial harm.

Our intellectual property rights are important to our business. We rely on a combination of confidentiality clauses, trade secrets, copyrights and trademarks to protect our intellectual property and know-how. In addition, we have filed a number of applications for patents to protect our technologies and have two issued patents in Switzerland for the company's verification and authentication of IoT valuable objects on the Internet when connecting to each other or to the cloud. We have filed applications for this technology in Australia, Singapore and the U.S. However, the steps we take to protect our intellectual property may be inadequate. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create solutions and services that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer and disclosure of our solutions may be unenforceable under the laws of certain jurisdictions and foreign countries.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances. No assurance can be given that these agreements will be effective in controlling access to our proprietary information. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our solutions. Additionally, we may from time to time be subject to opposition or similar proceedings with respect to applications for registrations of our intellectual property, including but not limited to our trademarks and patent applications. While we aim to acquire adequate protection of our brand through trademark registrations in key markets, occasionally third parties may have already registered or otherwise acquired rights to identical or similar marks for solutions that also address the cybersecurity, authentication or mobile application markets. Additionally, the process of seeking patent protection can

be lengthy and expensive. Any of our pending or future patent or trademark applications, whether or not challenged, may not be issued with the scope of the claims we seek, if at all.

From time to time, we may discover that third parties are infringing, misappropriating or otherwise violating our intellectual property rights. However, policing unauthorized use of our intellectual property and misappropriation of our technology is difficult and we may therefore not always be aware of such unauthorized use or misappropriation. Despite our efforts to protect our intellectual property rights, unauthorized third parties may attempt to use, copy or otherwise obtain and market or distribute our intellectual property rights or technology or otherwise develop solutions with the same or similar functionality as our solutions. If competitors infringe, misappropriate or otherwise misuse our intellectual property rights and we are not adequately protected, or if such competitors are able to develop solutions with the same or similar functionality as ours without infringing our intellectual property, our competitive position and results of operations could be harmed and our legal costs could increase.

WISeKey may incur fines or penalties, damage to its reputation or other adverse consequences if its employees, agents or business partners violate, or are alleged to have violated, anti-bribery, competition or other laws.

WISeKey's internal controls may not always protect us from reckless or criminal acts committed by our employees, agents or business partners that would violate Swiss, U.S. or other laws, including anti-bribery, competition, trade sanctions and regulations and other related laws. Any such improper actions could subject WISeKey to administrative, civil or criminal investigations in the competent jurisdictions, could lead to substantial civil or criminal monetary and non-monetary penalties against WISeKey or our subsidiaries, and could damage our reputation. Even the allegation or appearance of WISeKey's employees, agents or business partners acting improperly or illegally could damage our reputation and result in significant expenditures in investigating and responding to such actions.

We could be subject to litigation that, if not resolved in our favour and not sufficiently insured against, could have a material adverse effect on us.

As WISeKey continues to expand in all areas, products, partnerships, manufacture, sales and distribution, the risk of being involved in legal proceedings will invariably increase. While WISeKey has successfully avoided being involved in legal proceedings in the past, it may not be able to do so in the future. Legal proceedings, especially when involving intellectual property rights and product liability, may have material adverse effects on WISeKey's financial condition, results of operations and cash flows.

WISeKey is exposed to fluctuations in currency exchange rates and expected to be increasingly exposed to such fluctuations in the future, which could negatively affect our financial condition and results of operations.

Our reporting currency is U.S. dollars and we generate a majority of our revenues in Swiss francs. In 2014, the majority of our revenues were denominated in Swiss francs and the remainder primarily in U.S. dollars and Euros. In 2014, the substantial majority of our cost of revenues and operating expenses were also denominated in Swiss francs and the remainder primarily in Euros. Our Swiss francs-denominated expenses consist primarily of personnel, rent and other overhead costs. As we develop a U.S. market, we expect to generate additional revenue in U.S. dollars and other currencies. We estimate that a 10% increase or decrease in the value of the Swiss franc against the U.S. dollar would have decreased or increased our net loss by approximately USD 481,000 and USD 529,000 million, respectively, in 2014.

We may be limited in our use of net operating losses.

Our ability to benefit from deferred tax assets depends on us having sufficient future earnings to utilize our net operating loss carryforwards before they expire. If the Company does not come into a pre-tax profit zone in the following years, it may lose accumulated tax relevant net operating losses.

A change in tax laws, treaties or regulations, or their interpretation, of any country in which we operate could result in a higher tax rate on our earnings, which could result in a significant negative impact on our earnings and cash flows from operations.

We operate in various jurisdictions. Consequently, we are subject to changes in applicable tax laws, treaties or regulations in the jurisdictions in which we operate, which could include laws or policies directed toward companies organized in jurisdictions with low tax rates. A material change in the tax laws or policies, or their interpretation, of any country in which we have significant operations, or in which we are incorporated or resident, could result in a higher effective tax rate on our worldwide earnings and such change could be significant to our financial results.

We are subject to anti-takeover provisions.

Our Articles and Swiss law contain provisions that could prevent or delay an acquisition of the Company by means of a tender offer, a proxy contest or otherwise. These provisions may also adversely affect prevailing market prices for the Listed Shares. These provisions, among other things:

- an opting-out from the obligation of an acquirer of Shares to make a public offer pursuant to article 135 and 163 of the Swiss Financial Market Infrastructure Act, including its implementing directives, circulars and other regulations (the “**FMIA**”);
- provide that the share capital is divided into different classes of shares, of which only Class B Shares are listed on the SIX, whereas Class A Shares are not listed and tradable. Class A Shares have privileged voting rights attached to them;
- provide that the Board is authorized, at any time during a maximum two-year period, to issue a number of Shares of up to approximately 41.2% of the share capital registered in the commercial register and to limit or withdraw the pre-emptive rights of existing shareholders in various circumstances;
- provide that any shareholder who is entitled to propose any business or to nominate a person or persons for election as member of the Board at an annual meeting may only do so if advance notice is given to the Company;
- provide that a merger or demerger transaction requires the affirmative vote of the holders of at least two-thirds of voting rights and an absolute majority of the par value of the Shares, each as represented (in person or by proxy) at the general meeting of shareholders and provide for the possibility of a so-called “cash-out” or “squeeze-out” merger if the acquirer controls 90% of the outstanding Shares entitled to vote at a general meeting of shareholders; and
- provide that any action required or permitted to be taken by the holders of Shares must be taken at a duly called annual or extraordinary general meeting of shareholders of the Company.

Certain of the Company's large shareholders, including if acting in concert, may be able to exert significant influence on the Company and their interests may conflict with the interests of its other shareholders.

As of the date of this Listing Prospectus, our founder, Carlos Moreira, holds 28,267,333 Class A Shares and 2,583,298 Class B Shares, representing 36.3% of the Company's share capital and 56.4% of the Company's voting rights. Further, all holders of the Class A Shares represent 35.3% of the Company's share capital and 73.2% of the Company's voting rights. If the holders of Class A Shares were to act in concert with each other, they would be able to exert significant influence over, or block, certain matters, including matters that must be resolved by the general meeting of shareholders, such as the election of members to the Company's Board or the declaration of dividends or other distributions. To the extent that the interests of these shareholders may differ from the interests of the Company's other shareholders, the Company's other shareholders may be disadvantaged by any actions that these shareholders may seek to pursue.

There has been no prior market for Class B Shares, and the nature of the trading market that will develop may not be favorable.

Prior to the date of this Listing Prospectus, there has not been any public market for the Class B Shares. Accordingly, the actual market value of the Class B Shares will not be known until trading in the Class B Shares commences. WISeKey cannot assure you of the nature of the trading market that will develop for the Class B Shares.

A liquid market for Class B Shares may fail to develop on the SIX.

We cannot predict the extent to which investor interest will lead to the development of an active and liquid market in Class B Shares on the SIX. The failure of an active and liquid market to develop could affect investors ability to sell their Class B Shares, or depress the market price of Class B Shares, on the SIX.

The market for and price of Class B Shares may be highly volatile and could decline significantly.

The market price of Class B Shares may be highly volatile and may be affected negatively by events involving us, our competitors or the financial markets in general. Furthermore, investors might not be able to resell their Class B Shares at the price at which they were purchased or at a higher price or at all. Factors that could cause this volatility in the market price of Class B Shares include, but are not limited to:

- our operating and financial results;
- future announcements concerning our business;
- changes in revenue or earnings estimates and recommendations by securities analysts;
- speculation of the press or investment community;
- disposals of Class B Shares by shareholders;
- actions of competitors;
- our involvement in acquisitions, strategic alliances or joint ventures;
- regulatory factors;
- arrival and departure of key personnel;
- general market, economic and political conditions; and
- natural disasters, terrorist attacks and acts of war.

The Company has not declared or paid dividends or other distributions so far and may not pay distributions on the Shares in cash or otherwise at any time in the future.

The Company has not declared or paid dividends or other distributions so far. The Company has no legal obligation to, and may not, declare distributions on the Shares in the future. In addition, the Company's ability to declare and pay cash dividends on the Shares is restricted by, among other things, availability of sufficient distributable profits, freely distributable reserves and shareholder approval. Furthermore, any distribution proposal by the Board will depend upon the Company's ongoing capital requirements, cash flow generation, general market conditions and other factors. If the Company does not pay any distributions after an investor purchases Shares, capital appreciation, if any, of such Shares may be the sole source of gain for such investor.

Future sales or the possibility or perception of future sales of a substantial number of Shares could cause the market price of the Class B Shares to fall.

The market price of the Class B Shares could decline as a result of sales of a large number of Class B Shares in the public market in the future or the possibility or perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for the Company to issue equity securities in the future at a time and price that it deems appropriate.

Further, the Company may choose to raise additional capital by issuing additional Class B Shares, depending on market conditions or strategic considerations. In particular, under the Articles, the Board is authorized to issue new Class B Shares at any time during a two-year period expiring March 16, 2018 and thereby increase the Company's share capital, without further shareholder approval, by a maximum amount of approximately 41.2% of the Company's existing share capital, corresponding to approximately 9.3 million new Class B Shares. After the expiration of this two-year period (and each subsequent two-year period), the shareholders may re-approve this authorization. Further, the Articles provide for a conditional share capital based on which the Company is authorized to issue up to 10,669,212 new Class B Shares, corresponding to CHF 533,460.60 in par value. Among other things, the Company's conditional share capital could be used in connection with the issuance of securities that are convertible into Class B Shares. To the extent that additional capital is raised through the issuance of Class B Shares or other securities that are convertible into Class B Shares, the issuance of such securities could dilute the Company's shareholders' interest in the Company.

On January 19, 2016, the Company entered into a share subscription facility agreement with GEM Global Yield Fund LLC SCS and GEM Investments America, LLC (collectively referred to as "**GEM**"), according to which the Company has the right, at any date after the date on which the Class B Shares are listed on the SIX, during the period expiring on the earlier of (i) January 19, 2021 and (ii) the date on which GEM has subscribed for Class B Shares with an aggregate subscription price of CHF 60 million, to request GEM, in one or several steps, to subscribe for Class B Shares up to an aggregate subscription amount of CHF 60 million. The subscription price for each subscription request of the Company corresponds to 90% of the average of the closing bid prices for Class B Shares on the SIX (as adjusted for variations) as reported by Bloomberg during the respective pricing period. If the Company elects to exercise its rights under the share subscription facility, the issuance of Class B Shares under the terms of the share subscription facility would dilute the Company's shareholders' interest in the Company. For further information regarding the share subscription facility agreement, please refer to "*Administrative, Management and Audit Bodies – Description of the Current Employee Share Ownership Plan*" on page 50 and to "*Shareholders – Significant Shareholders*" on page 54 *et seq.*

DIVIDENDS AND OTHER DISTRIBUTIONS

All Shares are equally entitled in proportion to their respective par value to dividends and other distributions paid by the Company with respect to the Shares, if any. The Company has not declared or paid any distributions or declared or paid any ordinary dividends since its formation, nor has WISeKey SA, the Company's predecessor company, declared or paid any distributions or declared or paid any ordinary dividends since its formation. WISeKey does not anticipate paying dividends or other distributions in the foreseeable future. As a result, investors in Shares will benefit in the foreseeable future only if the Shares appreciate in value.

In order for the Company to declare and pay distributions, the distribution must be approved by shareholders holding an absolute majority of the votes represented at the general meeting of shareholders. The Board may propose distributions in the form of an ordinary dividend or in the form of a distribution of cash or property out of the Company's statutory reserve from capital contribution or that are based upon a reduction of the Company's share capital recorded in the commercial register. Any distribution proposal by the Board will depend upon the Company's ongoing capital requirements, regulatory considerations, cash flow generation, general market conditions and other factors.

Ordinary dividends may be paid only if the Company has sufficient distributable profits from previous years or freely distributable reserves to allow the distribution of a dividend. The Company's auditor must confirm that a proposal made by the Board to shareholders regarding the appropriation of the Company's available earnings conforms to the requirements of the CO and the Articles. Dividends paid on the Shares out of available earnings are subject to Swiss withholding tax. See "*Certain Swiss Tax Considerations*" beginning on page 77 of this Listing Prospectus for a summary of certain tax consequences regarding dividends paid on the Shares.

A distribution of cash or property that is based upon a reduction of the Company's share capital requires a special audit report confirming that the claims of the Company's creditors remain fully covered by the Company's assets despite the reduction in the share capital recorded in the commercial register. Upon approval by the general meeting of shareholders of the capital reduction, the Board must give public notice of the capital reduction resolution in the Swiss Official Gazette of Commerce three times and notify the Company's creditors that they may request, within two months of the third publication, satisfaction of or security for their claims. Distributions of cash or property that are based upon a capital reduction are not subject to Swiss withholding tax. See "*Certain Swiss Tax Considerations*" beginning on page 77 of this Listing Prospectus for a summary of certain tax consequences regarding distributions paid on the Shares that are based upon a capital reduction.

Dividends, if declared by the Company, are expected to be declared in Swiss francs.

For further information, see "*Share Capital and Shares – Description of the Shares – Dividends and Other Distributions*" on page 63 of this Listing Prospectus.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth the actual consolidated capitalisation of the Company as of June 30, 2015 as well as the estimated consolidated capitalisation of the Company as of March 31, 2016.

Capitalization (USD)	June 30, 2015	March 31, 2015
Cash and cash equivalents	624,451	8,611,420
Short and long term financial debt	-	-
Total shareholder equity	(4,813,786)	4,677,440
Minority interest	-	-

SELECTED HISTORICAL FINANCIAL INFORMATION

The following tables set forth the selected combined historical financial data of WISEKey SA and WISETrust SA. You should read the following selected combined financial data in conjunction with our WISEKey SA and WISETrust SA financial statements and related notes included elsewhere in this Listing Prospectus. Historical results are not necessarily indicative of the results that may be expected in the future. Our financial statements have been prepared in accordance with U.S. GAAP and Swiss law.

The selected combined historical financial statements of WISEKey SA and WISETrust SA for each of the years in the three-year period ending December 31, 2014, 2013 and 2012 and the balance sheet data as of December 31, 2014, 2013 and 2012 have been derived from WISEKey SA's and WISETrust SA's combined consolidated financial statements included elsewhere in this Listing Prospectus.

The selected combined historical financial statements of WISEKey SA and WISETrust SA for each of the six months ending June 30, 2015 and 2014 and the balance sheet data as of June 30, 2015 and 2014 have been derived from WISEKey SA's and WISETrust SA's reviewed combined consolidated financial statements included elsewhere in this Listing Prospectus.

In the opinion of management, these unaudited interim financial statements include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of our financial position and operating results for these periods. Results for interim periods are not necessarily indicative of the results that may be expected for the entire year.

Combined consolidated financial statements of WISEKey and WISETrust for the years ending December 31, 2014, 2013 and 2012, in line with US GAAP

USD '000	Year ended December 31,		
Combined statement of operations	2014	2013	2012
Revenues	3'465	5'759	4'200
Cost of sales	(1'347)	(1'353)	(1'453)
Gross profit	2'118	4'407	2'747
Research and development	(2'056)	(1'478)	(1'488)
General and administrative	(14'735)	(5'015)	(4'589)
Sales and marketing	(17'932)	(1'884)	(1'917)
Loss from operations	(32'605)	(3'970)	(5'247)
Income before taxes	(32'844)	(4'906)	(5'442)
Net loss	(32'844)	(4'907)	(5'444)

	As at December 31,		
Combined statement of financial position	2014	2013	2012
Total current assets	1'007	746	1'009
Total non-current assets	1'878	2'890	245
Total assets	2'885	3'636	1'254
Total current liabilities	3'933	2'861	6'255
Total non-current liabilities	2'517	1'090	1'049
Total stockholders' deficit	(3'566)	(315)	(6'049)
Total liabilities and stockholders' deficit	2'885	3'636	1'254

Combined consolidated financial statements of WISeKey and WISeTrust for the six months period ending June 30, 2015 and 2014, in line with US GAAP

USD '000	Six months ended June 30,	
Combined statement of operations	2015	2014
Revenues	1'451	1'546
Cost of sales	(868)	(760)
Gross profit	583	786
Research and development	(520)	(1'375)
General and administrative	(2'465)	(13'713)
Sales and marketing	(1'076)	(17'500)
Loss on impairment	(1'560)	-
Loss from operations	(5'038)	(31'802)
Income before taxes	(5'045)	(31'562)
Net loss	(5'045)	(31'563)

	As at	
Combined statement of financial position	June 30, 2015	December 31, 2014
Total current assets	2'117	1'007
Total non-current assets	127	1'878
Total assets	2'244	2'885
Total current liabilities	4'351	3'933
Total non-current liabilities	2'707	2'517
Total stockholders' deficit	(4'814)	(3'566)
Total liabilities and stockholders' deficit	2'244	2'885

	Six months ended June 30,	
Combined statement of cash flows	2015	2014
Net loss	(5'045)	(31'563)
Amortization & depreciation	1'896	375
Change in working capital	(50)	1'955
Other	1'223	27'551
Cash flows from operating activities	(1'975)	(1'682)
Cash flows from investing activities	0	0
Cash flows from financing activities	2'142	1'920
Net (decrease) increase in cash and cash equivalents	167	238

BUSINESS ACTIVITIES

Overview

WISeKey offers digital security technology in the field of cybersecurity, digital identification and authentication of people and objects. We have developed asymmetric encryption methods based on a RoT that we believe provide military-grade security to users. Root of Trust is a set of functions in the computing module that is always trusted by the computer's operating system. The RoT serves as separate computing engine controlling the trusted computing platform's cryptographic processor on the desktop, mobile, wearable or IoT in which it is embedded.

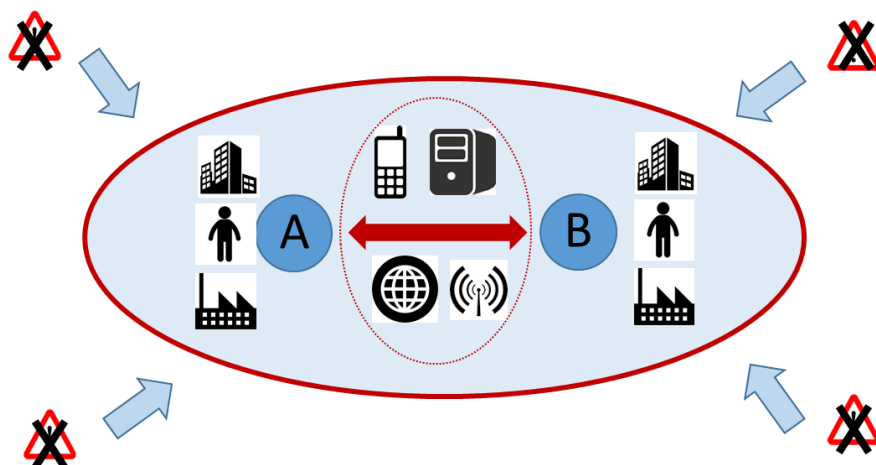
WISeKey's technology ensures secure authenticated digital communication and data transfer between people and people and objects, both in relation to mobile and fixed line Internet transfers.

Our authentication and identification cybersecurity technology and platform:

- is based on a cryptographic rootkey which:
 - (1) is embedded in over 2.6 billion desktop browsers, mobile browsers and IoT devices;
 - (2) is owned by the OISTE, a member of the ECOSOC, acting as a trusted third party and not-for-profit entity in charge of ensuring that the Root of Trust remains neutral and trusted, and located in Switzerland as an independent, neutral jurisdiction;
 - (3) OISTE has exclusively licensed to us for use and development of technologies and processes based on its exclusive independent trust model;
- is platform agnostic and is thus compatible with a wide range of Internet and mobile applications and operating systems; and
- is crypto and software based and tailored to address the key cybersecurity requirements of corporate, retail and/or government customers in the field of cybersecurity, identification and authentication management.

WISeKey's entire offering circles around a technological software platform that we believe ensures secure communication between "A" (a person, a device or an object or an entity) and "B" (a person, a device or an object or an entity) based on an encrypted authentication process that also offers protection against intrusion from the outside.

WISeKey Key Offering



Key Milestones

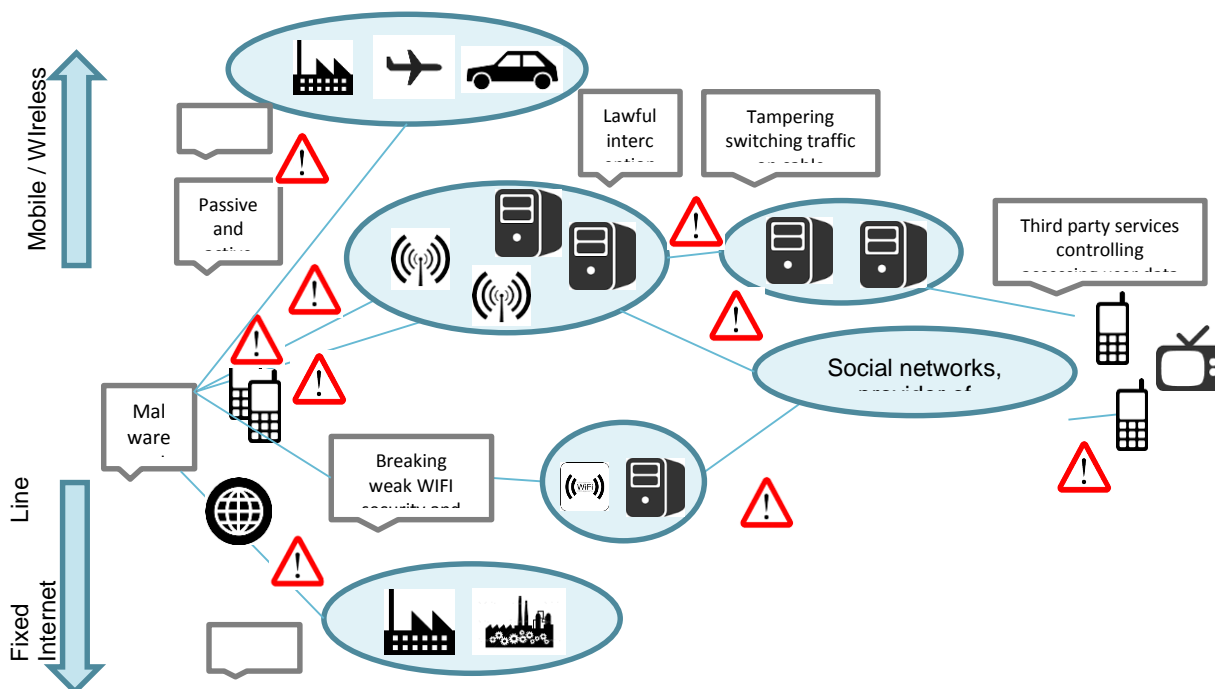
Selected key milestone achievements of WISeKey have been:

- In 2005, we began marketing security products for computers and digital video broadcasting.
- In 2006, we launched our CertifyID® product for digital certification and identity management.
- In 2007, we continued to grow our family of security products with solutions for secure registration and access control of online offerings and dematerialization for secure electronic documents.
- In 2008, we launched our citizen services platform in connection with a partnership with Microsoft Corporation for confirming citizen access to government services and validity of electronic IDs.
- Between 2010 and 2012, we began marketing our WISelD® and Social ID Fans® (now marketed as WISfans®) mobile products for securing social media applications and effective data protection. Over the last two years, we have developed and started marketing and deploying our WISeAuthentic® product for security of luxury goods, artwork, pharmaceuticals, spare parts and VIP social networking with over 1 million luxury watches already digitally certified with our technology.
- In 2014, WISeKey registered a patent in Switzerland on IoT allowing WISeKey to become an identity platform for people, assets and objects.
- In 2015, WISeKey announced co-operations with Bulgari, Kaspersky, Samsung and Hublot to implement the technology used to identify watches electronically and offer protection against counterfeiting.
- In 2016, WISeKey announced a partnership with MasterCard to enable contactless payments on select luxury brand watches and wearables. The partnership adds new devices and brands to ongoing MasterCard programs to bring payments to any consumer gadget, accessory or wearable – from fitness bands to refrigerators.
- In addition, WISeKey is in discussions with various large corporates for a potential deployment of WISeKey's technology in the context of critical infrastructure projects.

The Market in Which We Operate

Cybersecurity, digital identification and authentication of people and objects, which involves protecting both data and people, is a rapidly growing sector due to the multiplicity of threats that businesses face, notably cybercrime and online industrial espionage.

Security Threats in Today's Fixed Line Internet and Mobile Network



The Centre for Strategic and International Studies (the “**CSIS**”), a Washington, D.C.-based think-tank, estimated in 2015 the annual global cost of digital crime and intellectual-property theft at \$575 billion.

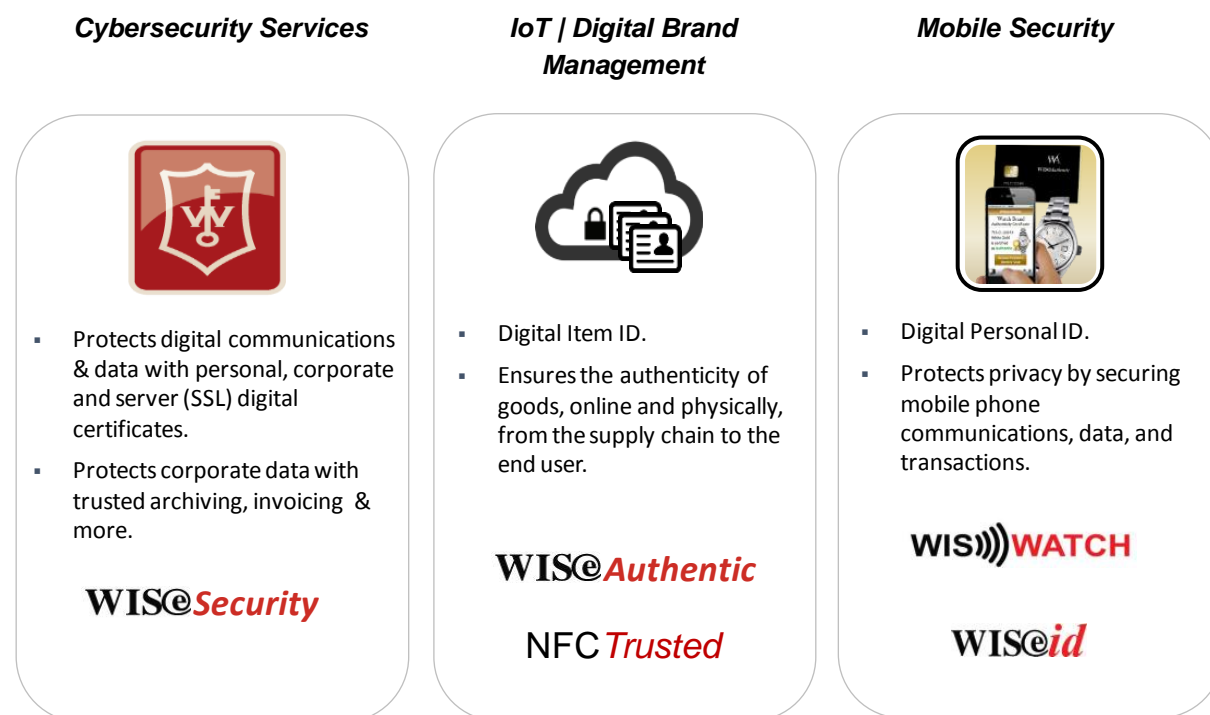
The report highlights four findings:

- 1) The cost of cybercrime will continue to increase as more business functions move online and more companies and consumers around the world connect to the Internet.
- 2) Losses from the theft of intellectual property will increase as emerging countries improve their ability to make use of it to manufacture competing goods.
- 3) Cybercrime is a tax on innovation and slows down the pace of global innovation by reducing the rate of return to innovators and investors.
- 4) Governments need to start undertaking serious and systematic efforts to collect and publish data on cybercrime to help the public and private sector make better choices about risk and policy.

We believe that these factors will translate into higher investments and revenues in cybersecurity products and create a relevant market opportunity for us and our cybersecurity offering. Forbes / Tech (2015) underpin this conclusion by estimating the market for cybersecurity solutions to grow at a compound annual growth rate (CAGR) of 18% from \$75 billion in 2015 to \$170 billion in 2020.

Our Business

WISeKey has divided its solutions into three business areas: cybersecurity services, Internet of Things, Digital Brand Management and mobile security. Each of these business areas consists of a number of products already on the market (see the graph below) and products under development, such as a WISeID IoT BlockChain, that we believe will enable the Company to further grow.



WISeKey has secured a significant portion of near term projected revenue with signed contracts with our existing customer base, such as MasterCard, CenturyLink, Bulgari, SAP and Samsung. The bulk of our historic and projected near term revenues evolve from our WISeAuthentic and IoT solutions currently offered to manufacturers of luxury mechanical watches and wearables. Among other things, we have signed contracts with Bulgari, Hublot, Dior, HYT and other luxury watch brands.

We believe our most significant growth areas will be providing cybersecurity and secure chip technology to IoT solutions (e.g., for industrial utilities), identity management solutions on mobile devices and mobile security for electronic payment services. In the IoT field, we have recently benefited from strategic partnerships to develop and market products and solutions with large corporates, such as MasterCard, Samsung, Bancorp, CenturyLink, SAP, Kaspersky and Microsoft.

If the opportunity arises, we intend to also grow through accretive acquisitions in order to reduce the time it takes to bring updated and new products to market and expand the reach of the WISeKey cybersecurity platform. We intend to further develop our in-house capabilities via our development laboratory in Vietnam so that we can continue to develop technology and intellectual property within our Company.

Cybersecurity Services

We launched our online trust solutions product family in 1999 to provide trusted IDs for persons and servers. We currently offer CertifyID and WISecurity within this product family.

CertifyID. Our CertifyID product uses our proprietary root hierarchy technology to secure a person's digital identity. Users follow a rigorous validation process to set up their account. The WISeKey CertifyID can be used to create digital signatures and as proof of identity in high value transactions like e-voting, health and payment and clouds. CertifyID adds value to an organization by securing data, permitting secure messaging and by reducing paper needs.

WISecurity. Our WISecurity product protects online communications and data with personal, corporate and server digital certificates. This product implements dematerialization solutions such as a secure archiving system that certifies the existence in time of sensitive data (such as contracts), and e-signature based invoicing services.

IoT and Digital Brand Management

Our IoT and DBM family of products provides digital authentication for luxury products such as luxury watches, high-end glasses, smart phones and designer clothes. Manufacturers of these products can use our WISeAuthentic product to reduce counterfeiting and certify the authenticity of their products. Brand protection has become a strategic focus of WISeKey as advanced counterfeiting continues to challenge organizations.

WISeAuthentic. WISeAuthentic digitally certifies physical objects. The product ensures the authenticity of goods, both in physical stores and online. WISeAuthentic can be used by manufacturers to communicate the authenticity of their product to retailers and customers. Retailers can also use WISeAuthentic to show the genuineness of the products they are selling to customers. WISeAuthentic uses secure cryptographic smartcards containing WISeKey digital IDs to prove authenticity of a given product, thus preventing counterfeiters from forging a product. WISeAuthentic has the added value of having the ability to collect sales data for the client, so that manufacturers and retailers can learn the make-up of their customer base and can make effective marketing decisions, in addition to protecting their brand. The product aims to enhance client loyalty by maintaining the value of a brand, preventing counterfeiting and providing companies with information that they can then use for effective digital marketing.

Mobile Security

Our WISeKey Mobile security product family provides individuals with digital personal IDs to protect their privacy while using mobile phones, tablets, laptops and other devices that make use of the cloud and connect to the Internet. This family of products can also be used by organizations to identify their customers and interact with them in order to add value to their brand and customize their marketing efforts. We launched our WISeKey Mobile security line of products in 2012 to meet the increasing demand for mobile applications. Our products in this product family include WISeID and WISfans.

WISeID. WISeID protects personal data by giving users encrypted, portable storage for sensitive data which is then easily accessed by the user with secure credentials. WISeID requires a multi-factor authentication process which includes strong password generation, dot pattern recognition and biometric face authentication. WISeKey protects an individual's identity as he or she accesses various sites, provides personal information or makes purchases on the Internet. WISeID also streamlines online activity by storing passwords for users so that they do not need to continually provide passwords to other applications. WISeID currently has thousands of paid downloads and more than 150,000 freemium downloads. The product is currently available on Android, iOS, Windows and Mac OS/X operating systems and can be synced with multiple mobile devices, tablets and computers. Large organizations can use WISeID to bring mobile applications to their consumer base. Such features

include mobile payments for a bank's customers or direct interactions between a sports club's players and their fans. This allows enterprises to interact with and monetize large pools of otherwise unidentifiable users.

New Product Families

WISeKey is currently deploying large scale Internet of Things digital identities for wearables using its trusted near field communications ("**Trusted Near Field Communications**" or "**NFC**") technology. This technology integrates wearable technology with secure authentication and identification, in both physical and virtual environments, and empowers wearable devices such as smart watches, bands, ear-pods, jewellery, eyeglasses, contact lenses, etc. to become transactional devices. Embedding digital certificates into wearable with WISeID NFCTrusted® tags, using the WISeKey PKI and the OISTE global rootkey, enables consumers to interact securely with nearly any IoT object or transactions on a trusted manner.

NFCTrusted® authentication tags can incorporate a WISeKey cryptographically secure digital certificate to prove authenticity. NFCTrusted® tags can be embedded in virtually any product, piece of equipment or common household item, and users can verify authenticity with an NFC-enabled smart phone, watch, connected device or other mobile device. This technology not only optimizes security and convenience, but also eliminates the need for special readers or other equipment for tag authentication by using proof of presence. The combination of trust and convenience opens the door for the use of WISeKey's NFCTrusted® tags in diverse markets to support a variety of IoT applications.

Strategic Relationship with OISTE

The cryptographic rootkey used by WISeKey is owned by OISTE acting as a trusted third party and non-for-profit entity in charge of ensuring that the Root of Trust remains neutral and trusted. The name of the Root of Trust is OISTE/WISeKey, as shown in all major current browsers that embed the rootkey. Two members of the three member foundation board of OISTE are WISeKey board members. Members of the foundation board of OISTE are appointed by the PAA, whose members are international organizations, governments and large corporations that use the OISTE/WISeKey Root of Trust. OISTE has received special consultative status from ECOSOC promoting a "Switzerland on the Internet" to provide net cloud neutrality. OISTE has granted us a perpetual license to exclusively use the cryptographic rootkey and develop technologies and processes based on OISTE's Trust Model. The perpetual license agreement can only be terminated under limited circumstances, including if WISeKey were to move from the trust model developed by OISTE and/or changing the location of the Root of Trust from Switzerland to another country. For further information on our relationship with OISTE, please refer to note 9 to the Combined Consolidated Financial Statements for the period ended as of December 31, 2014, 2013 and 2012 on page F-23 *et seq.*

Intellectual Property and Technology

We generally protect our intellectual property through trade secrets and confidentiality agreements. Our products make use of our PKI technology and our rootkey. PKI is a secure, encrypted digital certificate, often embedded in a chip and then associated with a person or object. This chip is stored in a contact smartcard, token or in the object itself using a NFC chip, so that the identity or authenticity of a person or object can be verified over networks at any time. In addition to trade secrecy, we protect our root technology through technical certificates. WISeKey also protects our intellectual property through patents, including two issued patents in Switzerland, with several patents pending in various jurisdictions, including the United States and Canada. Our Swiss patents relate to the verification and

authentication of IoT valuable objects on the Internet when connecting with each other or to the cloud. We have applied for patent protection of this technology among others also in the United States, Australia and Singapore. Trademarks and domain names are also important to maintaining the value of our business.

Research & Development

In 2013, WISeKey launched a research & development laboratory in Vietnam, which is operated through a number of independent contractors. The laboratory plays a key role for WISeKey's research and development of digital products and supports our strategy to further expand in the Asian region. The lab has been instrumental in developing and deploying WISeKey technology, such as Hublotista.com, the Bulgari vault, WISelD, WISfans and WIS.WATCH. We intend to further increase the role of our research and development in Vietnam and are currently working on the further development of mobile applications and social media products, such as WISfans and WISelD.

Customers

Cybersecurity Services. We sell our Cybersecurity Services product family products to resellers and directly to corporations and consumers. Our resellers are companies already established in the IT security sector, such as systems integrators, Internet service providers or others, including companies like ZyTrust S.A. These resellers then sell our products to consumers and can be engaged to help with installation. Direct sales to consumers are mainly conducted through our online merchant website, which allows immediate credit card payments.

IoT and Digital Brand Management. We sell our DBM product family to luxury product manufacturers and retailers. They then install the WISeKey protective product and sell the pre-installed product to either retailers or consumers. Our customers in this product family include Bulgari, Tag Heuer, Hublot and Dior S.A.

Mobile Security. For sale of our WISelD product, we have entered into strategic partnerships with various companies so that they can install our solutions on their products for the benefits of users. Specifically, we have strategic partnerships and collaborative relationships with Microsoft Corporation. We have sold our WISfans product to a number of professional sports teams and leagues including Real Madrid, Barcelona, SFV ASF Swiss Nati, Bilbao Basket, Vasco da Gama and Oracle Team USA. WISeKey has recently announced the signing of a memorandum of understanding with Samsung for WISeKey to make available its cryptographic Root of Trust to Samsung IoT and NFC chips allowing Samsung IoT to add asymmetric keys and digital certificates on their chips at the hardware level to encrypt the communication and authenticate the devices.

Sales, Marketing and Distribution

Cybersecurity Solutions. Sales of our online trust solutions are made based on the number of cloud accounts, e-IDs or transactions, based on a branded service fee or based on an agreed upon monthly or annual fee. Organizations who install online trust solutions products on their company software are billed based on the software purchased and the volume of contracted services. Enterprise mobile security products are billed based on the numbers of devices that get installed with the solution. There is an upfront set-up cost and a recurring revenue stream for service as needed. For web security, the product is purchased with managed service fees and setup & software fees.

CertifyID. CertifyID can be purchased directly through the WISeKey website or indirectly through resellers who license it. Customers who are then linked to resellers can also order their

certificates through the portal. Once an order is accepted, WISeKey will process the request and issue the certificate following the successful validation procedure according to the SSL certificate policy.

IoT and Digital Brand Management. We contract directly with luxury manufacturers for sale of our DBM products. Our customers are charged based on the number of products they wish to authenticate. We currently market our DBM products to luxury brands, such as luxury watch manufacturers, but plan to begin marketing these products also to manufacturers in the pharmaceutical and aeronautics sectors.

Mobile Security. WISeID generates revenue based on the number of subscribers to its premium offerings. Customers can use WISeID for free and can take advantage of premium features through purchases within the applications or through annual subscriptions. WISfans generates advertising revenue based on the number of applications downloaded, the value of the brand partner, the number of ad impressions, push notifications and other mobile analytics. We enter into agreements with companies to provide the application for free to consumers and revenue is generated through active use of our application by fans or customers.

Competition

We operate in the highly competitive market of cybersecurity as well as the growing markets of product authentication and mobile security. There are several global security companies with strong presence in the markets in which we operate, including Verisign, Inc., Symantec Corporation, FireEye, Inc., Red Hat Software, VASCO Data Security International, Inc. and Zix Corp. There are also smaller companies in each of our market segments who compete against us or may compete against our products in the future. Currently, we do not believe there are any companies that directly compete with our brand management products. However, traditional anti-counterfeiting offerings can be seen as a potential alternative that our customers may choose instead of purchasing our products in this space.

Employees

As of date of this Listing Prospectus, WISeKey had 11 employees, all of which were full-time employees. We believe that we have strong relationships with our employees. None of our employees is currently represented by labour unions. The total number of full-time employees as of the end of financial years 2015, 2014 and 2013 was 11, 14, and 16, respectively. We further have a close cooperation with a number of independent consultants in Vietnam, Spain and the United States for technological development. Currently, 21 consultants are working on a full-time basis for WISeKey.

Leased property

WISeKey International Holding Ltd's registered office is located at General-Guisan-Strasse 6, 6300 Zug, Switzerland. WISeKey SA's Swiss operational headquarters is at World Trade Center, Route de Pré-Bois 29, 1215 Geneva 15, Switzerland, with approximately 500 square meters of leased office space.

Legal Proceedings

WISeKey has been a party to litigation arising from time to time in the ordinary course of business, none of which has been material. We expect that litigation may also arise in future periods, the materiality of which cannot be predicted. Regardless of the outcome, litigation can have a material adverse impact on WISeKey's operations due to defence and settlement costs, diversion of resources and other factors that could affect our ability to operate our business.

INVESTMENTS

Investments

Investments in property, plant and equipment are limited due to the nature of our business. In the past, we mainly invested in buildings and improvements, and to a lesser extent in computers, office equipment and furniture. The useful life is five years for investments in buildings and improvement, and two to five years for investments in computers, office equipment and furniture.

Investments in intangible assets consist of investments in trademarks and investments in license agreements, which both have an estimated useful life of 5 years.

No significant investments have been made by the Company subsequently to the closing of the period on June 30, 2015 until the date of this Listing Prospectus.

	Six months ended June 30,	Year ended December 31,		
(in USD 000)	2015	2014	2013	2012
Investments in property, plant and equipment	-	(60.3)	(49.5)	
Investments in intangible assets	(59.7)	(13.4)	(63.1)	
Total capital expenditures	(59.7)	(73.7)	(112.5)	

Current Investments

For the current period, we have not planned any investment other than replacing property, plant and equipment already in use.

Investments Already Approved

We have at this stage not approved any investment in property, plant and equipment or in intangible assets.

ADMINISTRATIVE, MANAGEMENT AND AUDIT BODIES

Board of Directors

General information

Our Articles provide that members of the Board of Directors may be elected at a general meeting of shareholders by the absolute majority of the votes represented at the meeting. Pursuant to the Ordinance Against Excessive Compensation at Public Companies (the “**Compensation Ordinance**”), which will become applicable to the Company upon the listing of the Class B Shares on the SIX, and our Articles, all directors must be elected for a one-year term, starting on the day of election and ending on the day of the next annual general meeting of shareholders.

Should a member of the Board be elected in replacement of another member of the Board prior to the annual term of office, then the newly elected member of the Board will be elected for the period of time remaining for which the predecessor had been previously elected. Re-election is allowed without limitation. The chairman of the Board is elected by the general meeting of shareholders. According to the Articles, any director may not hold positions in the supreme governing bodies of more than 10 companies that are not part of the WISeKey Group, of which no more than 5 may be in listed companies.

Our Articles further provide that the Board consists of a minimum of 3 directors and a maximum of 12 directors. As of the date of this Listing Prospectus, the Board consists of 8 directors.

The Board is entrusted with the ultimate direction of the Company and the supervision of management. The Board's non-transferable and irrevocable duties further include issuing the necessary directives, determining the organization, organizing the accounting system, the financial controls and the financial planning and appointing, supervising and removing the persons entrusted with the management and representation of the Company. Furthermore, the Board's duties include the responsibility for the preparation of the management report and the general meeting of shareholders, the carrying out of shareholders' resolutions and the notification to the judge in case of overindebtedness of the Company. In addition, further duties of the Board are the responsibility for passing resolutions regarding the increase of the share capital, provided that the Board has the authority to do so (art. 651(4) CO), and the attestation of the capital increase, the preparation of the capital increase report and the corresponding amendment to the Articles.

According to the Company's organizational rules, resolutions of the Board are passed by way of a simple majority vote. The Chairman does not have a casting vote. To validly pass a resolution, more than half of the members of the Board of Directors have to attend the meeting. No quorum is required for confirmation resolutions and adaptations of the Articles in connection with capital increases pursuant to articles 634a, 651a, 652g and 653g CO.

In accordance with Swiss law, the Articles and the Organizational Regulations, the Board has delegated the Group's executive management to the chief executive officer of the Company (the “**CEO**”) who is supported by the other members of the executive management (together with the CEO the “**Executive Management**”).

Board Composition

The following table sets forth the name, function, committee membership and age of each member of the Board as of the date of this Listing Prospectus.

Name	Function	Committee Membership	Age
Philippe Doubre	Member of the Board (since 1999)*	Nomination and Compensation Committee	81
Thomas J. Egger	Member of the Board (since 2010)*	Audit Committee	56
Juan Hernandez Zayas	Member of the Board (since 2007)*	Audit Committee, Strategy Committee	53
Dr. Franz Humer	Vice-Chairman of the Board (since 2016)**	Nomination and Compensation Committee, Strategy Committee	70
Dourgam Kummer	Member of the Board (since 2007)*	Nomination and Compensation Committee	51
Carlos Moreira	Chairman of the Board (since 1999)*	Strategy Committee	57
Maryla Shingler Bobbio	Member of the Board (since 2013)*	Audit Committee, Nomination and Compensation Committee	53
Peter Ward	Member of the Board (since 2012)*	Strategy Committee	64

* Includes board membership at the Company's predecessor holding company of the WISEKey Group, WISEKey SA.

** Dr. Franz Humer has been a board member of WISEKey USA, Inc., since 2015.

Philippe Doubre

Philippe Doubre, born in 1935, a Swiss citizen, has held the position of president and secretary general of the World Trade Centre (WTCA), Geneva from 1979 to 2015. He is the founder and president of Lake of Geneva Services and Consulting (LGSC SA), as well as co-founder of WISEKey and Vice President of the Board. Further, he has served as president of the OISTE Foundation and, since 1999, as a member of the board of the WTCA in New York. Philippe Doubre also is the former chairman of the WTCA Committee on Information and Communication. He is the president of the China Hub in Geneva and a permanent representative of the WTCA organization to the UN in Geneva. Philippe Doubre also held several senior positions in the banking and finance industry, including Vice President and General Cashier of American Express Paris, General Manager Overseas Development.

Thomas J. Egger

Thomas J. Egger, born in 1960, a Swiss citizen, has been serving as the chief executive officer of Parkview Ltd, a Multi-Family Office, based in Geneva since June 2012. At Parkview Ltd, he focuses on Swiss, European and Latin American entrepreneur families. He holds a BA from Zurich Business School. Thomas J. Egger began his career in 1976 with an apprenticeship/business school at Swiss Bank Corporation, predecessor to today's UBS, where he last acted as senior advisor/managing director, UBS Wealth Management for Latin America and the Iberian Peninsula. During his career at UBS, he has worked in the Wealth Management and Investment Bank in Zurich, New York, Caracas, Stamford and Geneva. His experience includes dealing with private clients, entrepreneurs, private, state & central banks, as well as government agencies in many different countries. From 1999 – 2003, Thomas J. Egger built up and led the global UBS Sports & Entertainment initiative.

Juan Hernandez Zayas

Juan Hernández Zayas, born in 1962, a Spanish citizen, graduated in Economics and Business Administration in Bilbao in 1987, and obtained an MBA at the LSFT (London). In 1989 he joined the audit and corporate division of PriceWaterhouseCoopers (PWC). He spent seven years at PWC specializing in corporate finance, mergers and takeovers, working with large corporates and multinationals as well as important family groups. He is a member of the ROAC, the official Spanish College of Chartered Accountants. In 1995, he moved to the Eguizabal-Paternina Group, one of Spain's leading wine producers, as director of affiliates, responsible for the national and international expansion and coordinating the Group's IPO in 1998. In 2001, Juan Hernández Zayas was appointed chief executive officer of the Cosimet-Velasco Group, playing a major role in the company's diversification strategy and in the consolidation of a large industrial holding, with companies involved in several sectors, including steel, real estate, construction and services. In recent years, Juan Hernández Zayas has been focusing on leading development in several new tech and renewable energy entities, based in Spain, in the EU, and South America. Further he serves as a member of the board of directors of Welzia Management SA, Igurco SL., Climatewell AB and CEO of Grupo TDG SL.

Dr. Franz Humer, Vice-Chairman

Dr. Franz Humer, born in 1946, has Austrian and Swiss citizenship. He obtained a PhD in Law from Innsbruck University and an MBA from INSEAD in Fontainebleau. He started as a management consultant in Zurich before joining Schering Plough in 1973 and then Glaxo Holdings in 1981, where he was appointed managing director of Glaxo Pharmaceuticals UK Ltd in 1987. He was elected to the board of directors in 1989 and became chief operating director worldwide operations (excluding USA) in 1992. Dr. Franz Humer joined Roche in 1995 as Head of the Pharmaceuticals Division and member of the board of directors, became chief executive officer in 1998 and in April 2001 chairman of the board of directors and chief executive officer. From March 2008 until March 2014 he was chairman of the board of directors of Roche Holding Ltd. Dr. Franz Humer joined the board of directors of Diageo, the world's leading spirits company in 2005 and became its chairman in 2008. He is also chairman of the board of directors of the International Centre for Missing and Exploited Children and the Humer Foundation. He is an independent director with Citigroup Inc., Chugai Pharmaceuticals Ltd (Japan), Bial Pharmaceuticals (Portugal), Kite Pharma (a biotech company in Los Angeles) and a member of the International Advisory Board of Allianz SE.

Dourgam Kummer

Dourgam Kummer, born in 1965, a Swiss citizen, held several leading positions in the structured and corporate finance of international companies and financial institutions, in particular André & Cie SA, where he served in management positions in their former USSR and Austria representation offices. From 2001 to 2005, Dourgam Kummer served on the board of directors for Bisange SA and was a managing director. He joined the board of directors of WISeKey SA in 2005 and was its chief financial officer from 2005 until 2011. From 2011 to 2015 he was chief operations officer at WISeKey SA. Since 2007, he has served on WISeKey SA's board of directors. Since January 2016, he has been a senior partner at FRACTAL-SWISS AG and FounderTrust SA and on the board of directors of both companies. He graduated with honors in company management and finance at "l'école de Cadre" in 1988 in Lausanne and obtained a degree on structured finance in 1998 and in strategic finance in 2006 at IMD. He is also a member of the IMD alumni club since 1999 and member of the HEC alumni club since 2001.

Carlos Moreira, Chairman

Carlos Moreira, born in 1959, a Swiss citizen, began his career as a United Nations expert on Information Technology, eSecurity and Trust Models, working for the International Labor Organization (ILO), the United Nations (UN), United Nations Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO) and International Trade Centre (ITC), the World Bank, the United Nations Development Programme (UNDP) and the Economic and Social Commission for Asia and the Pacific (ESCAP) from 1983 to 1998. A recognized early stage pioneer in the field of digital identity, he was also Adjunct Professor of the Graduate School of Engineering Royal Melbourne Institute of Technology (RMIT) from 1995 to 1999 and Head of the Trade Efficiency Lab at the Graduate School of Engineering at RMIT. In 1999, Carlos Moreira founded the Geneva-based online data security firm WISEKey SA.

Carlos Moreira is a member of the UN Global Compact, member of the World Economic Forum's Global Agenda Council, founding member of the World Economic Forum for Global Growth Companies, World Economic Forum New Champion 2007 to 2016, Vice Chair of the World Economic Forum Global Agenda Council on Illicit Trade 2012/16, founder and board member of Geneva Security Forum SA, member of the Global Clinton Initiative, founder of Geneva Philanthropy Forum, Vice President Malaga Valley, co-founder of the Association International Mobility AIM, Vice-President of the World Trade Center, Geneva, a commitment holder at the Global Clinton Initiative On Mobile-Banking and Digital Identification for Poverty Alleviation 2007 to 2016, and a member of the World Economic Forum's Partnering Against Corruption Initiative (PACI). Carlos Moreira holds a Bachelor of Science in Business Administration from the University of Málaga, Spain.

Maryla Shingler Bobbio

Maryla Shingler Bobbio, born in 1963, a UK citizen, is founder and managing director of the Argentum Group. Born in Poland, she moved to England where she qualified as an English Solicitor. She worked for a number of well established law firms in London, including Linklaters, Beachcrofts and Charles Russell where she specialized in private client tax planning and trusts. She continued her career by focusing on offshore tax planning for international high-net worth clients and worked for three years as an in-house legal counsel for Rathbones plc in London before relocating to head their Legal Department in Geneva for 2 years. Maryla Shingler Bobbio moved on to become a director of a small private trust company before deciding to utilize her international legal skills, expertise and contacts to establish the Argentum Group SA in 2005. She is a full Member of the Society of Trust and Estate Practitioners (STEP) and holds a current English Solicitor Practising Certificate. Until December 2014 she served on the supervisory Board of Budev BV, a Dutch Healthcare R&D company.

Peter Ward

Peter Ward, born in 1952, a UK citizen, is a chartered management accountant with significant international experience in the IT, fast moving consumer goods, retail/distribution, medical equipment, plastics and Biotech industries, having worked at companies such as ITT, General Electric, Iomega and Isotis, both in field and headquarters position. He has worked in the UK, Germany, Belgium and Switzerland, where he currently resides. He has worked for many years at the executive staff level in international, multi-cultural environments. He began his tenure with WISEKey SA in 2008 as Finance Director and has been Chief Financial Officer and a Board member since 2012. He has in depth experience in change management, process improvement, business integration & restructuring as well as extensive knowledge of international tax, statutory and US GAAP reporting and Sarbanes-Oxley requirements. He has a BA (honors) degree in Business Administration from Wolverhampton University, U.K. Peter Ward served as a member of the board of directors of Iomega International SA from 1996 to

2004 and from 2005 to 2008 as a member of the board of directors of Isotis Orthobiologics. He began his tenure with WISeKey in 2008 as finance director and has been Chief Financial Officer and a member of the Board since 2012.

Board Committees

The Board has established the following committees to further strengthen the corporate governance structure of the Company:

Strategy Committee

The Strategy Committee currently consists of four members of the Board: Carlos Moreira (Chairman), Dr. Franz Humer, Juan Hernandez Zayas and Peter Ward. As of the date of this Listing Prospectus, none of the members of the Strategy Committee except Carlos Moreira and Peter Ward is a member of the Executive Management. The Chairman and the other members of the Strategy Committee are appointed by the Board.

The Strategy Committee develops the strategy of the Group and prepares the relevant resolutions of the Board. It advises the Board on all strategic matters, including acquisitions, divestments, joint ventures, restructurings and similar matters. The Strategy Committee continuously reviews the strategic direction of the Group and assesses the impact of changes in the environment of the Group.

Audit Committee

The Audit Committee currently consists of three members of the Board: Juan Hernandez Zayas (Chairman), Thomas J. Egger and Maryla Shingler Bobbio. All of the Audit Committee's members are non-executive members of the Board and independent. The Chairman and the other members of the Audit Committee are appointed by the Board.

The function of the Audit Committee is to serve as an independent and objective body with oversight of:

- the Company's and the Group's accounting policies, financial reporting and disclosure controls and procedures;
- the quality, adequacy and scope of external audit;
- the Company's and the Group's accounting compliance with financial reporting requirements;
- the management's and the internal audit's approach to internal controls with respect to the production and integrity of the financial statements and disclosure of the financial performance; and
- the performance of the internal audit.

Nomination and Compensation Committee

The Nomination and Compensation Committee currently consists of four members of the Board: Dr. Franz Humer (Chairman), Philippe Doubre, Dourgam Kummer and Maryla Shingler Bobbio, all of whom are non-executive and, except for Dourgam Kummer and Philippe Doubre, independent. The members of the Nomination and Compensation Committee are elected by the general meeting of shareholders

for a one-year term, commencing on the date of their election at the annual general meeting and expiring after completion of the subsequent annual general meeting. The Chairman of the Nomination and Compensation Committee is appointed by the Board.

The Nomination and Compensation Committee sets the requirements and principles for selecting nominees to the Board and prepares the election of new members of the Executive Management and their terms of employment. The Nomination and Compensation Committee also establishes, in accordance with the requirements of the Compensation Ordinance and the Articles, the compensation principles for members of the Board and the Executive Management and other members of senior management, including, without limitation, with respect to bonus programs, share purchase plans and option programs. The Nomination and Compensation Committee is also informed of succession plans for members of the Board and the Executive Management and other members of senior management, as well as development programs associated with such succession planning.

Executive Management

General Information

In accordance with the Articles and the Organizational Regulations, the Board of Directors has delegated the operational management to the CEO, with the support of our Executive Management. The Executive Management conducts the operational management of the Company under the supervision of the Board and reports to the Board on a regular basis in accordance with the Organizational Regulations.

Composition

The following table sets forth the name, year of birth and principal position of those individuals who currently are part of the Executive Management, followed by a short description of each member's business experience, education and activities:

Officer	Office	Age
Carlos Moreira	Chief Executive Officer	57
Peter Ward	Director and Chief Financial Officer	64
Carlos Moreno	Vice President for Digital Brand Management; Interim Chief Operating Officer	52

In relation to Carlos Moreira's and Peter Ward's biographical information, please refer to information under "*Administrative, Management and Audit Bodies – Board Composition*" on page 42 *et seq.*

Carlos Moreno is Vice President for Digital Brand Management of WISeKey and has served in this role since 2009. He joined WISeKey in 1996 as Sales Director for Switzerland. Carlos Moreno has more than 20 years of experience in sales engineering, sales management, branch management and business development. He has worked on strategic projects for both national and multinational companies in the public, financial and industrial sectors throughout his career at Uniface, Compuware and BMC Software. He has held executive roles in the areas of people management, sales coaching, market analysis and the establishment and implementation of account plans. In his role at WISeKey, he oversees commercial relationships with strategic customers and partners and drives market analysis and go-to-market strategies. He also contributes to product management and the design of solutions and architectures in projects related to Digital Brand Management in the evolution of WISeKey's product offerings.

Board and Executive Management Compensation

As of the date of this Listing Prospectus, the Company will become subject to the Compensation Ordinance of January 1, 2014, and the Directive on Information Relating to the Corporate Governance issued by the SIX Swiss Exchange (the “**Corporate Governance Directive**”). The Compensation Ordinance requires a “say on pay” approval mechanism for the compensation of the Board and the Executive Management pursuant to which the shareholders must vote on the compensation of the Board and the Executive Management on an annual basis. In accordance therewith, the Articles provide that the general meeting of shareholders must, each year, vote separately on the proposals by the Board regarding the maximum aggregate amounts of:

- the total compensation of the Board for the next term of office; and
- the total compensation of the Executive Management for the period of the next fiscal year.

Even though the Company was not subject to the requirements of the Compensation Ordinance at the time, the Company's shareholders approved the Board compensation for the 2016/2017 Board term and the Executive Management compensation for fiscal year 2017 at the annual general meeting of WISeKey International Holding Ltd held on March 21, 2016. The first vote of shareholders on these agenda items subject to the Compensation Ordinance and the Articles of Association will occur at the 2017 annual general meeting.

If the general meeting of shareholders does not approve a proposal of the Board, the Board determines the maximum aggregate amount or maximum partial amounts taking into account all relevant factors and submits such amounts for approval to the same general meeting of shareholders, to an extraordinary general meeting of shareholders or to the next ordinary general meeting of shareholders for retrospective approval.

The Compensation Ordinance further requires the Company to set forth in its Articles the principles for the determination of the compensation of the Board of Directors and the Executive Management. These principles have been included in the Articles as described further below.

The Compensation Ordinance also contains compensation disclosure rules. Pursuant to these rules, the Company is required to prepare an annual compensation report, for the first time in relation to compensation paid in fiscal year 2016 (without comparison for 2016). The compensation report will, among other things, include the compensation of the members of the Board on an aggregate and on an individual basis and of the members of the Executive Management on an aggregate basis as well as the amount for the highest paid member of the Executive Management.

Pursuant to the Corporate Governance Directive, the Company is required to disclose basic principles and elements of compensation and shareholding programs for both acting and former members of the Board and the Executive Management as well as the authority and procedures for determining such compensation. For further details see “*Share Capital and Shares – Ordinance Against Excessive Compensation at Public Companies*” beginning on page 72.

In accordance with the Compensation Ordinance, the Articles provide that no loans or credits shall be granted to members of the Board and the Executive Management. In addition, the Articles provide that the Company may grant to members of the Board and the Executive Management post-retirement benefits beyond the occupational benefit scheme only if such post-retirement benefits do not exceed 100% of the total annual compensation of the respective member last paid.

The Compensation Ordinance generally prohibits certain types of compensation payments to members of the Board and the Executive Management, see “*Share Capital and Shares – Ordinance Against Excessive Compensation at Public Companies*” beginning on page 72.

Board of Directors

The Articles set out the principles for the elements of the compensation of the members of the Board. The compensation of the members of the Board may consist of fixed and variable compensation. The total compensation shall take into account the position and level of responsibility of the respective member of the Board. The general meeting of shareholders approves the proposals of the Board in relation to the maximum aggregate amount of the compensation of the Board for the term of office until the next annual general meeting of shareholders. Members of the Board who are employees of the Company do not receive compensation for Board service. Consequently, Carlos Moreira and Peter Ward, the only members of the Board who are also employees of the Company, do not receive compensation for their Board service.

No member of the Board will receive any sort of compensation in connection with the Listing.

Executive Management

The Articles set out the principles for the elements of the compensation of the members of the Executive Management. The compensation of the members of the Executive Management may consist of fixed and variable compensation elements. Fixed compensation may comprise the base salary and other non-variable compensation elements. Variable compensation may comprise short-term and long-term variable compensation elements. Short-term variable compensation elements may be governed by performance metrics that take into account the achievement of operational, strategic, financial or other objectives, the results of the Company, the Group or parts thereof and/or individual targets, and the achievement of which is generally measured during a one-year period. Depending on achieved performance, the compensation may amount to a multiplier of target level. Long-term variable compensation elements may be governed by performance metrics that take into account the development of the share price or share performance in absolute terms or in relation to peer groups or indices and/or the results of the Company, the group or parts thereof and/or the achievement of operational, strategic, financial or other objectives in absolute terms or in relation to the market, other companies or comparable benchmarks and/or retention elements. An achievement of the objectives will generally be measured over a period of several years. Depending on achieved performance, the compensation may amount to a multiplier of target level. The Board or, to the extent delegated to it, the Nomination and Compensation Committee will determine the performance metrics and target levels of the short- and long-term variable compensation elements, as well as their achievement. Compensation may be paid in the form of cash, shares, in the form of share-based instruments or units or in the form of other types of benefits. The general meeting of shareholders approves the proposals of the Board in relation to the maximum aggregate amounts of fixed and variable compensation, respectively, of the Executive Management.

Business Address, Legal Proceedings and Convictions

Members of the Board and the Executive Management may be contacted at the business address of the Company. There have been no convictions against any of the members of the Board or the Executive Management for finance or business-related crimes in the last five years, and no legal proceedings against any such member of the Board or the Executive Management by statutory or

regulatory authorities (including designated professional associations) are ongoing or have been concluded with a sanction.

Shareholdings of the Members of the Board and Executive Management

Board of Directors

The table below shows the number of Shares that are held by the individual members of our Board (excluding the members of Executive Management Carlos Moreira and Peter Ward) and the rights to receive Shares held by such persons as of the date of this Listing Prospectus. None of the members of the Board holds any rights that would qualify as “sale positions” under the FMIA.

Name	Class A Shares Held Purchase Position for Class A Shares	Class B Shares Held Purchase Position for Class B Shares	% of Share Capital Registered in the Commercial Register	% of Voting Rights
Philippe Doubre	701,695 Class A Shares	70,169 Class B Shares	0.93%	1.41%
Thomas J. Egger	125,050 Class A Shares	12,505 Class B Shares	0.17%	0.25%
Juan Hernandez Zayas	6,683,035 Class A Shares	668,303 Class B Shares	8.84%	13.44%
Dr. Franz Humer	534,445 Class A Shares	53,444 Class B Shares 183,333 rights to acquire Class B Shares	1.52%	1.41%
Dourgam Kummer	626,085 Class A Shares	62,608 Class B Shares	0.83%	1.26%
Maryla Shingler Bobbio	299,980 Class A Shares	610,013 Class B Shares	2.96%	1.66%

Executive Management

The table below shows the number of Shares that are held by the individual members of our Executive Management and the rights to receive Shares held by such persons as of the date of this Listing Prospectus. None of the members of the Executive Management holds any rights that would qualify as “sale positions” under the FMIA.

Name	Class A Shares Held Purchase Position for Class A Shares	Class B Shares Held Purchase Position for Class B Shares	% of Share Capital Registered in the Commercial Register	% of Voting Rights
Carlos Moreira (CEO)	28,267,333 Class A Shares	2,583,298 Class B Shares	36.33%	56.41%
Peter Ward (CFO)	185,475 Class A Shares	18,548 Class B Shares	0.25%	0.37%
Carlos Moreno (Interim COO)	—	0 Class B Shares 60,000 rights to acquire Class B Shares	0.26%	0.11%

Transactions with Members of the Board and Executive Management

For information regarding transactions with members of the Board and the Executive Management, see “*Related Party Transactions*” beginning on page 51.

Credits and Loans Granted to Members of the Board or Executive Management

The Company has not granted any loans, credits or post-retirement benefits beyond the occupational benefit schemes to members of the Board or the Executive Management.

Agreements Regarding Compensation With Members of the Board or the Executive Management

According to the Articles, the Company may enter into mandates or other agreements with the members of the Board. The duration and termination of such agreements are subject to term of office of the member of the Board and the law. The Company may enter into employment agreements with the members of the Executive Management for a fixed term or for an indefinite term. The duration of fixed term agreements may not exceed one year. A renewal of a fixed term agreement is permissible. Agreements for an indefinite term may have a termination notice period of a maximum of one year. The Company may enter into non-competition agreements with members of the Executive Management for the period after the termination of the employment agreement. The duration of any such non-competition undertaking by a member of the Executive Management must not exceed one year and the consideration paid for a non-competition undertaking must not exceed the sum of the total annual compensation of the respective member of the Executive Management last paid.

Mandates Outside the Company

The Articles limit the number of mandates in the supreme governing bodies and the executive management of legal entities that are registered in the Swiss commercial register or a foreign equivalent register outside the Company to ten mandates for members of the Board and four mandates for members of the Executive Management. Mandates in associations, charitable organizations, family trusts and foundations relating to post-retirement benefits are not subject to these limitations. However, no member of the Board or the Executive Management may hold more than ten such mandates.

Description of the Current Employee Share Ownership Plan

The Company continues to be obligated with respect to outstanding options granted to employees of WISeKey SA under the WISeKey SA employee share ownership plan (the “**WISeKey Share Ownership Plan**”) which has not yet expired in accordance with the terms and conditions of such WISeKey Share Ownership Plan. The Company has amended the WISeKey Plan so that holders of options that were granted thereunder and are unexercised and outstanding as of the date of this Listing Prospectus (each such option a “**WISeKey Option**”) will upon exercise of each WISeKey Option receive one Class B Share. Note that the Company expects the WISeKey Ownership Plan to be substantially amended going forward to reflect the requirements of WISeKey as a public company. The Board expects to adopt an amended and restated WISeKey Share Ownership Plan at one of its next Board meetings following the listing of the Class B Shares on the SIX.

Under the current WISeKey Share Ownership Plan, a total of 283,379 option rights have been issued to employees of WISeKey, including a member of the Executive Management, each option right entitling his or her holder to acquire one Class B Share. All options are vested and exercisable at an exercise price of CHF 0.05. See “*Shareholders – Significant Shareholders*” on page 54 *et seq.* for more information.

Auditors

The Company’s auditors are BDO Ltd, Route de Meyrin 123, 1219 Châtelaine, Switzerland.

RELATED PARTY TRANSACTIONS

Shareholders' Agreement

Each holder of Class A Shares has entered into an agreement with WISeKey International Holding Ltd, according to which such holder has given the following undertakings vis-à-vis the Company not to do the following:

- directly or indirectly offer, sell, transfer or grant any option or contract to purchase, purchase any option or contract to sell, grant instruction rights with respect to or otherwise dispose of, or
- solicit any offers to purchase, otherwise acquire or be entitled to, any of his/her/its Class A Shares or any right associated therewith (collectively a “**Transfer**”),

except if such Transfer constitutes a “**Permitted Transfer**”, as defined below.

A Permitted Transfer is defined as a Transfer by a holder of Class A Share to his/her spouse or immediate family member (or a trust related to such immediate family member) or a third party for reasonable estate planning purposes, the transfer to an affiliate and any transfer following conversion of his/her/its Class A Shares into Class B Shares.

Each holder of a Class A Share has the right to request that at the Company's annual general meeting an item be included on the agenda according to which Class A Shares are, at the discretion of each holder of Class A Shares, converted into Class B Shares.

Class A Shareholders

Name	Class A Shares Held	% of Share Capital Registered in the Commercial Register	% Voting Rights
Fernando Chico-Pardo (Mexico-City, Mexico)	2,204,445	1.94%	4.03%
Philippe Doubre (Rolle, VD, Switzerland)	701,695	0.62%	1.28%
Thomas J. Egger (Bursinel, VD, Switzerland)	125,050	0.11%	0.23%
Gary Gauba (San José, CA, United States)	333,335	0.29%	0.61%
Juan Hernandez Zayas (Bilbao, Spain)	6,683,035	5.90%	12.22%
Dr. Franz Humer (Erlenbach, ZH, Switzerland)	534,445	0.47%	0.98%
Brian Kroneberger (Phoenix, AZ, United States)	44,445	0.04%	0.08%
Dourgam Kummer (Vuarens, VD, Switzerland)	626,085	0.55%	1.14%
Carlos Moreira (Bernex, GE, Switzerland)	28,267,333	24.94%	51.69%
Georgette Mosbacher (New York, NY, United States)	16,665	0.01%	0.03%

Name	Class A Shares Held	% of Share Capital Registered in the Commercial Register	% Voting Rights
Maryla Shingler Bobbio (Carouge, GE, Switzerland)	299,980	0.26%	0.55%
Peter Ward (Thônex, GE, Switzerland)	185,475	0.16%	0.34%
Total as a Group	40,021,988	35.30%	73.18%

Strategic Relationship with OISTE

The cryptographic rootkey used by WISEKey is owned by OISTE acting as a trusted third party and non-for-profit entity in charge of ensuring that the Root of Trust remains neutral and trusted. The name of the Root of Trust is OISTE/WISEKey, as shown in all major current browsers that embed the rootkey. Two members of the three member foundation board of OISTE are WISEKey board members. Members of the foundation board of OISTE are appointed by the PAA, whose members are international organizations, governments and large corporations that use the OISTE/WISEKey Root of Trust. OISTE has received special consultative status from the United Nations (ECOSOC) promoting a “Switzerland on the Internet” to provide net cloud neutrality.

OISTE has granted us a perpetual license to exclusively use the cryptographic rootkey and develop technologies and processes based on OISTE's trust model. The perpetual license agreement can only be terminated under limited circumstances, including if WISEKey were to move from the trust model developed by OISTE and/or changing the location of the Root of Trust from Switzerland to another country. WISEKey has to pay royalties to OISTE for the use of the cryptographic rootkey on the basis of the amount of certificates issued to end users. Certain annual minimum payments apply. For further information on our relationship with OISTE, please refer to note 9 to the Combined Consolidated Financial Statements for the period ended and as of December 31, 2014, 2013 and 2012 on page F-23 *et seq.*

In the past, WISEKey has repeatedly subsidized OISTE in the form of cash contributions, by waiving the repayment of loans granted to OISTE and by providing logistical services. It is expected that such grants will also be made in the future.

Contribution of the Entire Equity Interest of WISETrust SA to WISEKey International Holding Ltd

In March 2016, WISEKey International Holding Ltd acquired from Carlos Moreira, our chairman and CEO, the entire equity interest of WISETrust SA against the issuance of 40,021,988 new shares, which, under the Articles, are now Class A Shares. As a result, the Company acquired:

- the U.S. distribution rights pertaining to the technology offered by WISEKey;
- WISETrust SA's 50% equity interest in WISEKey USA, Inc., an operating company incorporated in Delaware, with a focus on business opportunities in the United States; the other 50% interest in WISEKey USA, Inc., is held by WISEKey SA.
- WISETrust SA's entire equity interest in WISEKey SA, which at the time of the contribution represented approximately 19.4% of WISEKey SA's issued share capital.

Share Exchange Offer for all Issued and Outstanding WISEKey SA Shares

In March 2016, we further completed the Exchange Offer for all issued and outstanding shares of WISeKey SA. To settle the Exchange Offer, WISeKey International Holding Ltd issued 13,234,027 Class B Shares against contribution in kind of all WISeKey SA shares tendered in the Exchange Offer. WISeKey International Holding now holds 90.86% of WISeKey SA's share capital and voting rights. The Company intends to acquire 100% ownership of WISeKey SA, either through entering into private transactions with the WISeKey SA shareholders that have not tendered or through a squeeze-out merger pursuant to the Swiss Merger Act. In such a merger, WISeKey SA would be merged with and into a wholly-owned Swiss subsidiary of WISeKey International Holding Ltd (with the Swiss subsidiary being the surviving entity).

Options Rights

For a description of the WISeKey Share Ownership Plan and options issued to persons providing consultancy and advisory services, for more information please refer to “*Administrative, Management and Audit Bodies – Description of the Current Employee Share Ownership Plan*” on page 50 and to “*Shareholders – Significant Shareholders*” on page 54 *et seq.*

SHAREHOLDERS

Significant Shareholders

The table below describes the individual shareholdings of those shareholders that are known to the Company to hold, as of the date of this Listing Prospectus, 3% or more of the Company's voting rights. Each Share carries one vote at a general meeting of shareholders of the Company. Each option entitles the holder to purchase one Share at a pre-defined exercise price. The shareholdings have been calculated on the basis of the Company's share capital registered in the commercial register as of the date of this Listing Prospectus of CHF 1,133,639 and a total of 54,690,380 Shares.

The FMIA, to which the Company and beneficial owners of its Shares will become subject upon the listing of the Class B Shares on the SIX in accordance with the International Reporting Standard, requires persons who directly, indirectly or in concert with other parties acquire or dispose of Shares or purchase or sale rights or obligations relating to the Shares, and, thereby, directly, indirectly or in concert with other parties reach, exceed or fall below a threshold of 3%, 5%, 10%, 15%, 20%, 25%, 33⅓%, 50% or 66⅔% of the Company's voting rights (whether exercisable or not) to notify the Company and the Disclosure Office of the SIX of such acquisition or disposal in writing.

Shareholder	Purchase Position for Class A Shares		Purchase Position for Class B Shares		Sale Position for Class B Shares	% of Share Capital Registered in the Commercial Register	% of Voting Rights
	No. of Class A Shares Held	Other Purchase Positions (Options Warrants)	No. of Class B Shares Held	Other Purchase Positions (Options Warrants)			
Group (referred to as the Class A Shareholder Group) consisting of: Fernando Chico-Pardo (Mexico City, Mexico) Philippe Doubre (Rolle, VD, Switzerland) Thomas J. Egger (Bursinel, VD, Switzerland) Juan Hernandez Zayas (Bilbao, Spain) Gary Gauba (San Jose, CA, United States) Dr. Franz Humer (Erlenbach, ZH, Switzerland) Brian Kronenberger (Phoenix, AZ, USA) Dourgam Kummer (Vuarrens, VD, Switzerland) Carlos Moreira (Bernex, GE, Switzerland) Georgette Mosbacher (New York, NY, USA) Maryla Shingler Bobbio (Carouge, GE, Switzerland) Peter Ward (Thônex, GE, Switzerland)	40,021,988		-- 1		--	35.30%	73.18%
Carlos Moreira (Bernex, GE, Switzerland)	-- 2		2,583,298		--	11.39%	4.72%

Shareholder	Purchase Position for Class A Shares		Purchase Position for Class B Shares		Sale Position for Class B Shares	% of Share Capital Registered in the Commercial Register	% of Voting Rights
	No. of Class A Shares Held	Other Purchase Positions (Options Warrants)	No. of Class B Shares Held	Other Purchase Positions (Options Warrants)			
GEM Global Yield Fund LLC SCS, Luxembourg, Luxembourg			100,000	7,459,127 ³		33.34%	13.82%
			Total Purchase Position Class B Shares: 7,559,127				
WiSeKey International Holding Ltd (Zug, ZG, Switzerland)					9,135,118 ^{4 / 5}	40.29%	16.70%

¹ The Class B Shares held by members of the Class A Shareholder Group are not included in the Class A Shareholder Group, as the group relates to separate agreements entered into by each member of the Class A Shareholder Group with WiSeKey International Holding Ltd in relation to Class A Shares only. Class B Shares held by a member of the Class A Shareholder Group are not affected by these separate agreements.

² Carlos Moreira's purchase position for Class A Shares is included in the Class A Shareholder Group. Class B Shares held by Carlos Moreira are not included in the Class A Shareholder Group, please refer to note 1 for further explanations.

³ On January 19, 2016, the Company committed to issue to GEM Global Yield Fund LLC SCS, 412f Route d'Esch, 2086 Luxembourg, Luxembourg, and GEM Investments America, LLC, East 62nd Street 10065 New York, NY, USA (the latter being beneficially owned by GEM Global Yield Fund LLC SCS) (collectively referred to as "**GEM**"), a warrant according to which GEM has the right to subscribe for 1,459,127 Class B Shares, equaling 6.43% of the Company's share capital and 2.67% of the Company's voting rights. The subscription price corresponds to 120% of the volume-weighted average price of all transactions executed on the SIX during the first trading day of the Class B Shares on the SIX. The warrant expires on March 31, 2021. The warrant can be exercised any time before the expiry date.

On January 19, 2016, GEM also entered into a share subscription facility agreement (the "**SFF**") with the Company, according to which GEM has granted the Company the right, at any date after the date on which the Class B Shares are listed on the SIX (*American style option*), during the period expiring on the earlier of (1) January 19, 2021 and (2) the date on which GEM has subscribed for Class B Shares with an aggregate subscription price of CHF 60 million (*exercise period*), to request GEM, in one or several steps, to subscribe for Class B Shares up to an aggregate subscription amount of CHF 60 million. The subscription/exercise price for each subscription request of the Company corresponds to 90% of the average of the closing bid prices for Class B Shares on the SIX (as adjusted for variations) as reported by Bloomberg during the respective pricing period.

The disclosure in the table above (as it relates to the SFF) is based on assumed average closing bid prices on the SIX of CHF 10, i.e. the reference price under the SFF of CHF 10. A subscription price below CHF 10 requires the consent of the Company. On March 29, 2016, the SIX Disclosure Office granted GEM and the Company (in relation to its corresponding sale position for Class B Shares as per the table above, see note 4 below) an exemption (the "**Exemption**") from the requirement that the number of Class B Shares and the voting rights percentage interest associated with the rights under the SFF be calculated on the basis of the lowest possible subscription price for Class B Shares, which, under the SFF, would be equal to the par value of Class B Shares. Such a disclosure would not have contributed to the transparency of the shareholder structure of the Company. Pursuant to the Exemption, GEM and the Company (in relation to its corresponding sale position for Class B Shares as per the table above, see note 4 below) are required to update the disclosure of their respective purchase position and sale position at each month end (for the first time on April 30, 2016) if and to the extent that the average closing price quoted on the SIX during the preceding month deviates 50% or more from the subscription price last disclosed on the SIX disclosure platform. Note that notwithstanding the disclosure herein on the basis of assumed average closing bid prices on the SIX of CHF 10, the actual subscription price at which GEM may be requested to subscribe for Class B Shares under the SFF by the Company may be lower than CHF 10, and accordingly, the voting rights interest that GEM may acquire upon subscription for Class B Shares under the SFF may therefore be higher than as per the disclosure table above.

⁴ 6,000,000 Class B Shares relate to the sale position arising as a consequence of the entry by the Company into the SFF, which corresponds to GEM's purchase position, as further described in note 3 above. For purposes of this sale position, the same assumptions have been applied as for GEM's purchase position described in note 3 above.

⁵ The Company's sale position relates in addition to the rights under the SFF to the following:

(1) On January 19, 2016, the Company committed to issue to GEM a warrant according to which GEM has the right to subscribe for 1,459,127 Class B Shares, equaling 6.43% of the Company's share capital and 2.67% of the Company's voting rights. The subscription price corresponds to 120% of the volume-weighted average price of all transactions executed on the SIX during the first trading day of the Class B Shares on the SIX. For further details, see note 3 above.

(2) The Company is the sponsor of the WiSeKey Share Ownership Plan pursuant to which it has issued 1,416,912 options rights (all of which have vested) for the acquisition of 283,379 Class B to members of WiSeKey's management and WiSeKey employees (*subscription ratio*: five options confer a right to one Class B Share; *exercise price*: CHF 0.50; *exercise period*: December 31, 2022; *exercise type*: American style);

(3) The Company has issued 1,124,320 options rights and warrants for the acquisition of 1,124,320 Class B Shares to persons providing consultancy, advisory and other services to WISEKey in connection with WISEKey's business development activities (the **Consultancy Rights**) (*subscription ratio*: one option confers a right to one Class B Share; *exercise price*: CHF 0.05; *exercise period*: for 180,987 Consultancy Rights at any time until March 5, 2017, for 680,000 Consultancy Rights at any time until December 31, 2017, for 333,333 Consultancy Rights at any time until January 30, 2018 and for 100,000 Consultancy Rights at any time until July 14, 2024; *exercise type*: American style; and

(4) The Company has granted 268,292 warrants (the **"Warrants"**) to strategic investors in connection with an authorized share capital increase in which they subscribed to Class B Shares at an issue price of CHF 5 and where preferential subscription rights of shareholders were withdrawn and allotted to the strategic investors to enable the Company to raise capital in a fast and flexible manner and thus achieve the listing of its Class B Shares on the SIX. The 268,292 warrants are exercisable to purchase an equal number of Class B Shares at par value "CHF 0.05. The exercise period of the warrants is three months, commencing on the date of the issuance of the warrants, *i.e.*, March 31, 2016. The warranty can be exercised at any time during the exercise period (American style).

Overall, as of the date of this Listing Prospectus, the WISEKey Share Ownership Plan, the Consultancy Rights and the Warrants thus relate to 1,675,991 Class B Shares, 7.39% of the Company's registered share capital and 3.06% of the Company's voting rights. The underlying security in relation to the WISEKey Share Ownership Plan, the Consultancy Rights and the Warrants are Class B Shares (either out of ordinary capital, conditional share capital, authorized share capital or by delivery of treasury shares).

Cross Shareholdings

The Company has no cross shareholdings in excess of a reciprocal 5% of capital or voting rights with any other company.

SHARE CAPITAL AND SHARES

This summary contains certain information in relation to the share capital and the Shares as well as a brief description of certain significant provisions of the Articles and Swiss law. This description does not purport to be exhaustive and is qualified in its entirety by reference to the Articles and the laws of Switzerland in effect on the date of this Listing Prospectus.

Capital Structure

Issued Share Capital

As of the date of this Listing Prospectus, the Company's share capital amounts to CHF 1,133,639.48 and is divided into 40,021,988 shares with a nominal value of CHF 0.01 each (*i.e.*, Class A Shares) and 14,668,392 shares with a nominal value of CHF 0.05 (*i.e.*, Class B Shares). All Shares are registered shares (*Namenaktien*). The Shares are fully paid and rank economically *pari passu* with each other.

Changes in Share Capital

For a description of recent changes to the share capital, please See “*Summary – Recent Developments*” beginning on page 7 for more information.

Authorized Share Capital

As of the date of this Listing Prospectus, the Board is authorized to issue new Shares at any time during a two-year period expiring March 16, 2018 and thereby increase the Company's share capital, without shareholder approval, by a maximum amount of approximately 41.2% of the Company's share capital registered in the commercial register, corresponding to a maximum amount of CHF 466,742.35 or up to 9,334,847 Class B Shares. After the expiration of the initial two-year period, and each subsequent two-year period, authorized share capital will be available to the Board for issuance of additional Class B Shares only if the authorization is reapproved by the Company's shareholders.

According to the Company's authorized share capital, the Board determines the time of the issuance, the issuance price, the manner in which the new Class B Shares have to be paid in, the date from which the new Class B Shares carry the right to dividends and, subject to the provisions of the Articles, the conditions for the exercise of the preemptive rights with respect to the issuance and the allotment of preemptive rights that are not exercised. The Board may allow preemptive rights that are not exercised to expire, or it may place such rights or Class B Shares, the preemptive rights in respect of which have not been exercised, at market conditions or use them otherwise in the interest of the Company.

Article 4a of the Articles regarding authorized share capital reads as follows:

Artikel 4a

Genehmigtes Kapital

¹ Der Verwaltungsrat ist ermächtigt, jederzeit bis zum 16. März 2018 das Aktienkapital im Maximalbetrag von CHF 466'742.35 durch Ausgabe von höchstens 9'334'847 vollständig zu liberierenden Namenaktien mit einem Nennwert von je CHF 0.05 zu erhöhen. Erhöhungen in Teilbeträgen sind gestattet.

Article 4a

Authorized Capital

¹ The Board of Directors is authorized, at any time until March 16, 2018 to increase the share capital in an amount not to exceed CHF466,742.35 through the issuance of up to 9,334,847 fully paid-in registered shares with a nominal value of CHF 0.05 each. An increase in partial amounts shall be permitted.

² Der Verwaltungsrat legt den Ausgabebetrag, die Art der Einlagen, den Zeitpunkt der Ausgabe, die Bedingungen der Bezugsrechtsausübung und den Beginn der Dividendenberechtigung fest. Dabei kann der Verwaltungsrat neue Aktien mittels Festübernahme durch eine Bank oder einen Dritten und anschliessendem Angebot an die bisherigen Aktionäre ausgeben.

³ Der Verwaltungsrat ist ermächtigt, den Handel mit Bezugsrechten zu ermöglichen, zu beschränken oder auszuschliessen. Der Verwaltungsrat kann nicht ausgeübte Bezugsrechte verfallen lassen oder er kann diese bzw. Aktien, für welche Bezugsrechte eingeräumt, aber nicht ausgeübt werden, zu Marktkonditionen platzieren oder anderweitig im Interesse der Gesellschaft verwenden.

⁴ Der Verwaltungsrat ist ferner ermächtigt, das Bezugsrecht der Aktionäre zu beschränken oder aufzuheben und Dritten zuzuweisen, im Falle der Verwendung der Aktien:

- (a) für die Ausgabe von neuen Aktien, wenn der Ausgabebetrag der neuen Aktien unter Berücksichtigung des Marktpreises festgesetzt wird; oder
- (b) für die Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen oder für neue Investitionsvorhaben oder für die Finanzierung oder Refinanzierung solcher Transaktionen; oder
- (c) zum Zwecke der Erweiterung des Aktionärskreises in gewissen Finanz- oder Investorenmärkten oder im Zusammenhang mit der Kotierung der Aktien an inländischen oder an ausländischen Börsen; oder
- (d) für nationale und internationale Aktienplatzierungen zum Zwecke der Erhöhung des Streubesitzes oder zur Einhaltung anwendbarer Kotierungsvorschriften; oder
- (e) zwecks Beteiligung von strategischen Investoren; oder
- (f) für die Einräumung einer Mehrzuteilungsoption ("*greenshoe*") an ein oder mehrere Finanzinstitute im Zusammenhang mit einer Aktienplatzierung; oder
- (g) für die Beteiligung von Verwaltungsräten, Geschäftsleitungsmitgliedern, Mitarbeitern, Beauftragten, Beratern der Gesellschaft oder einer Gruppengesellschaft, oder anderen Personen, die Dienstleistungen an die Gesellschaft oder eine Gruppengesellschaft erbringen; oder
- (h) um Kapital auf eine schnelle und flexible Weise zu beschaffen, welche ohne den Ausschluss der

² The Board of Directors shall determine the issue price, the type of payment, the date of issue of new shares, the conditions for the exercise of pre-emptive rights and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a banking institution or a third party and a subsequent offer of these shares to the current shareholders.

³ The Board of Directors is entitled to permit, to restrict or to exclude the trade with pre-emptive rights. The Board of Directors may permit pre-emptive rights that have not been exercised to expire or it may place these rights and/or shares as to which pre-emptive rights have been granted but not exercised at market conditions or use them for other purposes in the interest of the Company.

⁴ The Board of Directors is further authorized to limit or withdraw the pre-emptive rights of shareholders and allocate such rights to third parties if the shares are to be used:

- (a) for issuing new shares if the issue price of the new shares is determined by reference to the market price;
- (b) for the acquisition of an enterprise, parts of an enterprise or participations or for new investment projects or for purposes of financing or refinancing any such transactions; or
- (c) for the purpose of broadening the shareholder constituency in certain financial or investor markets or in connection with the listing of new shares on domestic or foreign stock exchanges; or
- (d) for purposes of national and international offerings of shares for the purpose of increasing the free float or to meet applicable listing requirements;
- (e) for purposes of the participation of strategic partners; or
- (f) for an over-allotment option ("*greenshoe*") being granted to one or more financial institutions in connection with an offering of shares; or
- (g) for the participation of directors, officers, employees, contractors, consultants of, or other persons providing services to the Company or a group company; or
- (h) for raising capital in a fast and flexible manner which could only be achieved with great difficulty without

Bezugsrechte der bestehenden Aktionäre nur schwer möglich wäre.

⁵ Zeichnung und Erwerb der neuen Aktien sowie jede nachfolgende Übertragung der Aktien unterliegen den Beschränkungen von Artikel 6 dieser Statuten.

exclusion of the pre-emptive rights of the existing shareholders.

⁵ The subscription and acquisition of the new shares as well as any subsequent transfer of the shares shall be subject to the restrictions pursuant to Article 6 of these articles of association.

Conditional Share Capital

As of the date of this Listing Prospectus, the Articles provide for a conditional share capital that authorizes the issuance of Shares (defined in this Listing Prospectus as the Additional Shares) up to a maximum amount of 47.1% of the share capital registered in the commercial register, corresponding to a maximum amount of CHF 533,460.60 or up to 10,669,212 Class B Shares) without obtaining additional shareholder approval. The Additional Shares may be issued through:

- the exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted in connection with bonds, options, warrants or other securities newly or already issued in national or international capital markets or new or already existing contractual obligations by or of any member of the Group; or
- in connection with the issuance of Shares, options or other share-based awards to members of the Board, employees, contractors, consultants or other persons providing services to a member or of the Group.

Article 4b of the Articles regarding conditional share capital reads as follows:

Artikel 4b

Bedingtes Kapital

¹ Das Aktienkapital kann sich um höchstens CHF 533'460.60 erhöhen:

- (a) bis zu einem Betrag von CHF 373'422.40 durch Ausgabe von höchstens 7'468'448 voll zu liberierenden Namenaktien im Nennwert von je CHF 0.05 im Zusammenhang mit der Ausübung von Wandel-, Options-, Tausch-, Bezugs-, oder ähnlichen Rechten auf den Bezug von Aktien (die **Rechte**), welche Dritten oder Aktionären in Zusammenhang mit neuen oder bereits begebenen Anleihen (inklusive Wandel- oder Optionsanleihen), Optionen, Warrants, anderen Finanzierungsinstrumenten oder vertraglichen Verpflichtungen, die von der Gesellschaft oder einer ihrer Konzerngesellschaften gewährt wurden oder gewährt werden (die **mit Rechten verbundenen Obligationen**); und
- (b) bis zu einem Betrag von CHF 160'038.20 durch Ausgabe von höchstens 3'200'764 voll zu liberierenden Namenaktien im Nennwert von je

Article 4b

Conditional Share Capital

¹ The share capital may be increased in an amount not to exceed CHF 533,460.60:

- (a) up to an amount of CHF 373,422.40 by the issuance of up to 7,468,448 fully paid-in registered shares with a nominal value of CHF 0.05 each in connection with the exercise of conversion, option, exchange, warrant or similar rights for the subscription of shares (the **Rights**) granted to third parties or shareholders in connection with bonds (including convertible bonds and bonds with options), options, warrants, notes, other securities or contractual obligations newly or already issued or granted by the Company or one of its group companies (the **Rights-Bearing Obligations**); and
- (b) up to an amount of CHF 160,038.20 by the issuance of up to 3,200,764 fully paid-in registered shares with a nominal value of CHF 0.05 each in connection with

CHF 0.05 im Zusammenhang mit der Ausgabe von Aktien oder mit Rechten verbundenen Obligationen an Mitglieder des Verwaltungsrates, Mitglieder der Geschäftsleitung, Arbeitnehmer, Beauftragte, Berater oder andere Personen, die für die Gesellschaft oder eine Konzerngesellschaft Dienstleistungen erbringen.

² Bei der Ausgabe von mit Rechten verbundenen Obligationen durch die Gesellschaft oder einer ihrer Konzerngesellschaften ist das Bezugsrecht der Aktionäre ausgeschlossen. Zum Bezug der neuen Aktien, die bei der Ausübung von mit Rechten verbundenen Obligationen ausgegeben werden, sind die jeweiligen Inhaber der mit Rechten verbundenen Obligationen berechtigt. Die Bedingungen der mit Rechten verbundenen Obligationen sind durch den Verwaltungsrat festzulegen.

³ Der Verwaltungsrat ist ermächtigt, bei der Ausgabe von mit Rechten verbundenen Obligationen durch die Gesellschaft oder einer ihrer Konzerngesellschaften das Vorwegzeichnungsrecht der Aktionäre zu beschränken oder aufzuheben, falls solche mit Rechten verbundenen Obligationen:

- (a) zum Zwecke der Finanzierung oder Refinanzierung der Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen oder für neue Investitionsvorhaben ausgegeben werden; oder
- (b) an strategische Investoren ausgegeben werden; oder
- (c) auf den nationalen oder internationalen Kapitalmärkten oder im Rahmen einer Privatplatzierung emittiert werden.

Wird das Vorwegzeichnungsrecht durch Beschluss des Verwaltungsrates weder direkt noch indirekt gewährt, gilt Folgendes:

- (a) Die mit Rechten verbundenen Obligationen sind zu den jeweils marktüblichen Bedingungen auszugeben oder einzugehen; und
- (b) der Umwandlungs-, Tausch- oder sonstige Ausübungspreis der mit Rechten verbundenen Obligationen ist unter Berücksichtigung des Marktpreises im Zeitpunkt der Ausgabe der mit Rechten verbundenen Obligationen festzusetzen; und
- (c) die mit Rechten verbundenen Obligationen sind höchstens während 30 Jahren ab dem jeweiligen Zeitpunkt der betreffenden Ausgabe oder des betreffenden Abschlusses wandel-, tausch- oder ausübbar.

⁴ Bei der Ausgabe von Aktien oder mit Rechten verbundenen Obligationen gemäss Art. 4b Absatz 1(b) dieser Statuten, sind

the issuance of shares or Rights-Bearing Obligations granted to the members of the Board of Directors, members of executive management, employees, contractors, consultants or other persons providing services to the Company or one of its group companies.

² The pre-emptive rights of the shareholders shall be excluded in connection with the issuance of any Rights-Bearing Obligations by the Company or any of its group companies. The then-current owners of such Right-Bearing Obligations shall be entitled to subscribe for the new shares issued upon conversion, exchange, or exercise of the Rights-Bearing Obligations. The conditions of the Rights-Bearing Obligations shall be determined by the Board of Directors.

³ The Board of Directors shall be authorized to restrict or deny the advance subscription rights of shareholders in connection with the issuance by the Company or one of its group companies of Rights-Bearing Obligations if:

- (a) such issuances are for the purpose of financing or refinancing the acquisition of an enterprise, parts of an enterprise, or participations or for new investment projects; or
- (b) such instruments are issued to strategic investors; or
- (c) such instruments are issued on national or international capital markets or through a private placement.

If advance subscription rights are neither granted directly or indirectly by the Board of Directors, the following shall apply:

- (a) The Rights-Bearing Obligations shall be issued or entered into at market conditions; and
- (b) the conversion, exchange or exercise price of the Rights-Bearing Obligations shall be set with reference to the market conditions prevailing at the date on which the Rights-Bearing Obligations are issued; and
- (c) the Rights-Bearing Obligations may be converted, exchanged or exercised during a maximum period of 30 years from the date of the relevant issuance or entry.

⁴ The pre-emptive rights and advance subscription rights of the shareholders shall be excluded in connection with the issuance

das Bezugsrecht wie auch das Vorwegzeichnungsrecht der Aktionäre der Gesellschaft ausgeschlossen. Die Ausgabe von Aktien oder mit Rechten verbundenen Obligationen an die in Art. 4b Absatz 1(b) dieser Statuten genannten Personen erfolgt gemäss einem oder mehreren Beteiligungsplänen der Gesellschaft. Die Ausgabe von Aktien an die in Art. 4b Absatz 1(b) dieser Statuten genannten Personen kann zu einem Preis erfolgen, der unter dem Kurs der Börse liegt, an der die Aktien gehandelt werden, muss aber mindestens zum Nennwert erfolgen.

⁵ Die neuen Aktien, welche über die Ausübung von mit Rechten verbundenen Obligationen erworben werden, unterliegen den Beschränkungen gemäss Artikel 6 dieser Statuten.

of any Shares or Rights-Bearing Obligations pursuant to Art. 4b para 1(b) of these Articles of Association. Shares or Rights-Bearing Obligations shall be issued to any of the persons referred to in Art. 4b para 1(b) of these Articles of Association in accordance with one or more benefit or incentive plans of the Company. Shares may be issued to any of the persons referred to in Art. 4b para 1(b) of these Articles of Association at a price lower than the current market price quoted on the stock exchange on which the Shares are traded, but at least at par value.

⁵ The new shares acquired through the exercise of Rights Bearing Obligations shall be subject to the limitations pursuant to Article 6 of these Articles of Association.

Participation Certificates and Profit Sharing Certificates

The Company has not issued any non-voting equity securities, such as participation certificates (*Partizipationsscheine*) or profit sharing certificates (*Genussscheine*).

Other Classes or Series of Shares

The Board may not create a new class of shares with increased voting powers, in addition to the Class A Shares, without the affirmative resolution adopted by shareholders holding at least two-thirds of the voting rights and an absolute majority of the par value of the Shares, each as represented (in person or by proxy) at a general meeting of the Company's shareholders. The Board may create preferred stock with the vote of a majority of the votes cast at a general meeting of the Company's shareholders.

Outstanding Conversion, Option and Warrant Rights

For more information regarding the WISeKey Options under the WISeKey Share Ownership Plan, the Consultancy Rights and the Warrants, please refer to “*Administrative, Management and Audit Bodies – Description of the Current Employee Share Ownership Plan*” on page 50 and to “*Shareholders – Significant Shareholders*” on page 54 *et seq.*

Description of the Shares

The Shares

The Company has issued two classes of shares:

Class A Shares

The Class A Shares are in registered form with a par value of CHF 0.01 each. The Class A Shares are fully paid-up. The Class A Shares have been issued in uncertificated form in accordance with article 973c of the CO as uncertificated securities (*Wertrechte*), which have been registered SIS and constitute intermediated securities within the meaning of the Federal Act on Securities held with an Intermediary of October 3, 2008, as amended (the “**FISA**”) (*Bucheffektengesetz*). In accordance with article 973c of the CO, the Company maintains a register of uncertificated securities (*Wertrechtbuch*).

Class B Shares

The Class B Shares are in registered form with a par value of CHF 0.05 each. The Class B Shares are fully paid-up. Except for 2,784,365 Class A Shares, which have been issued in certificated form The Class B Shares have been issued in uncertificated form in accordance with article 973c of the CO as uncertificated securities (*Wertrechte*), which have been registered with SIS and constitute intermediated securities within the meaning of the FISA. In accordance with article 973c of the CO, the Company maintains a register of uncertificated securities (*Wertrechtbuch*).

So long as the Shares constitute intermediated securities within the meaning of the FISA, the person deemed to be the holder of any Share will be the person holding such Share in a securities account in its own name or, in the case of intermediaries, the intermediary holding such Share in a securities account that is in its name. No Share certificates will be issued, and Share certificates will not be available for individual physical delivery. A shareholder may, however, at any time request the Company to deliver an attestation of the number of Shares held by it, as reflected in the share register.

So long as the Shares constitute intermediated securities within the meaning of the FISA, Shares may be transferred by crediting the relevant transferred Shares to a securities account of the transferee or as otherwise permitted under applicable law. Class B Shares traded on the SIX in accordance with the International Reporting Standard will settle and clear through SIS.

The Articles provide that each of its Shares, irrespective of its par value and its class, has one vote. As a result, relative to the investment required to acquire a Class A Share, holders of Class A Shares benefit from a voting privilege, as one Class A Share grants its holder the same voting right as the higher par value Class B Shares. See also “*Share Capital and Shares – Description of the Shares – Voting*” beginning on page 65 of this Listing Prospectus.

The Shares rank economically *pari passu* in all respects with each other, including, in respect of entitlements to dividends, to a share in the liquidation proceeds in the case of liquidation of the Company and to pre-emptive rights.

Shareholders' Agreement

See “*Related Party Transactions – Shareholders' Agreement*” on page 51 of this Listing Prospectus.

Ordinary Capital Increase, Conditional and Authorized Share Capital

Under the CO, the share capital of a company may be increased in consideration for contributions in cash by a resolution passed at a general meeting of shareholders by a majority of the votes cast. An increase in share capital in consideration for contributions in kind or involving the exclusion of preemptive rights of the shareholders or the transformation of reserves into share capital requires a resolution passed by at least two-thirds of the voting rights and the absolute majority of the par amount of the shares, each as represented (in person or by proxy) at the general meeting of shareholders. However, under the CO, the shareholders of a company may authorize, by passing a resolution in the manner described in the preceding sentence, the issuance of shares in a specific aggregate par amount up to a maximum of 50% of the share capital in the form of:

- conditional capital (*bedingtes Kapital*) for the purpose of issuing shares, *inter alia*, (i) to grant conversion rights or warrants to holders of convertible bonds or (ii) to grant rights to directors, officers or employees of a company or affiliated companies to subscribe for new shares; or
- authorized share capital (*genehmigtes Kapital*) to be utilized by the Board within a period not exceeding two years from the approval given in a general meeting of shareholders.

See “Share Capital and Shares – Capital Structure” beginning on page 59 of this Listing Prospectus for a description of the Company's issued, conditional and authorized share capital.

Dividends and Other Distributions

Under Swiss law, dividends may be paid out only if the Company has sufficient distributable profits from the previous fiscal year, or if the Company has freely distributable reserves (such as statutory capital reserves, also referred to as qualifying additional paid-in capital), each as will be presented on the Company's audited annual standalone statutory balance sheet. Payments out of the Company's registered share capital (in other words, the aggregate par value of the Company's registered share capital) in the form of dividends are not allowed; however, payments out of registered share capital may be made by way of a capital reduction. Such a capital reduction requires the approval of shareholders holding a majority of the votes cast at the general meeting of shareholders. A special audit report must confirm that claims of the Company's creditors remain fully covered despite the reduction in the share capital recorded in the commercial register. Upon approval by the general meeting of shareholders of the capital reduction, the Board must give public notice of the capital reduction resolution in the Swiss Official Gazette of Commerce three times and notify creditors that they may request, within two months of the third publication, satisfaction of or security for their claims. The Board may propose to shareholders that a dividend or other distribution be paid but cannot itself authorize the distribution.

Under our Articles dividends and other distributions are made relative to nominal value of the Shares.

Under the CO, if the Company's general reserves amount to less than 20% of its share capital recorded in the commercial register (*i.e.*, 20% of the aggregate par value of the Company's registered capital), then at least 5% of the Company's annual profit must be retained as general reserves. The CO and the Articles permit the Company to accrue additional general reserves. In addition, the Company is required to create a special reserve on its audited annual standalone statutory balance sheet in the amount of the purchase price of Shares repurchased by any member of the Group, which amount may not be used for dividends or subsequent repurchases.

Swiss companies generally must maintain a separate company, stand-alone “statutory” balance sheet for the purpose of, among other things, determining the amounts available for the return of capital to shareholders, including by way of a distribution of dividends. The Company's auditor must confirm that a proposal made by the Board to shareholders regarding the appropriation of the Company's available

earnings conforms to the requirements of the CO and the Articles. Dividends are usually due and payable shortly after the shareholders have passed a resolution approving the payment, but shareholders may also resolve at the annual general meeting of shareholders to pay dividends in quarterly or other installments. The Articles provide that dividends that have not been claimed within five years after the due date become the property of the Company and are allocated to the general reserves. Dividends paid are subject to Swiss withholding tax, all or part of which can potentially be reclaimed under the relevant tax rules in Switzerland or double taxation treaties concluded between Switzerland and foreign countries. Distributions of cash or property that are based upon a capital reduction or that are made out of statutory capital reserves are not subject to Swiss withholding tax (see “*Certain Swiss Tax Considerations – Swiss Withholding Tax (Verrechnungssteuer)*” on page 77 of this Listing Prospectus). For information on the Company’s expected dividends, see “*Dividends and Other Distributions*” on page 27 of this Listing Prospectus.

General Meetings of Shareholders

The general meeting of shareholders is the Company’s supreme corporate body. Ordinary and extraordinary shareholders meetings may be held. The following powers will be vested exclusively in the shareholders meeting:

- adoption and amendment of the Articles;
- election of members of the Board, the chairman of the Board, the Nomination and Compensation Committee, the Company’s independent voting representative and the Company’s auditor;
- approval of the management report, standalone Swiss statutory financial statements and consolidated financial statements;
- payments of dividends and any other distributions of capital to shareholders;
- discharge of the members of the Board from liability for business conduct during the previous fiscal year;
- subject to certain exceptions, the approval of a business combination with an interested shareholder (as such terms are defined in the Articles); and
- the adoption of resolutions that are reserved to the general meeting of shareholders by law or the Articles or that are submitted to the general meeting of the shareholders by the Board (unless the relevant matter is within the exclusive competence of the Board pursuant to the CO).

Notice

Under the CO and the Articles, the invitation to general meetings of shareholders must be published in the Swiss Official Gazette of Commerce at least 20 calendar days prior to the relevant general meeting of shareholders. The notice of a meeting must state the items on the agenda and the proposals of the Board and the shareholders who demanded that a shareholders meeting be held or that an item be included on the agenda and, in case of elections, the names of the nominated candidates. No resolutions may be passed at a shareholders meeting concerning agenda items for which proper notice was not given. This does not apply, however, to proposals made during a shareholders meeting to convene an extraordinary shareholders meeting or to initiate a special investigation. No previous notification will be required for proposals concerning items included on the agenda or for debates as to which no vote is taken. A general meeting of shareholders can be held anywhere. Under the CO, a general meeting of shareholders for which a notice of meeting has been duly published may not be adjourned without publishing a new notice of meeting.

Annual General Meetings of Shareholders

Under the CO and the Articles, the Company must hold an annual, ordinary general meeting of shareholders within six months after the end of its fiscal year for the purpose, among other things, of approving the annual financial statements and the management report, and the annual election of members of the Board, the chairman of the Board, the Nomination and Compensation Committee, the independent voting representative and the auditors. Annual general meetings of shareholders may be convened by the Board or, under certain circumstances, by the auditor.

The Company's annual report and the compensation report as well as the auditor's reports thereon must be made available for inspection by the shareholders at the Company's place of incorporation no later than 20 calendar days prior to the annual general meeting of shareholders. Each shareholder of the Company is entitled to request immediate delivery of a copy of these documents free of charge. Shareholders of record will be notified of this in writing.

Extraordinary General Meetings of Shareholders

An extraordinary general meeting of shareholders may be called upon the resolution of the Board or, under certain circumstances, by the auditor. In addition, the Board is required to convene an extraordinary general meeting of shareholders if so resolved by the general meeting of shareholders, or if so requested by shareholders holding an aggregate of at least 10% of the nominal share capital registered in the commercial register, specifying the items for the agenda and their proposals, or if it appears from the annual standalone statutory balance sheet that half of the Company's share capital and reserves are not covered by the Company's assets. In the latter case, the Board must immediately convene an extraordinary general meeting of shareholders and propose financial restructuring measures.

Agenda Requests

Shareholders holding Shares with a nominal value of at least CHF 1 million or 10% of the nominal share capital registered in the commercial register have the right to request that a specific proposal be put on the agenda for the next general meeting of shareholders, setting forth the item and proposal. In accordance with our Articles, a request to put an item on the agenda has to be made at least 45 calendar days prior to the meeting.

Voting

Each Share carries one vote at a general meeting of shareholders. Accordingly, each Class A Share and each Class B Share entitle to one vote, irrespective of their different par value. Relative to the investment required to acquire a Class A Share, holders of Class A Shares benefit from a voting privilege, as one Class A Share grants its holder the same voting right as the higher par value Class B Shares. Pursuant to article 693 para. 3 CO, the voting privilege of Class A Shares does not apply to the following matters to be resolved upon at the Company's general meeting of shareholders:

- (1) the election of the Company's auditor;
- (2) the appointment of an expert to audit the Company's business management or parts thereof;
- (3) any resolution regarding the instigation of a special investigation; and
- (4) any resolution regarding the initiation of a liability action.

Voting rights may be exercised by shareholders registered in the Company's share register or by a duly appointed proxy of a registered shareholder or nominee, which proxy need not be a shareholder of the Company up to a specific qualifying day (the "**Record Date**") designated by the Board. Acquirers of Shares must be entered into the Share Register as shareholders with the right to vote, provided that such acquirers expressly declare that they have acquired the Shares in their own name and for their own account (see "*Share Capital and Shares – Transfer of Shares and Transfer Restrictions*" beginning on page 67).

The Articles do not limit the number of Shares that may be voted by a single shareholder. Holders of treasury Shares, whether the holder is the Company or one of its majority-owned subsidiaries, will not be entitled to vote at general meetings of the shareholders.

Pursuant to the Articles, the shareholders generally pass resolutions by the affirmative vote of a majority of the votes cast at the general meeting of shareholders, unless otherwise provided by law or the Articles.

The acting chair may direct that elections be held by use of an electronic voting system. Electronic resolutions and elections are considered equal to resolutions and elections taken by way of a written ballot.

The CO and/or the Articles require the affirmative vote of at least two-thirds of the voting rights and an absolute majority of the par value of the Shares, each as represented (in person or by proxy) at a general meeting of shareholders to approve the following matters:

- the amendment to or the modification of the purpose of the Company;
- the creation or cancellation of shares with privileged voting rights;
- the restriction on the transferability of Shares or cancellation thereof;
- the restriction on the exercise of the right to vote or the cancellation thereof;
- an authorized or conditional increase in the share capital;
- an increase in the share capital through (i) the conversion of capital surplus, (ii) a contribution in kind, or for purposes of an acquisition of assets, or (iii) a grant of special privileges;
- the limitation on or withdrawal of pre-emptive rights;
- a change in the registered office of the Company;
- the conversion of registered shares into bearer shares and vice versa; and
- the dissolution of the Company.

The same supermajority voting requirements apply to resolutions in relation to transactions among corporations based on the Swiss Federal Merger Act, including a merger, demerger or conversion of a corporation (other than a cash-out or certain squeeze-out mergers, in which minority shareholders of the company being acquired may be compensated in a form other than through shares of the acquiring company, for instance, through cash or securities of a parent company of the acquiring company or of another company in such a merger, an affirmative vote of 90% of the outstanding registered shares is required). Swiss law may also impose this supermajority voting requirement in connection with the sale of "all or substantially all of its assets" by the Company.

Inspection of Books and Records

Under the CO, a shareholder has the right to inspect the share register with respect to his or her own Shares and otherwise to the extent necessary to exercise his or her shareholder rights. No other person has the right to inspect the Company's share register under the CO. The books and correspondence of the Company may be inspected with the express authorization of the general meeting of shareholders or by resolution of the Board and subject to the safeguarding of the Company's business secrets. At a general meeting of shareholders, any shareholder is entitled to request information from the Board and the Company's auditor must answer shareholders' questions to the extent necessary for the exercise of shareholders' rights and subject to prevailing business secrets or other material interests of the Company.

Shareholders' Rights to Bring Derivative Actions

According to the CO, an individual shareholder may, in the shareholder's own name for the benefit of the Company, bring an action against the Company's directors, officers or liquidators that seeks to allow the Company to recover any damages it has incurred due to the intentional or negligent breach by such directors, officers or liquidators of their duties.

Special Investigation

If the shareholders' inspection and information rights outlined under "*Inspection of Books and Records*" above prove to be insufficient, any shareholder may propose to the general meeting of shareholders that specific facts be examined by a special commissioner in a special investigation. If the general meeting of shareholders approves the proposal, the Company or any shareholder may, within 30 calendar days after the general meeting of shareholders, request the relevant court to appoint a special commissioner. If the general meeting of shareholders rejects the proposal, one or more shareholders representing at least 10% of the Company's nominal share capital or holding Shares in aggregate par value of at least two million Swiss francs may request the relevant court to appoint a special commissioner. The court will issue an order to appoint a special commissioner if the petitioners can demonstrate that the Board, any member of the Board or an officer of the Company violated the law or the Articles and thereby damaged the Company or the shareholders. The costs of the investigation would generally be allocated to the Company and only in exceptional cases to the petitioners.

Transfer of Shares and Transfer Restrictions

So long as the Shares are intermediated securities (*Bucheffekten within the meaning of the FISA*) based on uncertificated securities (*Wertrechte*) entered into the main register of SIS or such other custodian as the case may be, (i) any transfer of Shares is effected by a corresponding entry in the securities deposit account of a bank or a depository institution, (ii) no Shares can be transferred by way of assignment, and (iii) a security interest in any Shares cannot be granted by way of assignment.

The Company maintains, through SIS SAG, a share register, in which the full name, address and nationality (in the case of legal entities, the company name and registered office) of the shareholders and usufructuaries are recorded. A person entered into the share register must notify the share registrar of any change in address. Until such notification occurs, all written communication from the Company to persons entered in the share register is deemed to have been validly made if sent to the relevant address recorded in the share register.

Class A Shares

Any person who acquires Class A Shares may submit an application to the Company and request that he/she/it be registered as a shareholder with voting rights, provided such person expressly declares to the Company that it has acquired and holds such Class A Shares in its own name and for its own account.

Class B Shares

Any person who acquires Class B Shares may submit an application to the Company and request that he/she/it be registered as a shareholder with voting rights, provided such person expressly declares to the Company that it has acquired and holds such Class B Shares in its own name and for its own account. Any such person that does not expressly state in his or her application to the Company that the relevant Class B Shares were acquired for his or her own account (any such person, a “**Nominee**”) may be entered in the share register as a shareholder with voting rights for Class B Shares.

The Board may, after having heard the concerned registered shareholder or Nominee, cancel entries in the share register that were based on false information with retroactive effect to the date of entry.

Any acquirer of Shares who is not registered in the share register as a shareholder with voting rights may not vote at or participate in any general meeting of shareholders of the Company, but will still be entitled to dividends and other rights with financial value with respect to such Shares.

Preemptive Rights and Advance Subscription Rights

Under the CO, the prior approval of a general meeting of shareholders is generally required to authorize, for later issuance, the issuance of Shares, or rights to subscribe for, or convert into, Shares (which rights may be connected to debt instruments or other obligations). In addition, the existing shareholders will have preemptive rights in relation to such Shares or rights in proportion to the respective par values of their holdings. The shareholders may, with the affirmative vote of shareholders holding at least two-thirds of the voting rights and a majority of the par value of the Shares, each as represented (in person or by proxy) at the general meeting, withdraw or limit the preemptive rights for valid reasons (such as a merger, an acquisition or any of the reasons authorizing the Board to withdraw or limit the preemptive rights of shareholders in the context of an authorized share capital increase as described below) or delegate the right to limit or suspend the preemptive rights to the Board.

See “*Share Capital and Shares – Capital Structure – Authorized Share Capital*” and “*Share Capital and Shares – Capital Structure – Conditional Share Capital*” on pages 57 and 59, respectively, of this Listing Prospectus for a description of the circumstances under which preemptive rights and advance subscription rights of shareholders are excluded or the Board is authorized to withdraw or limit the preemptive rights and advance subscription rights of shareholders in connection with Shares to be issued out of the Company's conditional or authorized share capital.

Borrowing Powers

Neither Swiss law nor the Articles restrict in any way the Company's power to borrow and raise funds. The decision to borrow funds is made by or under direction of the Board; no shareholders' resolution is required in relation to any such borrowing.

Conflicts of Interest, Management Transactions

Swiss law does not have a general provision on conflicts of interest. However, the CO contains a provision that requires directors and executive officers to safeguard the interests of a company and, in this connection, imposes a duty of loyalty and duty of care on its directors and executive officers. This provision is generally understood to disqualify a director or senior officer of a company from participation in decisions that directly affect such director or officer. A company's directors and officers are personally liable to the company for breach of this provision. In addition, the CO contains provisions under which directors and officers engaged in the management of a company are liable to the company, each shareholder and the company's creditors for damages caused by an intentional or negligent violation of their duties.

Further, Swiss law contains a provision under which payments made to a shareholder or a director or any person associated with them, other than payments at arm's length, must be repaid to a company if such shareholder or director was acting in bad faith. Pursuant to the CO that, if, in connection with entering into a contract, a company is represented by the person with whom it is entering into the contract, such contract must be in writing. This requirement does not apply to contracts relating to daily business matters if the performance of the company does not exceed CHF 1,000.

Further, according to the CO, a public company is obliged to disclose in each annual report the total amount of all compensation paid and loans granted during the applicable fiscal year to present and, to the extent such compensation and loans are related to past board or executive management service, past members of its board of directors or executive management and persons closely related to such members. Under the CO, the compensation paid, and loans granted, to every member of the board of directors must be disclosed individually (including the name and function of the member), whereas, in the case of executive management, only the compensation paid, and loans granted, to executive management in the aggregate, as well as the member of executive management that received the highest compensation (including the amount paid and his or her function within the company) must be disclosed. In addition, the shares of the company held by members of the board of directors or management and persons closely related to such members must be disclosed. The above described disclosures must be made in the notes to the company's standalone statutory and consolidated balance sheet for the relevant fiscal year.

The corporate governance directive of the SIX also addresses conflict of interest issues. See "*The SIX Swiss Exchange – Corporate Governance Directive*" on page 76 of this Listing Prospectus.

Own Shares and Repurchase of Shares

The CO limits the right of a company to purchase and hold its own shares. A company and its subsidiaries may purchase such company's shares only if and to the extent that (i) the company has freely distributable reserves in the amount of the purchase price; and (ii) subject to certain exceptions in the case of share repurchases for cancellation purposes, the aggregate par value of all shares held by the company does not exceed 10% of the company's nominal share capital. Furthermore, the

company must create a reserve on its standalone statutory balance sheet in the amount of the purchase price of the acquired shares.

Under Swiss corporate law, the Board may, without any shareholder approval, and to the extent the Company has freely distributable reserves as shown on its standalone statutory balance sheet, authorize the repurchase of Shares up to an amount that would not cause the Company to hold more than 10% of its issued Shares as treasury Shares at any time. As of the date of this Listing Prospectus, the Company does not hold any own shares.

Shares held by a company or its subsidiaries do not carry any rights to vote at general meetings of shareholders, but are entitled to the economic benefits, including dividends, pre-emptive rights in the event of share capital increases and advance subscription rights, applicable to the shares generally.

Publicly announced repurchases of listed shares are subject to certain restrictions promulgated by the Swiss Takeover Board (the regulatory body for takeover bids in Switzerland) under the FMIA and the implementing ordinances enacted thereunder. Under Swiss law, and within these limitations, as is customary for Swiss companies, a company may purchase and sell its own shares from time to time in order to meet imbalances of supply and demand, to provide liquidity, and to even out swings in the market price of the shares.

Notices

In accordance with the Articles, notices to shareholders are validly made by publication in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*). Written communications by the Company to its shareholders shall be sent by ordinary mail to the last address of the shareholder entered in the share register.

Any amendments or changes to the terms of the listing of the Listed Shares on the SIX in accordance with the International Reporting Standard or to this Listing Prospectus will be announced through the electronic media and, if required, published in electronic form on the website of the SIX (<http://www.six-swiss-exchange.com/index.html> and <https://www.six-exchange-regulation.com/en/home.html>, respectively) in accordance with the Listing Rules.

Duration and Liquidation

The Articles do not limit the Company's duration. Under Swiss law, the Company may be dissolved at any time by a resolution of a general meeting of shareholders, which must be passed by the affirmative vote of holders of at least two-thirds of voting rights and an absolute majority of the par value of the Shares, each as represented (in person or by proxy) at the general meeting. Dissolution and liquidation by court order is possible if (i) the Company becomes bankrupt or (ii) shareholders holding at least 10% of the Company's share capital so request for valid reasons. Under Swiss law, any surplus arising out of liquidation (after the settlement of all claims of all creditors) is distributed in proportion to the paid-up par value of Shares held, but this surplus is subject to Swiss withholding tax of 35%. However, as of January 1, 2011, different rules apply for paid-in capital surplus. See "*Certain Swiss Tax Considerations*" beginning on page 77 of this Listing Prospectus. The Shares carry no privilege with respect to such liquidation surplus.

Disclosure of Principal Shareholders

Under the applicable provisions of the FMIA, persons who directly, indirectly or in concert with other parties acquire or dispose of Shares, purchase rights or obligations relating to Shares (the "**Purchase**

Positions) or sale rights or obligations relating to Shares (the **“Sale Positions”**), and thereby, directly, indirectly or in concert with other parties reach, exceed or fall below a threshold of 3%, 5%, 10%, 15%, 20%, 25%, 33 $\frac{1}{3}$ %, 50% or 66 $\frac{2}{3}$ % of the Company's voting rights (whether exercisable or not) must notify the Company and the Disclosure Office of the SIX of such acquisition or disposal in writing within four trading days. Within two trading days of the receipt of such notification, the Company must publish such information via the SIX's electronic publishing platform. For purposes of calculating whether a threshold has been reached or crossed, Shares and Purchase Positions, on the one hand, and Sale Positions, on the other hand, may not be netted. Rather, the Shares and Purchase Positions and the Sale Positions must be accounted for separately and may each trigger disclosure obligations if the respective positions reach, exceed or fall below one of the thresholds. In addition, actual Share ownership must be reported separately if it reaches, exceeds or falls below one of the thresholds.

Furthermore, under Swiss company law, a company must disclose in the business report the identity of shareholders and shareholder groups acting in concert who hold more than 5% of the company's voting rights. Such disclosure must be made once a year in the notes to the company's consolidated financial statements and standalone statutory financial statements, in each case as published in the company's business report.

See *“Shareholders – Significant Shareholders”* on page 54 of this Listing Prospectus for more information.

Mandatory Bid Rules

Pursuant to the applicable provisions of the FMIA, any person that acquires shares of a listed Swiss company, whether directly or indirectly or acting in concert with third parties, which shares, when taken together with any other shares of such company held by such person (or such third parties), exceed the threshold of 33 $\frac{1}{3}$ % of the voting rights (whether exercisable or not) of such company, must make a takeover bid to acquire all the other listed shares of such company. A company's articles of association may either eliminate this provision of the FMIA or may raise the relevant threshold to 49% (“opting-out” or “opting-up”, respectively). WISeKey has adopted an opting-out provision in Article 6 para. 9 of its Articles. Accordingly, an acquirer of Shares is not obliged to make a public offer pursuant to article 135 and 163 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading.

A waiver of the mandatory rules may be granted by the Swiss Takeover Board or the Swiss Federal Market Supervisory Authority FINMA under certain circumstances. If no waiver is granted, the mandatory takeover bid must be made pursuant to the procedural rules set forth in the FMIA and the implementing ordinances thereunder.

There is no obligation to make a takeover bid under the FMIA if the voting rights in question are acquired as a result of a gift, succession or partition of an estate, a transfer based upon matrimonial property law, or execution proceedings.

Cancellation of Remaining Equity Securities

Under the FMIA, any offeror who has made a tender offer for the shares of a listed Swiss company, and who, as a result of such offer, holds more than 98% of the voting rights of such company, may petition the court to cancel such company's remaining equity securities. The petition must be filed against the target company within three months after the expiration of the offer period. The remaining shareholders of the target company may join in the proceedings. If the court orders cancellation of the remaining

equity securities, the target company must reissue and deliver such equity securities to the offeror against performance of its offer for the benefit of the holders of the cancelled equity securities.

Squeeze-out Merger

The Swiss Federal Merger Act allows a squeeze-out of minority shareholders by way of a squeeze-out merger. To the extent that at least 90% of all shareholders of the target company consent, the target company may be merged into the surviving company and the minority shareholders of the target company may be compensated in cash or other consideration (e.g., securities from another company) instead of receiving shares in the surviving company. While disputed in scholarly writing, the 90% consent requirement is predominately thought to relate to 90% of the outstanding shares generally entitled to vote at a general meeting. No court precedents exist regarding the proper interpretation of the statutory 90% consent requirement.

Ordinance Against Excessive Compensation at Public Companies

The Compensation Ordinance came into effect on January 1, 2014. It implements a constitutional amendment based on a popular initiative regarding executive compensation that was approved by the Swiss electorate in 2013. Set out below is a summary of some of the Compensation Ordinance's and our Articles' key provisions.

Severance Pay, Advance Payments and Transaction Bonuses

The Compensation Ordinance prohibits certain types of compensation arrangements with members of a Swiss public company's board of directors, executive management and advisory board, including severance pay, forms of advance compensation, transaction bonuses and certain other types of compensation and benefits not expressly provided for by a company's articles of association.

The Compensation Ordinance broadly prohibits severance payments in any form. In addition, excessive termination notice periods in employment contracts (*i.e.*, longer than one year) and long-term employment contracts for a fixed duration for more than one year are viewed as types of prohibited severance payments. However, post-employment non-compete covenants and consultancy agreements are not subject to the Compensation Ordinance's severance pay prohibition, unless as a result of their terms they are deemed disguised severance payments.

The Compensation Ordinance also restricts certain forms of advance compensation. The decisive element in distinguishing prohibited advance payments from certain types of other advance payments, such as sign-on bonuses, is the point in time at which such payment is made. Consequently, sign-on bonuses compensating benefits and other entitlements that executives forfeit from their previous employers continue to be permissible whereas genuine prepayments of salary (*i.e.*, if the contractual salary is paid in advance) are not permitted.

The Compensation Ordinance also prohibits certain types of transaction bonuses.

Shareholder Approval of Compensation for Board of Directors, Executive Management and Advisory Board

The Compensation Ordinance requires the general meeting of shareholders of Swiss public companies to vote on the compensation of the board of directors, executive management and advisory board. Swiss public companies are required to specify in their articles of association the mechanism for say-on-pay votes, subject to certain minimum requirements. These minimum requirements provide that the

say-on-pay vote must be (i) held annually, (ii) binding and (iii) separate for the members of the board of directors, the members of the executive management and the members of the advisory board (if any).

The Articles have been amended at a general meeting of shareholders of the Company held on March 21, 2016 to comply with these requirements (see also “*Administrative, Management and audit Bodies – Board of Directors – Board and Executive Management Compensation*” beginning on page 47 of this Listing Prospectus).

The Compensation Ordinance requires a company’s board of directors to prepare an annual written compensation report disclosing remuneration and loans directly or indirectly awarded by the company. The disclosure relates to any remuneration paid, and loans made, during the most recently ended fiscal year to members of the board of directors, executive management and advisory board and, to the extent not in line with market standards, to former members of the board of directors, executive management and advisory board and related parties of such current and former members of the board of directors, executive management and advisory board. The remuneration paid, and loans granted, to every member of the board of directors must be disclosed individually (including the name and function of the member). In case of the executive management, only the highest contribution awarded must be disclosed (including the recipient and his or her function within the company).

Articles

The Compensation Ordinance requires that the articles of association of a Swiss public company include provisions regarding (i) the maximum number of permissible activities that the members of the board of directors, executive management and advisory board may carry out in the supreme governing bodies of other companies that are neither controlled by the company nor control the company, (ii) the maximum duration of and/or the notice period under compensation arrangements with members of the board of directors, executive management and advisory board (which should not, in either case, exceed one year), (iii) the duties and responsibilities of a company’s compensation committee and (iv) the particulars of the say-on-pay vote of the annual general meeting of shareholders.

The Articles have been amended at a general meeting of shareholders of the Company held on March 21, 2016 to comply with these requirements.

Election of the Members of the Board of Directors, the Chairperson of the Board of Directors, the members of the Nomination and Compensation Committee and the Independent Voting Representative

The Compensation Ordinance requires that the members of the board of directors, its chairman, the members of the compensation committee (who may only be selected among the members of the board of directors) and one or several independent voting representatives be elected by a company’s shareholders at a general meeting of shareholders on an individual basis for a term ending at the next annual general meeting of shareholders. Re-election in all instances is permitted.

The Articles have been amended at a general meeting of shareholders of the Company held on March 21, 2016 to comply with these requirements.

Independent Voting Representative

The Compensation Ordinance prohibits the representation of shareholders by corporate proxies (*i.e.*, officers or other company representatives) as well as by share depository proxies. The provisions of the Compensation Ordinance further provide that the board of directors must make sure that the shareholders are able to electronically grant proxies and instruct the independent proxy on both (i)

agenda items included in the invitation to the general meeting of shareholders and (ii) new motions which were not disclosed in the invitation to the general meeting of shareholders. The independent proxy is required to exercise the voting rights granted by shareholders only in accordance with shareholder instructions. Further, absent express voting instructions, the independent proxy is required to abstain from voting.

Criminal provisions

The criminal provisions of the Compensation Ordinance sanction non-compliance by members of the board of directors, executive management and advisory board who acted against his or her better knowledge (*wider besseres Wissen*) and pay out or receive impermissible forms of compensation. The Compensation Ordinance also stipulates criminal liability for certain prohibited actions by a Swiss public company's board of directors. Intentional violations of the Compensation Ordinance can result in imprisonment of up to three years and a fine of up to six times the individual offender's annual salary.

THE SIX SWISS EXCHANGE

General Information

As of the date on which the listing of the Listed Shares on the SIX in accordance with the International Reporting Standard becomes effective, and for so long as any Shares remain listed on the SIX, the Company will be subject to the Listing Rules and any additional regulations enacted by the SIX.

The SIX (formerly SWX Swiss Exchange) was founded in 1993 as the successor to the local stock exchanges in Zurich, Basel and Geneva. Full electronic trading in foreign equities and derivatives began in 1995. In 1996, the SIX introduced full electronic trading in Swiss equities, derivatives and bonds. In 2008, SWX Swiss Exchange changed its name to SIX Swiss Exchange. In 2015, the aggregate on order book trading volume of the SIX for Swiss and foreign equity instruments was CHF 957,177 million. As of March 25, 2016, 148 issuers (with 153 equity securities) were listed according to the International Reporting Standard of the SIX Swiss Exchange (source: SIX Swiss Exchange Ltd).

The Company expects the Class B Shares to be included in the SPI®. The SPI® is considered Switzerland's overall stock market index, and it comprises substantially all of the SIX traded equity securities of companies that are domiciled in Switzerland or the Principality of Liechtenstein. The SPI® does not include equity securities with a free float of less than 20% or shares of investment companies.

Trading System

Trading on the SIX occurs through a fully integrated trading system covering the entire process from trade order through settlement. Trading in equity securities begins each business day at 9:00 am and continues until 5:30 pm Central European Time (“CET”). After the close of exchange trading, new orders can be entered or deleted until 10:00 pm CET. From 6:00 am CET new entries and inquiries can be made until 9:00 am CET. The system is not available between 10:00 pm and 6:00 am CET. For the opening phase (starting at 9:00 am CET), the system closes the order book and starts opening procedures; it establishes the opening prices and determines orders to be executed according to the matching rules described below. Closing auctions are held from 5:20 to 5:30 pm CET to determine the daily closing price for all equity securities traded on the SIX. At the start of the closing auction, the status of all equity order books changes from permanent trading to auction. The auction itself consists of a pre-opening period and the actual auction according to rules that are similar to the opening procedure.

Transactions take place through the automatic matching of orders. Each valid order of at least a round lot is entered and listed according to the price limit. A round lot of the shares is expected to consist of one share. In general, market orders (orders placed at a best price) are executed first, followed by limit orders (orders placed at a price limit), provided that if several orders are listed at the same price, they are executed according to the time of entry. The SIX may provide for a duty to trade on the SIX in individual market segments. This duty obliges the participant, during trading hours, to execute orders on the order book only. There is no duty to trade on the SIX for equity securities traded in the Blue Chip Shares segment. The duty to trade on the SIX for Mid-/Small- Cap equity shares does apply to (i) orders with a market price of CHF 200,000 or more, (ii) collective orders, if the market price of the order is CHF 1,000,000 or more, or (iii) portfolio orders. Members of the SIX must observe the principle of best execution for any off-exchange transaction during the trading period. Transactions in shares effected by or through members of the SIX are subject to a stock exchange levy. This levy includes the reporting fee and is payable per trade and participant. The fee is defined individually for each trading segment.

Banks and broker-dealers doing business in Switzerland are required to report all transactions in listed securities traded on the SIX. Reporting occurs automatically for on order book transactions. Off-order book transactions during trading hours must be reported to the SIX within 30 minutes. Transaction information is collected, processed and immediately distributed by the SIX. Transactions outside trading hours must be reported no later than prior to the opening on the next following trading day. The SIX distributes a comprehensive range of information through various publications, including in particular the Swiss Market Feed. The Swiss Market Feed supplies SIX data in real time to all subscribers as well as to other information providers such as the Investdata System of SIX Telekurs and Reuters.

A quotation may be suspended by the SIX if large price fluctuations are observed, or if important, price-sensitive information is about to be disclosed, or in other situations that might endanger fair and orderly trading. Surveillance and monitoring is the responsibility of the SIX as the organizer of the market. The aim of such self-regulation is to ensure transparency, fair trading and an orderly market.

Clearing, Payment and Settlement

Clearing and settlement of securities traded on the SIX is made through SIX SIS AG.

Exchange transactions are usually settled on a T+2 basis, meaning that delivery against payment of exchange transactions occurs two working days after the trade date.

Corporate Governance Directive

The Directive on Information Relating to Corporate Governance of September 1, 2014 of the SIX (the “**DCG**”) came into force on October 1, 2014. It applies to all business reports of issuers of equity securities listed on the SIX. The DCG generally requires issuers to disclose important information on the management and control mechanisms at the highest corporate level or to give specific reasons why this information is not disclosed.

Management Transactions

The Directive on the Disclosure of Management Transactions of November 27, 2012 of the SIX (the “**DMT**”) entered into force on April 1, 2013. It applies to issuers whose equity securities are listed on the SIX and whose registered office is in Switzerland. The DMT requires issuers to ensure that members of their board of directors and executive management disclose transactions they have made in the securities of their own company.

According to the DMT, the respective individual must disclose any such transaction to the issuer. The issuer must forward that information to the SIX. Such transactions are subsequently published on a no name basis on the SIX Swiss Exchange's website.

CERTAIN SWISS TAX CONSIDERATIONS

Taxation

The description of the Swiss tax treatment of the Shares summarized below is based on the laws as currently in force, as such laws may be modified by subsequent amendments brought to the applicable Swiss tax rules (potentially with retrospective effect) and their interpretation by the Swiss tax authorities.

The statements below are a summary provided for general information purposes only and should by no means be considered as a comprehensive analysis of all tax consequences that may apply to holders of Shares. Holders of such Shares should contact their personal tax advisor in order to determine the tax regime applicable to their own situation.

Holders of Shares who are not residents of Switzerland for tax purposes should also comply with the applicable tax laws of their country of residence, subject to the application of any double tax treaty entered into between such country of residence and Switzerland.

Swiss Withholding Tax (*Verrechnungssteuer*)

For purposes of this discussion, the term “Qualifying Reserves” means the “reserves from capital contributions,” as part of the general (legal) reserves of the Swiss statutory financial statements of the Company which is accumulated by certain qualifying contributions received from shareholders and which is notified to and recognized by the Swiss Federal Tax Administration.

Dividends and similar distributions out of Qualifying Reserves and repayments of the nominal share capital will not be subject to Swiss withholding tax. Under the applicable capital contribution principle, the repayment of all qualifying capital contributions made by the investors will be exempt from Swiss withholding tax provided that such capital contributions have been made after December 31, 1996 and notified to and approved by the Swiss Federal Tax Administration. It is at the discretion of the Company’s shareholders to decide (at a Shareholders’ Meeting) whether to distribute a dividend out of Qualifying Reserves free of Swiss withholding tax and/or out of profit/retained earnings/non-qualifying reserves subject to Swiss withholding tax. Once cumulative distributions exceed the Qualifying Reserves, any distributions paid by the Company will be subject to Swiss withholding tax. To the extent that additional shares are issued by the Company in the future, the value of the distributions which can be made free of Swiss withholding tax will be increased by an amount corresponding to the total nominal share capital and paid-in capital/share premium of the shares issued. The share premium created as a result of the issuance of consideration shares is expected to qualify as capital contribution reserves free of Swiss withholding tax.

Any dividends and similar cash or in-kind distributions of profit and reserves other than Qualifying Reserves made by the Company, including stock dividends and the distribution of any liquidation proceeds in excess of nominal share capital and Qualifying Reserves, will be subject to Swiss withholding tax imposed on the gross amount at the then-prevailing rate (currently 35%).

For distributions subject to Swiss withholding tax, the Company may only pay out 65% of the gross amount of any dividend and similar distributions to the holders of Shares. A portion equal to 35% of the gross amount of such dividends and similar distributions must be paid to the Swiss Federal Tax Administration.

The redemption of Shares by the Company may under certain circumstances (in particular, if the Shares are redeemed for subsequent cancellation) be taxed as a partial liquidation for Swiss withholding tax purposes, with the effect that Swiss withholding taxes at the then-prevailing rate (currently 35%) is due on the difference between the redemption price and nominal value plus proportionate Qualifying Reserves of the redeemed Shares.

Swiss resident beneficiaries of taxable dividends and similar distributions in respect of Shares are entitled to full subsequent relief of the Swiss withholding tax, either through a tax refund or tax credit against their income tax liability, if they duly report the underlying income in their tax returns or financial statements used for tax purposes, as the case may be, and if there is no tax avoidance.

A non-resident shareholder may be entitled to a partial refund of the Swiss federal withholding tax on a dividend and similar distributions if the country of his or her residence for tax purposes has entered into a bilateral treaty with respect to taxes on income with Switzerland and the conditions of such treaty are met. Such shareholders should be aware that the procedures for claiming treaty benefits (and the time required for obtaining a refund) might differ from country to country.

Shareholders should contact their personal tax advisor in order to determine the tax regime and formalities applicable to their own situation.

Foreign Final Withholding Tax (*Abgeltungssteuer*)

On 1 January 2013, treaties on tax cooperation which Switzerland entered into with the United Kingdom and with Austria came into force (each of the United Kingdom and Austria being, for the purpose of this paragraph, a “Contracting State”). The treaties require a Swiss paying agent, as defined in the treaties, to levy a flat-rate “final withholding tax” at rates specified in the treaties on certain capital gains and income items (including dividends), all as defined in the treaties, deriving from certain assets (which would include the Shares) booked or deposited with a Swiss paying agent by (i) an individual resident in a Contracting State, or (ii) if certain requirements are met, by a domiciliary company (*Sitzgesellschaft*), an insurance company in a so-called insurance wrapper (*Lebensversicherungsmantel*) or any other individual with an account or deposit with a Swiss paying agent, if the beneficial owner of the relevant asset is an individual resident in a Contracting State. Under the treaty with the UK, the tax rate for individuals resident and domiciled in the UK is 35% (as of 6 April 2016: 35.6%) on dividends and 27% on capital gains, and, under the treaty with Austria, 27.5% on dividends and capital gains. The flat-rate tax withheld replaces the ordinary capital gains tax and income tax on the relevant capital gains and income items in the Contracting State where the individuals are tax resident, unless an affected individual elects for the flat-rate tax withheld to be treated as if it were a credit allowable against the income tax or, as the case may be, capital gains tax, due from that individual for the relevant tax year in the relevant Contracting State. Alternatively, instead of paying the flat-rate tax, such individuals may opt for a disclosure of the relevant capital gains and income items to the tax authorities of the Contracting State where they are tax residents.

If Swiss federal withholding tax of 35% has been withheld on dividends or similar distributions made in respect of Shares, the Swiss paying agent will – to the extent provided in the applicable bilateral treaty with respect to taxes on income between Switzerland and the Contracting State – in its own name and on behalf of the relevant shareholder file with the Swiss tax authorities a request for the partial refund of the Swiss federal withholding tax. The Swiss federal withholding tax which is not refundable according to the bilateral tax treaty (residual tax) is credited against the flat-rate final withholding tax.

Swiss Federal, Cantonal and Communal Individual Income Tax and Corporate Tax

Non-Resident Shareholders

Shareholders who are not resident in Switzerland for tax purposes, and who, during the relevant taxation year, have not engaged in a trade or business carried on through a permanent establishment or fixed place of business situated in Switzerland for tax purposes, will not be subject to any Swiss federal, cantonal and communal income tax on dividends and similar distributions on shares (including dividends on liquidation proceeds and stock dividends), distributions based upon a capital reduction (*Nennwertrückzahlungen*) and Qualifying Reserves on shares, or capital gains realized on the sale or other disposition of shares (see article “*Certain Swiss Tax Considerations – Swiss Withholding Tax (Verrechnungssteuer)*” on page 77 for a summary of Swiss federal withholding tax on dividends and similar distributions, and “*Certain Swiss Tax Considerations – Foreign Final Withholding Tax (Abgeltungssteuer)*” on page 78 for a summary on final withholding taxes in respect of shares held in Swiss accounts by non-resident shareholders).

Resident Private Shareholders

An individual who is resident in Switzerland for tax purposes and holds Shares as part of his or her private assets (*Privatvermögen*) and who receives dividends and similar distributions (including stock dividends and liquidation proceeds in excess of nominal share capital and Qualifying Reserves) from the Company must include these distributions in his or her personal tax return and will be subject to federal, cantonal and communal income tax on any net taxable income for the relevant tax period. However, dividends and similar distributions out of Qualifying Reserves and repayments of the nominal share capital will not be subject to federal, cantonal and communal income tax.

Swiss resident individuals holding Shares as business assets, as well as non-resident individuals holding the Shares as part of a permanent establishment or a fixed place of business are required to include all taxable distributions received on Shares in their income statements and will be subject to federal, cantonal and communal income tax on any net taxable income for the relevant tax period.

Resident Corporations

Non-resident corporations holding Shares as part of a Swiss permanent establishment or legal entities resident in Switzerland are required to include all taxable distributions received on Shares in their profit and loss statement relevant for profit tax purposes and will be subject to federal, cantonal and communal corporate income tax on any net taxable earnings for such period. A Swiss corporation or cooperative, or a non-Swiss corporation or cooperative holding Shares as part of a Swiss permanent establishment, may, under certain circumstances, benefit from taxation relief with respect to distributions (*Beteiligungsabzug*), provided such Shares represent at the time of the distribution at least 10% of the share capital or 10% of the profit and reserves, respectively, or a fair market value of at least CHF 1 million.

Swiss Cantonal and Communal Private Wealth Tax and Capital Tax

Non-Resident Shareholders

Shareholders who are not resident in Switzerland for tax purposes, and who, during the relevant taxation year, have not engaged in a trade or business carried on through a permanent establishment or fixed place of business situated in Switzerland for tax purposes are not subject to Swiss cantonal and communal private wealth tax or capital tax.

Resident Individuals

An individual who is a non-Swiss resident holding Shares as part of a Swiss permanent establishment or fixed place of business situated in Switzerland, or who is a Swiss resident for tax purposes is required to include his or her Shares in his or her assets which are subject to cantonal and communal private wealth tax. No private wealth tax is levied at the federal level.

Resident Corporations

Corporations resident in Switzerland or non-resident corporations with a Swiss permanent establishment are subject to cantonal and communal capital tax. The cantonal and communal capital tax is levied on the basis of the taxable equity of the legal entities. Usually, the acquisition of Shares should not influence the equity of a legal entity and should therefore have no or only limited influence on its capital tax charge. No capital tax is levied at the federal level.

Taxes on Capital Gains upon Disposal of Shares

Non-Resident Shareholders

Shareholders who are not resident in Switzerland for tax purposes, and who, during the relevant taxation year, have not engaged in a trade or business carried on through a permanent establishment or fixed place of business situated in Switzerland for tax purposes, will not be subject to any Swiss federal, cantonal and communal income tax or capital gains realized on the sale or other disposition of shares.

Resident Individuals

Individuals who are resident in Switzerland for tax purposes and hold Shares as part of their private assets (*Privatvermögen*) generally are exempt from Swiss federal, cantonal and communal taxes with respect to capital gains realized upon the sale or other disposal of Shares, unless such individuals are qualified as professional securities dealer (*Wertschriftenhändler*) for income tax purposes. Under certain circumstances, share sale proceeds of a private individual may be recharacterized into taxable investment income. Upon a repurchase of Shares by the Company, the portion of the repurchase price in excess of the nominal amount and Qualifying Reserves may be classified as taxable investment income if the Shares repurchased are not sold within a six-year period or if the Shares are repurchased for a capital reduction.

Capital gains realized by an individual on Shares that are held as part of his or her business assets are subject to income taxation and social security contributions. Capital gains realized by individuals who, for income tax purposes, are classified as professional securities dealers are subject to income taxation and social security contributions.

Resident Corporations

Capital gains upon the sale or other disposal of Shares realized by corporations resident in Switzerland for tax purposes or foreign corporations holding Shares as part of a Swiss permanent establishment are generally subject to ordinary profit taxation. A Swiss corporation or cooperative, or non-Swiss corporation or cooperative holding Shares as part of a Swiss permanent establishment, may, under certain circumstances, benefit from taxation relief on capital gains realized upon the disposal of Shares (*Beteiligungsabzug*), provided such Shares were held for at least one year and the shareholder disposes of at least 10% of the share capital or 10% of the profit and reserves, respectively. Subsequent

sales can be less than 10% of the nominal share capital in order to qualify for the participation relief, provided the fair market value of the Shares held as per the previous financial year end prior to this sale amounts to at least 1 million Swiss Francs.

Gift and Inheritance Taxes

The transfer of Shares may be subject to cantonal and/or communal gift, estate or inheritance taxes if the donor is, or the deceased was, resident for tax purposes in a canton levying such taxes.

Stamp Tax upon the Transfer of Shares

The transfer of any Shares may be subject to Swiss securities transfer duty (*Umsatzabgabe*) at a current rate of up to 0.15% if such transfer occurs through or with a Swiss or Liechtenstein bank or securities dealer as defined in the Swiss federal stamp tax act.

GENERAL INFORMATION

Incorporation, Corporate Name, Registered Office, Duration and Auditors

The Company is a Swiss stock corporation (*Aktiengesellschaft*) of unlimited duration, incorporated with limited liability under the laws of Switzerland and registered in the Commercial Register of the Canton of Zug, Switzerland, on December 2, 2015 under the register number CHE-143.782.707. The Company is registered under the company name WISeKey International Holding Ltd and has its registered office and principal executive offices at General-Guisan-Strasse 6, 6300 Zug, Switzerland.

The Company's auditors are BDO Ltd, 123 route de Meyrin, 1219 Châtelaine, Switzerland.

Business Purpose and Fiscal Year

The Company is the holding company of the Group. The Company's business purpose, as stated in Article 2 of the Articles, is to incorporate, acquire, hold and dispose of interests in national and international entities, in particular in entities active in the area of security technology and related areas. The Company may acquire, hold, manage, mortgage and sell real estate and intellectual property rights in Switzerland and abroad.

The Company's fiscal year ends on December 31.

Group Structure

The Group consists of the parent holding company WISeKey International Holding Ltd and the (active) subsidiaries listed in Annex 1 hereto, all of which are fully consolidated in our consolidated financial statements.

Clearing Codes

The Swiss Security Number (*Valorennummer*) of the Shares is 31402927. The International Securities Identification Number (ISIN) is CH0314029270. The SIX ticker symbol will be "WIHN".

Listing Agent

Acxit Capital Partners AG is acting as recognized representative of the Company for the listing of the Shares on the SIX in accordance with the International Reporting Standard within the meaning of article 43 of the Listing Rules.

Paying Agent

As long as the Shares are listed on the SIX, distribution payments, if any, with respect to Shares held through a Swiss depositary bank will generally be effected via the SIS.

Notices

In accordance with the Articles, notices to shareholders of the Company are validly made by publication in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*). Written

communications by the Company to its shareholders shall be sent by ordinary mail to the last address of the relevant shareholder entered in the Company's share register.

Any amendments or changes to the terms of the listing of the Listed Shares on the SIX in accordance with the International Reporting Standard or to this Listing Prospectus will be announced through electronic media and, if required, published on the website of the SIX (www.six-exchange-regulation.com) in accordance with the Listing Rules.

Information Policy

The Company releases its annual financial results in the form of a business report. Its business report is published in print and electronic form within four months of the December 31 balance sheet date. In addition, results for the first half of each fiscal year are released in electronic form within four months of the June 30 balance sheet date. The Company's annual report and half-year results will be announced via press releases and media and investor conferences in person or via telephone.

As from the listing, copies of all information and documents pertaining to press releases, media conferences, investor updates and presentations at analyst and investor presentation conferences can be downloaded from the Company's website at www.wisekey.com/investors or obtained from the Company upon request at Investor Relations (telephone number: +41 22 594 3000, email: info@wisekey.com).

No Material Changes

Except as disclosed in this Listing Prospectus, no material changes have occurred in the Company's assets and liabilities, financial position or profits and losses since June 30, 2015.

Applicable Law and Jurisdiction

Swiss law, Zug, Switzerland.

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Audited Combined Consolidated Financial Statements of WISeKey SA and
WISeTrust SA for the years ended 31 December 2014, 2013 and 2012

Auditor's Report on the combined and consolidated financial statements to the Board of Directors of WISeKey SA and WISeTrust SA in Meyrin, Switzerland

We have audited the accompanying combined and consolidated financial statements of WISeKey SA and WISeTrust SA, which comprise the balance sheet as at December 31, 2014, 2013 and 2012 and the statements of comprehensive loss, statements of stockholders' deficit, statements of cash flows and notes (pages F-5 to F-35) for the years then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined and consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards and US generally accepted auditing standards (US GAAS). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined and consolidated financial statements for the years ended December 31, 2014, 2013 and 2012 comply with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 2 to the combined and consolidated financial statements describing the financial difficulties the Company faced during the financial year ended December 31, 2014. This fact together with other matters disclosed in Note 2 indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.



Genève Châtelaine, 11 March 2016

BDO Ltd

A handwritten signature in blue ink, appearing to read 'C. Tschumi'.

Christoph Tschumi

Swiss Certified Accountant

A handwritten signature in blue ink, appearing to read 'Laf3'.

ppa. Peter Wu

WISeKey S.A. and WISeTrust S.A.
Combined and Consolidated Financial Statements
December 31, 2014, 2013 and 2012

Combined Consolidated Statements of Comprehensive Loss

In USD

Year ended December 31,

	2014	2013	2012
Revenues	3'465'327	5'759'085	4'200'248
Cost of sales	(1'347'276)	(1'352'511)	(1'453'370)
Gross profit	2'118'051	4'406'574	2'746'878
Research and development	(2'055'703)	(1'477'851)	(1'487'649)
General and administrative	(14'735'281)	(5'015'175)	(4'589'448)
Sales and marketing	(17'931'763)	(1'883'596)	(1'917'022)
Loss from operations	(32'604'696)	(3'970'048)	(5'247'241)
Interest income	462	6'806	8'810
Interest expenses	(24'971)	(200'104)	(117'620)
Other income (expenses), net	(68'534)	(465'260)	(86'173)
Loss on investments in associated companies	(145'788)	(277'399)	-
Income before taxes	(32'843'527)	(4'906'005)	(5'442'224)
Income taxes	(300)	(1'144)	(1'498)
Net loss	(32'843'827)	(4'907'150)	(5'443'722)
Net foreign currency translation adjustment	681'246	24'316	(118'255)
Pension adjustment	(1'547'551)	92'878	(90'427)
Other comprehensive income (loss), net	(866'305)	117'194	(208'682)
Comprehensive loss	(33'710'132)	(4'789'956)	(5'652'404)
Weighted average number of outstanding shares (basic)	69'099'240	80'002'864	82'147'645
Weighted average number of outstanding shares (diluted)	69'099'240	80'002'864	82'147'645
Basic loss per share	(0.48)	(0.06)	(0.07)
Diluted loss per share	(0.48)	(0.06)	(0.07)

WISeKey S.A. and WISeTrust S.A.

Combined and Consolidated Financial Statements

December 31, 2014, 2013 and 2012

Combined Consolidated Balance Sheets

In USD

As at December 31,

	2014	2013	2012
ASSETS			
Cash and cash equivalents	475'025	441'219	30'954
Trade receivables, net of allowances for doubtful accounts	243'531	101'638	183'248
Receivables from shareholders	53'401	4'059	589'576
Receivables from related parties	-	-	39'797
Inventories	4'022	9'890	19'865
Prepaid expenses and other current assets	230'818	188'919	145'831
Total current assets	1'006'797	745'725	1'009'271
Property, plant and equipment, net	42'757	110'339	114'073
Intangible assets, net	1'778'145	2'570'480	66'079
Investments in associated companies	-	145'788	-
Deposits	57'323	63'665	64'459
Total non-current assets	1'878'225	2'890'272	244'611
TOTAL ASSETS	2'885'022	3'635'997	1'253'882
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Bank overdraft	-	-	366'404
Accounts payable	742'678	659'412	1'582'079
Other current liabilities	2'571'730	963'726	1'204'543
Notes payable to shareholders	260'337	94'357	2'191'135
Accrued expenses payable to shareholders	-	1'047'333	790'923
Deferred revenues	358'533	96'583	119'465
Total current liabilities	3'933'278	2'861'411	6'254'549
Pension liabilities	2'517'450	1'089'501	1'048'675
Total non-current liabilities	2'517'450	1'089'501	1'048'675
Stockholders' deficit			
WISeKey SA	638'584	585'707	524'887
<i>Common stock, par value of CHF 0.01 per share; as at December 31, 2014, 2013 and 2012: 15'712'155 shares authorised and 73'405'506 shares issued and outstanding; 17'319'734 shares authorised and 68'338'973 shares issued and outstanding; 22'538'550 shares authorised and 62'685'880 shares issued and outstanding, respectively</i>			
WISeTrust SA	459'221	459'221	2'333'261
<i>Common stock, par value of CHF 1'000 per share; as at December 31, 2014, 2013: 680 shares issued and outstanding; as at December 31, 2012: 3'500 shares issued and outstanding</i>			
Additional paid-in capital	109'680'791	79'294'077	68'050'627
Treasury shares	(1'735'879)	(1'755'630)	(2'188'279)
Accumulated deficit	(113'234'991)	(80'391'163)	(77'384'052)
Accumulated other comprehensive income	626'568	1'492'873	2'614'214
Total combined stockholders' deficit	(3'565'706)	(314'915)	(6'049'342)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	2'885'022	3'635'997	1'253'882

WISeKey S.A. and WISeTrust S.A.
Combined and Consolidated Financial Statements
December 31, 2014, 2013 and 2012

Combined Consolidated Statements of Stockholders' Deficit

In USD	WISEKEY SA - COMMON STOCK		WISETRUST SA - COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	TREASURY SHARES	ACCUMULATED DEFICIT	OTHER ACCUMULATED COMPREHENSIVE INCOME	TOTAL STOCKHOLDERS' DEFICIT
	NB. SHARES	AMOUNT	NB. SHARES	AMOUNT					
Balance at December 31, 2011	62'225'880	519'868	3'500	2'333'261	66'596'365	(2'188'279)	(71'940'330)	2'822'897	(1'856'218)
Common stock issued	460'000	5'019			1'089'107				1'094'126
Stock-based compensation					365'155				365'155
Other comprehensive income (loss), net								(208'682)	(208'682)
Net loss							(5'443'722)		(5'443'722)
Balance at December 31, 2012	62'685'880	524'887	3'500	2'333'261	68'050'627	(2'188'279)	(77'384'052)	2'614'214	(6'049'342)
Common stock issued	5'653'093	60'820			10'825'450				10'886'270
Cancellation of treasury stock			(519)	(344'932)	197'207	432'649		(284'924)	0
Stock redemption			(540)	(358'889)				(223'792)	(582'681)
Absorption of accumulated deficit			(1'761)	(1'170'219)			1'900'038	(729'818)	0
Stock-based compensation					220'793				220'793
Other comprehensive income (loss), net								117'194	117'194
Net loss							(4'907'149)		(4'907'149)
Balance at December 31, 2013	68'338'973	585'707	680	459'221	79'294'077	(1'755'630)	(80'391'163)	1'492'874	(314'914)
Common stock issued	5'066'533	52'877			2'767'773				2'820'650
Stock-based compensation					27'526'781				27'526'781
Sales / (acquisition) of treasury shares, net					92'161	19'748			111'908
Other comprehensive income (loss), net								(866'305)	(866'305)
Net loss							(32'843'827)		(32'843'827)
Balance at December 31, 2014	73'405'506	638'584	680	459'221	109'680'791	(1'735'882)	(113'234'990)	626'570	(3'565'706)

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Combined Consolidated Statements of Cash Flows

In USD

Years ended December 31,

	2014	2013	2012
Cash flows from operating activities:			
Net loss	(32'843'827)	(4'907'150)	(5'443'722)
Adjustments to reconcile net loss to net cash used for operating activities:			
Amortization of intangible assets	608'047	446'074	45'650
Depreciation of property, plant & equipment	61'234	73'644	115'736
Allowance for doubtful accounts receivable and investments in associated companies	-	(185'770)	469'718
Change in board member fee provision	-	242'917	96'614
Loss on acquisition of subsidiary	-	489'000	-
Acquisition of Qwant licence in exchange for WISeKey licence	-	(2'947'819)	-
Change in pension liability	(119'602)	40'826	182'456
Stock-based compensation	27'526'781	220'793	365'155
Loss on investments in associated companies	145'788	281'715	11'198
Financial result	24'565	193'297	108'810
Other, net	(85'517)	(93'835)	(190'147)
Changes in operating assets & liabilities, net of effects from acquisitions:	-	-	-
Decrease (increase) in trade receivables	(141'893)	267'381	(179'338)
Decrease (increase) in inventories	5'869	9'974	(16'317)
Decrease (increase) in other receivables	-	38'988	-
Decrease (increase) in prepaid expenses and other assets	(41'814)	(9'986)	298'866
Increase (decrease) in payables and other liabilities	83'266	(955'769)	537'470
Increase (decrease) in other current liabilities	1'609'819	(227'324)	(91'291)
Increase (decrease) in deferred revenues	261'950	(22'882)	(142'330)
Interest paid	(24'954)	(231'887)	(17'095)
Interest received	213	6'807	8'810
Net cash used for operating activities	(2'930'074)	(7'271'005)	(3'839'758)
Cash flows from investing activities:			
Acquisition of WISeKey Liber, net of cash acquired	-	(544'838)	-
Purchase of intangible assets	(59'660)	(13'438)	(63'062)
Change in receivable from shareholders	(49'427)	-	-
Purchase of property, plant and equipment	-	(60'324)	(49'461)
Net cash used for investing activities	(109'087)	(618'600)	(112'523)
Cash flows from financing activities:			
Increase (decrease) in bank overdrafts	-	(366'404)	366'404
Increase (decrease) in notes payable to shareholders	411'010	(1'671'844)	415'613
Proceeds from issuance of common stock	2'560'311	10'338'118	1'094'127
Proceeds from sales of treasury shares	101'647	-	-
Net cash provided by financing activities	3'072'968	8'299'870	1'876'144
Net (decrease) increase in cash and cash equivalents	33'807	410'265	(2'076'137)
Cash and cash equivalents at beginning of period	441'219	30'954	2'107'091
Cash and cash equivalents at end of period	475'025	441'219	30'954

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Conversion of notes payables into common stock, non-cash	(260'338)	(393'152)	-
Additional paid-in capital relating to the first consolidation of WISeKey BR NV, non-cash	-	(155'000)	-
Compensation of share capital redemption with amounts receivable from shareholders	-	(582'713)	-
Cancellation of treasury shares through reduction in common stock	-	344'932	-
Absorption of accumulated deficit with common stock reduction	-	(1'170'219)	-
Accrued expense to shareholders settled for equity	1'033'840	-	-

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1. ORGANISATION

WISeKey SA has its headquarters in Meyrin, Switzerland and was established in 1999. The Company develops, markets, hosts and supports a range of solutions that enable the secure digital identification of people, content and objects, by generating digital identities that enable its clients to monetize their existing user bases and at the same time, expands its own eco-system. WISeKey generates digital identities from its current products and services in Cybersecurity Services, IoT and Digital Brand Management and Mobile Security.

WISeTrust SA has its headquarters in Meyrin, Switzerland and was established in 1999. The company does not have any employees. Its purpose is to acquire and hold participations.

The following notes relate to the combined financial statements of WISeKey SA and WISeTrust SA (together the **"Combined Company"**, **"Wisekey"** or **"we"**) for each of the years ended December 31, 2014, 2013 and 2012 and the balance sheet data as of December 31, 2014, 2013 and 2012.

2. FUTURE OPERATIONS

The Combined Company has experienced losses from operations, although it does anticipate being able to generate profits in the near future. However, this cannot be predicted with any certainty. The accompanying financial statements have been prepared assuming that the Combined Company will continue as a going concern. The Combined Company incurred a net operating loss of USD (32'604'696) and a negative cash flow from operations of USD (2'930'074) for the year ended December 31, 2014. It had a working capital of USD (2'926'481) as at December 31, 2014. These matters do raise substantial doubt about its ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Combined Company has had negative cash flows from operations to date and has been dependent on equity financing to augment the operating cash flow to cover its cash requirements. Management believes that the Combined Company currently may not have adequate operating cash resources to fund future cash requirements and therefore, the Combined Company will have to raise additional funding through equity contributions and loans. Any additional equity financing may be dilutive to shareholders and debt financing, if available, will increase expenses and may involve restrictive covenants.

From December 31, 2014 to the report date, the Combined Company received funds from capital increases totalling CHF 3'538'774. During the next 12 months, the Company may not be able to generate sufficient cash flow from its operations and therefore may have to continue to look for additional funding from capital increases.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statements

Our combined and consolidated financial statements are prepared in accordance with US generally accepted accounting principles (GAAP) as set forth in the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC). All amounts are in USD unless stated otherwise.

Principles of Consolidation and Combination

The combined and consolidated financial statements include the accounts of WISeKey SA, its subsidiaries and of WISeTrust SA. The combined and consolidated financial statements include the accounts of our wholly- and majority-owned subsidiaries. The companies included are listed in Note 9. Investments, in which the Combined Company exercises significant influence but not control, are accounted for under the equity method. The Combined Company's total comprehensive loss and net

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loss of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

Intercompany income and expenses, including unrealized gross profits from internal group transactions and intercompany receivables, payables and loans have been eliminated. Companies acquired or divested in the course of the year are included in the combined and consolidated financial statements as of the date of purchase respectively up to the date of sale.

Use of Estimates

These accounting principles require us to make certain estimates, judgments and assumptions. We believe these estimates, judgments and assumptions are reasonable, based upon information available to us at the time they were made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. To the extent there are differences between these estimates, judgments or assumptions and the actual results, our combined and consolidated financial statements will be affected. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in its application. There are also areas in which management's judgment in selecting from available alternatives would not produce a materially different result.

Fair Value of Financial Instruments

The Combined Company's financial instruments consist of cash and cash equivalents, trade receivables, receivables from shareholders, deposits, bank overdraft, accounts payable and notes payable to shareholders. The fair value of these financial instruments approximate their carrying value due to the short maturity of the instruments unless otherwise noted.

Foreign Currency

We transact business in various foreign currencies. In general the functional currency of a foreign operation is the local country's currency. Consequently, revenues and expenses of operations outside the United States are translated into US dollars using weighted average exchange rates, while assets and liabilities of operations outside the United States are translated into US dollars using exchange rates at the balance sheet date. The effects of foreign currency translation adjustments are included in stockholders' equity as a component of accumulated other comprehensive loss in the accompanying consolidated balance sheet and related periodic movements are summarized as a line item in our consolidated statements of comprehensive loss.

Transactions in currencies other than the functional currency are recorded using the appropriate exchange rates at the time of the transaction. Gains or losses from foreign currency transactions are included in other income (expense), net.

Concentrations of Credit Risk

Financial instruments that are potentially subject to credit risk consist primarily of cash and trade receivables. Our cash is held with large financial institutions. Management believes that the financial institutions that hold our investments are financially sound and accordingly, are subject to minimal credit risk. Deposits held with banks may exceed the amount of insurance provided on such deposits.

Our accounts receivables are primarily derived from clients representing various geographical locations. We generally do not require collateral on accounts receivable. Summarized below are the clients whose revenue or account receivable balances were 10% or higher than the respective total combined and consolidated amounts:

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Revenue Concentration

Percentage of Revenue	December 31,		
	2014	2013	2012
Hublot SA	88%	30%	48%
Les Ateliers Horloger de Dior SA	-	45%	28%

Receivables Concentration

Percentage of Receivables	December 31,		
	2014	2013	2012
Hublot SA	94%	-	-

Allowances for Doubtful Accounts

We record allowances for doubtful accounts based upon a specific review of all outstanding invoices. We write off a receivable and charge it against its recorded allowance when we have exhausted our collection efforts without success.

Inventories

Inventories are stated at the lower of cost or market value, but are not generally significant. We purchase completed units from contract manufacturers. Accordingly, substantially all inventories are finished goods either on their way to the client, or held in inventory for staging before being installed at the client.

Prepaid expenses and other current assets

Other current assets mainly represent value-added tax receivables and standard prepaid expenses, such as insurance premiums etc.

Property, Plant and Equipment

Property, plant and equipment are stated at the lower of cost or realizable value, net of accumulated depreciation. Depreciation is computed using the straight line method based on estimated useful lives which range from 2 to 5 years. Leasehold improvements are amortized over the lesser of the estimated useful lives of the improvements or the lease terms, as appropriate. Property, plant and equipment are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We did not recognize any significant property impairment charges in 2014, 2013 or 2012.

Intangible Assets

Costs of intangible assets are capitalized as incurred. Those intangible assets that are not considered to have an indefinite useful life are amortized over their useful lives, which generally range from 2 to 5 years. Each period we evaluate the estimated remaining useful lives of the intangible assets and whether events or changes in circumstances require a revision to the remaining periods of amortization. We did not recognize any significant intangible assets impairment charges in 2014, 2013 or 2012.

Goodwill

Goodwill on acquisitions of subsidiaries represents the excess of (i) the consideration transferred, the amount of non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the net identifiable assets acquired. Goodwill is not amortized but subject to impairment analysis at least once annually.

Non-monetary Transaction

In April 2013, the Combined Company finalized negotiations to enter into a business relationship with QWANT, a French company offering a specialist Internet web desktop search engine. The Combined Company's intention was to co-operate with QWANT to develop this search capability on mobile phones

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and to include it in our mobile applications such as our WISfans sports mobile app and our “Should I buy it” app for illicit trade. The key elements in this commercial agreement were that the Combined Company licensed its digital identity technology (WISeID) to QWANT and in return, QWANT licensed the use of its web search engine to WISeKey for incorporation in mobile apps developed by the Combined Company.

This transaction did not involve any cash settlements and was accounted for as a non-monetary transaction in accordance with ASC 845. The transaction was measured at the fair value of the asset received since this was more clearly evident than the fair value of the asset surrendered and the fair value of the asset received was determinable within reasonable limits. The Combined Company determined the fair value based on a discounted cash flow model of the future cash flows of the asset received. Furthermore, it was determined that the transaction has commercial substance due to the fact that the Combined Company's future cash flows are expected to change significantly based on this transaction.

As stated above, the fair value of the QWANT license of USD 2'947'813 was determined using a discounted cash flow model with the following assumptions:

- Period used for revenue pipeline was 2014 – 2016.
- Pipeline probability of 50% and above was taken, where the Combined Company is in advanced negotiations with the client.
- Selected pipeline revenue for the period based on the above criteria was USD 7'965'000 for the period 2014-2016.
- Selected pipeline cost of sales for the period based on the above criteria was USD 3'982'500 for the period 2014-2016, due to 50% revenue sharing agreements in the contracts. Since the application already existed, only relatively minor additional costs are involved in modifying the layout, so no further cost of sales have been included.
- Discount rate used over the above-calculated cash flows was 12% after Management performed a sensitivity analysis with interest rates between 5% and 15%. We do not have any unsecured 3rd party debt with financial institutions, but Management believes that a discount rate is reasonable and has recognized revenue accordingly.

Investments in Associates

The Combined Company has participations in other companies. These are listed in detail in Note 9 along with the percentage holding in each company.

Treasury shares

The Combined Company repurchases common stock at fair value on an opportunistic basis. The cost of those acquired shares is shown separately as a deduction from the stockholders' deficit. If treasury shares are sold or reissued any gain or loss on these transactions is included in additional paid in capital within stockholders' deficit.

Related Parties

Parties are considered to be related if one party directly or indirectly controls, is controlled by, or is under common control with the other party, if it has an interest in the other party that gives it significant influence over the party, if it has joint control over the party, or if it is an associate or a joint venture. Senior management of the Combined Company and close family members are also deemed to be related parties.

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Revenue Recognition

We market and distribute our software products both as stand-alone products and as integrated product suites. We recognize revenue when:

- persuasive evidence of an arrangement exists,
- delivery has occurred or services have been rendered,
- fees are fixed or determinable, and
- collectability is probable.

If we determine that any one of the four criteria is not met, we will defer recognition of revenue until all the criteria are met.

We derive revenue primarily from sales of content, subscriptions, maintenance and licenses. We present revenue net of sales taxes and any similar assessments from 3 different sources, namely identity management (WISeAuthentic), Internet security (WISecurity) and mobile services (WISeID and WISfans).

WISeAuthentic revenues are generated via multiyear contracts and consist of revenues from supplies of personalised smart cards and readers together with digital certificates. Revenues are recognized when the deliveries have been made. There is no right of return.

WISecurity revenues are generated from several sources. Supply of hardware (HSM, tokens) together with professional services either to stage and install the hardware and/or implementation of a full or managed Public Key Infrastructure ("PKI") network. Revenue here is recognized upon acceptance of the client. WISeKey SA does not offer post contract support, but some standard warranty. The total warranty cost for the periods are immaterial. Additional revenues come from licenses and or certificates/tokens and are recognized over the period of the license. Additional services can provide electronic invoices, dematerialisation of documents, encrypted e-mail etc. These revenues are recognized over the period of the service provided, generally 1 year, then renewed.

Mobile revenues are currently small. Revenues are achieved from advertising sponsorships in sports clubs' applications and social media feeds and are recognized over the period of the event, be it a season or a tournament, such as the World Soccer Cup.

Deferred Revenue

Deferred revenue consists of amounts that have been invoiced but have not been recognized as revenue. Deferred revenue that will be realized during the succeeding 12 months period is recorded as current and the remaining deferred revenue recorded as non-current. This would relate to multi-year certificates or licenses.

Sales Commissions

Sales commission expenses where revenue is recognized are recorded in the period of revenue recognition.

Research and Development and Software Development Costs

All research and development costs and software development costs are expensed as incurred.

Advertising

All advertising costs are expensed as incurred. Advertising expenses, which are included within sales and marketing expenses, were USD 181'149, USD 112'705, USD 79'435 in fiscal 2014, 2013 and 2012 respectively.

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Other Income (Expense), Net

Non-operating (expense) income, net consist primarily of realized net foreign currency exchange gains/losses, depreciation charges of certain investments and other miscellaneous income/losses.

Pension Plan

The Combined Company maintains a defined benefit post retirement plan that covers all Swiss employees. In accordance with ASC 715-30, *Defined Benefit Plans – Pension*, the Combined Company recognizes the funded status of the plan in the balance sheet. Actuarial gains and losses are recorded in accumulated other comprehensive income / (loss).

Stock-based Compensation

Stock-based compensation costs are recognized in earnings using the fair-value based method for all awards granted. Compensation costs for unvested stock options are expensed over the requisite service period on a straight-line basis.

Income Taxes

Taxes on income are accrued in the same period as the revenues and expenses to which they relate.

Deferred taxes are calculated on the temporary differences that arise between the tax base of an asset or liability and its carrying value in the balance sheet of our companies prepared for consolidation purposes, with the exception of temporary differences arising on investments in foreign subsidiaries where the Combined Company has plans to permanently reinvest profits into the foreign subsidiaries.

Deferred tax assets on tax loss carry-forwards are only recognized to the extent that it is more likely than not, that future profits will be available and the tax loss carry-forward can be utilized.

Changes to tax laws or tax rates enacted at the balance sheet date are taken into account in the determination of the applicable tax rate provided that they are likely to be applicable in the period when the deferred tax assets or tax liabilities are realized.

The Combined Company is required to pay income taxes in a number of countries. The Combined Company recognizes the benefit of uncertain tax positions in the financial statements when it is more likely than not that the position will be sustained on examination by the tax authorities. The benefit recognized is the largest amount of tax benefit that is greater than 50 percent likely of being realized on settlement with the tax authority, assuming full knowledge of the position and all relevant facts. The Combined Company adjusts its recognition of these uncertain tax benefits in the period in which new information is available impacting either the recognition or measurement of its uncertain tax positions.

Earnings per share

Basic earnings per share are calculated using the Combined Company's weighted-average outstanding common shares. When the effects are not antidilutive, diluted earnings per share is calculated using the weighted-average outstanding common shares and the dilutive effect of stock options as determined under the treasury stock method.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*.

This guidance includes the required steps to achieve the core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance is effective for fiscal years and interim periods beginning after December 15, 2017. Early adoption is not permitted.

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In June 2014, the FASB issued ASU 2014-12, *Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*.

The amendments in this Update require that a performance target included in a share-based payment award that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. Therefore, such performance target should not be reflected in estimating the grant-date fair value of the award. A reporting entity should apply existing guidance in Topic 718 as it relates to the award with performance conditions that affect vesting. That is, compensation cost should be recognized in the period in which it becomes probable that the performance condition would be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and would be adjusted to reflect those awards that ultimately vest.

For all entities, the amendments are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. The effective date is the same for both public business entities and all other entities.

Entities may apply the amendments in this Update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this Update as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*.

The amendments in this Update define when and how companies are required to disclose going concern uncertainties, which must be evaluated each interim and annual period. Specifically, the ASU requires management to determine whether substantial doubt exists regarding the entity's going concern presumption. Substantial doubt about an entity's ability to continue as a going concern exists when relevant conditions and events, considered in the aggregate, indicate that it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued (or available to be issued). If substantial doubt exists, certain disclosures are required; the extent of those disclosures depends on an evaluation of management's plans (if any) to mitigate the going concern uncertainty.

The new standard applies prospectively, for both public and private entities, to annual periods ending after December 15, 2016, and to annual and interim periods thereafter. Early adoption is permitted.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*.

The amendments in ASU 2015-12 (i) require fully benefit-responsive investment contracts to be measured, presented and disclosed only at contract value, not fair value; (ii) simplify the investment

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disclosure requirements; and (iii) provide a measurement date practical expedient for employee benefit plans.

Part I. Fully Benefit-Responsive Investment Contracts – the amendments designate contract value as the only required measurement for fully benefit-responsive investments contracts within the scope of Topics 962 and 965, eliminating the requirement to measure, present and disclose such contracts also at fair value and reconcile fair value to contract value.

Part II. Plan Investment Disclosures – the amendments eliminate certain disclosure requirements for both participant-directed investments and nonparticipant-directed investments, and also reduce disclosures required specifically for investments using the net asset value per share practical expedient. The amendments also require that both participant-directed and nonparticipant-directed investments be grouped only by general type, eliminating the need to disaggregate the investments in multiple ways (i.e., also on the basis of nature, characteristics, and risks as required by Topic 820, Fair Value Measurement).

Part III. Measurement Date Practical Expedient – the amendments provide a measurement date practical expedient for employee benefit plans similar to the practical expedient allowing employers to measure defined benefit plan assets on a month-end date that is nearest to the employer's fiscal year-end, when the fiscal period does not coincide with a month-end.

The amendments are effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively. Only the nature and reason for the change in accounting principle is required to be disclosed in the annual period of adoption.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities (Subtopic 825-10)*, to address certain aspects of recognition, measurement, presentation and disclosure of financial instruments for all entities that hold financial assets or owe financial liabilities.

The amendments in this update make targeted improvements to generally accepted accounting principles (GAAP) as follows:

1. Require equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.
2. Simplify the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. When a qualitative assessment indicates that impairment exists, an entity is required to measure the investment at fair value.
3. Eliminate the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities.
4. Eliminate the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet.
5. Require public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes.
6. Require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity

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has elected to measure the liability at fair value in accordance with the fair value option for financial instruments.

7. Require separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements.

8. Clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. The amendments are effective for fiscal years beginning after December 15, 2017.

The Combined Company expects to adopt all of the aforementioned guidance when effective, and the impact on its combined and consolidated financial statements is not currently estimable.

Acquisition

In January 2013, WISeKey SA acquired the remaining 50% of WISeKey BR BV, a joint-venture based in The Netherlands. In exchange for the shares of WISeKey BR BV, WISeKey granted to the sellers 81'667 shares of WISeKey SA at nominal value (CHF 0.01).

The acquisition of WISeKey BR BV was accounted for as a business combination achieved in stages with WISeKey SA as the accounting acquirer. Hence, WISeKey SA was required to remeasure its previously held equity interest at its acquisition date fair value with the resulting gain or loss, which is calculated as the difference between the carrying value and the acquisition date fair value, recognized in earnings.

To estimate the fair value of the consideration transferred, the WISeKey SA shares were valued at the share price of capital increases which took place in the same period. The summary of the transaction is as follows:

	USD
Carrying value of the previously held equity interest	-
Fair value of the previously held equity interest	(167'000)
Gain / loss in earnings	(167'000)

	USD
Consideration transferred	155'000
Fair value of previously held equity interest	(167'000)
Fair Value of net assets acquired	(334'000)
Goodwill	322'000

The Combined Company determined to impair the goodwill on day one and hence a total of USD (489'000) was recorded in other income (expense), net in the year ended December 31, 2013.

4. CASH AND CASH EQUIVALENTS

Cash consists of deposits held at major banks.

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5. FAIR VALUE MEASUREMENTS

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. There are no financial asset or financial liability measured on a recurring basis at fair value as of December 31, 2014, 2013 and 2012, respectively.

	December 31, 2014		December 31, 2013		December 31, 2012		Fair value levels	Ref.
(In USD)	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value		
Cash and cash equivalents	475'025	475'025	441'219	441'219	30'954	30'954	1	4
Trade receivables	243'531	243'531	101'638	101'638	183'248	183'248	3	
Receivables from shareholders	53'401	53'401	4'059	4'059	589'576	589'576	3	9
Receivables from related parties	-	-	-	-	39'797	39'797	3	
Deposits	57'323	57'323	63'665	63'665	64'459	64'459	1	
Bank overdraft	-	-	-	-	366'404	366'404	1	
Accounts payable	742'678	742'678	659'412	659'412	1'582'079	1'582'079	1	
Notes payable to shareholders	260'337	260'337	94'357	94'357	2'191'135	2'191'135	3	8&9

In addition to the methods and assumptions we use to record the fair value of financial instruments as discussed in the Fair Value Measurements section above, we used the following methods and assumptions to estimate the fair value of our financial instruments:

- Cash and cash equivalents – carrying amount approximated fair value.
- Deposits – carrying amount approximated fair value.
- Trade receivables – carrying amount approximated fair value due to its short term nature.
- Receivables from shareholders – carrying amount approximated fair value due to its short term nature.
- Receivables from related parties – carrying amount approximated fair value due to its short term nature.
- Accounts Payable – carrying amount approximated fair value.
- Notes payable to shareholders:

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- Loans, as of December 31, 2014 – carrying amount approximated fair value due to its short term nature.
- Loans, as of December 31, 2013 – carrying amount approximated fair value due to its short term nature.
- Loans, as of December 31, 2012 – carrying amount approximated fair value due to its short term nature.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consisted of the following:

(In USD)	Useful estimated life	December 31, 2014	December 31, 2013	December 31, 2012
Computer, office equipment and furniture	Between 2 and 5 years	774'497	860'115	776'787
Buildings and improvements	5 years	1'963'214	2'125'486	2'084'562
Total property, plant and equipment		2'737'710	2'985'600	2'861'348
Accumulated depreciation		(2'694'953)	(2'875'261)	(2'747'275)
Total property, plant and equipment, net		42'757	110'339	114'073
Depreciation charge for the year		61'234	73'644	115'736

7. INTANGIBLE ASSETS

The changes in intangible assets in 2014 and the net book value of intangible assets at December 31, 2014, 2013 and 2012 were as follows:

(In USD)	Useful estimated life	December 31, 2014	December 31, 2013	December 31, 2012
Trademarks	5 years	63'297	70'346	68'568
License agreements	5 years	2'768'978	3'046'697	82'626
Website	5 years	95'192	95'192	95'192
North American rights (US / NAFTA)	5 years	485'343	485'343	485'343
Total intangible assets		3'412'810	3'697'578	731'729
Accumulated amortisation		(1'634'665)	(1'127'098)	(665'650)
Total intangible assets, net		1'778'145	2'570'480	66'079
Amortization charge		608'047	446'074	45'650

WISeTrust SA is the sole beneficial owner of the US/NAFTA root rights and IP rights that were acquired in the year 2000 for an amount of USD 485,343.

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The estimated future amortization expense as of December 31, 2014 is as follows:

Future estimated amortization expense:	(In USD)
2015	(543'800)
2016	(531'483)
2017	(531'483)
2018	(147'789)
2019 and after	(23'590)

8. NOTES PAYABLE

The current notes payable to shareholders are composed as follows:

(In USD)	Notes payable to shareholders		
	December 31, 2014	December 31, 2013	December 31, 2012
Peter Ward		94'357	
International Telecom, October 2014 loan	260'337		
Albert Kohn			1'642'360
AG Finance SA			273'727
Pedro Velasco			109'491
Accrued interest			165'557
Total	260'337	94'357	2'191'135

Loan agreements International Telecom SA.

On July 20, 2014, International Telecom SA concluded a CHF 250'000 loan agreement with WISeKey SA, with the main terms being:

- The maturity date is on July 24, 2015.
- The interests are 7%.
- The principal is payable in cash or shares at maturity, up to WISeKey's choice. The payment in shares, if chosen, is fixed to CHF 1 per share. The interests were payable in shares only, at the same conditions. This loan was converted to equity on October 30, 2014.

As WISeKey has settlement option, at a given price, and at a fixed date, the Combined Company has presented the loan as liability in accordance with ASC 470.

On October 25, 2014, International Telecom SA concluded a CHF 250'000 loan agreement with WISeKey SA, with the main terms being:

- The maturity date is on October 24, 2015.
- The interests are 7%.
- The principal is payable in cash or shares at maturity, up to WISeKey's choice. The payment in shares, if chosen, is fixed to CHF 1 per share. The interests were payable in shares only, at the same conditions.

As WISeKey has settlement option, at a given price, and at a fixed date, the Combined Company has presented the loan as liability in accordance with ASC 470.

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The accrual expenses payable to shareholders with respect to Board member fees from 2007 to 2014 were paid in full in stock options. See note 12.

Accrual expenses payable to shareholders			
(In USD)	December 31, 2014	December 31, 2013	December 31, 2012
Board fees provision	-	1'033'840	790'923
Accrued other	-	13'493	-
Total	-	1'047'333	790'923

Shareholders Loans

From time to time, to augment cash generated by operations and capital increases, the Combined Company entered into loan agreements with certain shareholders. The loans were generally for 12 to 24 months and carried an arm's length interest rate. The loans and interest contained a settlement option to either repay in cash or in common shares of the Combined Company.

<u>Executive</u>	<u>Loan amount</u>	<u>Flat</u>	<u>Period</u>		<u>Total</u>
		<u>Interest rate</u>	<u>From</u>	<u>To</u>	<u>Interest paid</u>
Carlos Moreira	CHF 80'000	5%	18.11.2013	12.12.2013	CHF 2'400
Dourgam Kummer	CHF 80'000	5%	13.11.2013	12.12.2013	CHF 2'400
Peter Ward	CHF 80'000	5%	06.11.2013	05.02.2014	CHF 7'200

9. RELATED PARTIES DISCLOSURE

The combined and consolidated financial statements of WISeKey SA and of WISeTrust SA include the entities listed in the following table:

Company	Country	Equity share, December 31,		
		2014	2013	2012
WISeTrust SA (1)	Switzerland	100%	100%	100%
WISeKey SA (1)	Switzerland	100%	100%	100%
WISeKey Suisse SA (2)	Switzerland	100%	100%	100%
WISeKey ELA SL (3)	Spain	100%	100%	100%
WISeKey USA Inc. (4)	United States of America	100%	100%	100%
WISeKey France SAS (5)	France	100%	100%	100%
WISeKey BR BV (6)	The Netherlands	100%	100%	50%
WISeKey Italy (7)	Italy	50%	50%	50%
WISeKey Liber (8)	Brazil	-	50%	-
WISeKey Bulgaria AD (9)	Bulgaria	-	80%	80%
WISeKey Bulgaria PS (9)	Bulgaria	-	31%	31%
WISeKey UK Ltd (9)	United Kingdom	-	-	100%
WISeQwant SA (10)	Switzerland	100%	100%	100%

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(1) Holding company, founded in 1999.

(2) Founded in 2002.

(3) Founded in 2006.

(4) Founded in 2006. This subsidiary is owned for 50% by WISeKey SA who has full power over the decisions taken by its Board of Directors. The other 50% are owned by WISeTrust SA.

(5) Founded in 2007.

(6) WISeKey SA purchased the remaining 50% of WISeKey BR BV in January 2013. We refer to the Note 3 which explains the acquisition and its accounting treatment.

(7) This entity is considered as not significant for the Combined Company, and is accounted for at cost, less impairment if applicable.

(8) WISeKey Liber was a Brazilian joint-venture founded and equity-accounted in 2013. It was liquidated in December 2014.

(9) These three entities were closed in 2014. In 2013, they were accounted at cost, less impairment if applicable.

(10) WiSeQwant SA (previously Aeterna Environmental SA until 2013) was created in 2004 to develop activities related to environmental digital security space. That entity was planned to be developed with a third party who decided to withdraw from the project before it started. Finally, the company was sold in November 2015.

Investments in associated companies			
(In USD)	December 31, 2014	December 31, 2013	December 31, 2012
WISeKey Liber	-	145'788	-
Total	-	145'788	-

Notes receivable from shareholders			
(In USD)	December 31, 2014	December 31, 2013	December 31, 2012
Carlos Moreira		4'059	390'225
Philippe Doubre			117'265
Dourgam Kummer			82'086
Various	53,401		
Total	53'401	4'059	589'576

Relationship with Organisation Internationale pour la Sécurité des Transactions Electroniques ("OISTE")

In 2001 WISeKey SA entered into a contract with OISTE, a Swiss non-profit making foundation that owns a cryptographic rootkey, to operate and maintain the global trust infrastructures of OISTE. Two members of the Board of Directors of WISeKey SA are also members of the Counsel of the Foundation which gives rise to the related party situation.

WISeKey SA pays subsidy funds to OISTE and license fees. In 2014 it paid USD 131'148 in subsidy funds and USD 104'918 in license fees. In 2013 it paid USD 111'210 in subsidy funds and USD 87'916 in license fees. In 2012 it paid USD 112'519 in subsidy funds and USD 87'916 in license fees.

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WISeTrust has at several occasions supported financially and operationally the foundation OISTE through loans which have been either reimbursed by the foundation or forgiven in favor of the foundation.

- 2012: OISTE required logistical and management support for obtaining its ICANN accreditation in Special Consultative Status with ECOSOC. Those services have been invoiced at a hourly rate of CHF 250.00 representing a total amount of CHF 33'730 (USD 35'971);
- 2013: WISeTrust brought logistical and political support for the WEF round table organized by OISTE during the 2013 WEF in Davos. In addition WISeTrust supported OISTE with the WEF relation during the year 2013 and preparation of the January event 2014. The invoiced amount was USD 44'001 (without VAT USD 40'558).

The transactions and balances with OISTE are summarized as follows:

Transactions	2014	2013	2012
Revenues	-	44'001	-
General and Administration	-	-	(35'971)
Balances	December 31, 2014	December 31, 2013	December 31, 2012
Receivables from related parties	-	-	39'797
Accounts payable	(33'348)	(38'376)	

10. COMMITMENTS AND CONTINGENCIES

Lease Commitments

We lease certain facilities and equipment under operating leases. As of December 31, 2014, future minimum annual operating lease payments were as follows (in USD):

	2015	292'769
	2016	287'893
	2017	136'453
	2018	60'733
	2019 and later	220'688
Total future minimum operating lease payments		1'000'537

Guarantees

Our software and hardware product sales agreements generally include certain provisions for indemnifying customers against liabilities if our products infringe a third party's intellectual property rights. Certain of our product sales agreements also include provisions indemnifying customers against liabilities in the event we breach confidentiality or service level requirements. It is not possible to determine the maximum potential amount under these indemnification agreements due to our lack of history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. To date, we have not incurred any costs as a result of such indemnifications and have not accrued any liabilities related to such obligations in our consolidated financial statements

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11. STOCKHOLDERS EQUITY

Shares WISeKey	December 31, 2014	December 31, 2013	December 31, 2012
Total number of authorized shares	15'712'155	17'319'734	22'538'550
Total number of conditional shares	24'390'563	21'896'493	22'330'800
Total number of fully paid-in shares	73'405'506	68'338'973	62'685'880
Total number of treasury shares	4,814,507	4,814,507	4,814,507
Par value per share (in CHF)	0.01	0.01	0.01
Total share capital (in USD)	638'584	585'707	524'887

Shares WISeTrust	December 31, 2014	December 31, 2013	December 31, 2012
Total number of authorized shares	0	0	0
Total number of conditional shares	0	0	0
Total number of fully paid-in shares	680	680	3'500
Total number of treasury shares	66	0	0
Par value per share (in CHF)	1'000	1'000	1'000
Total share capital (in USD)	459'221	459'221	2'333'261

All shares are common shares. There are no different share categories.

Prior to January 1, 2012, WISeTrust held 284 shares of its common stock outstanding in various transactions. The Company continued to transact in treasury shares in subsequent years. In July 2013, the Company repurchased an additional 235 shares of its common stock and cancelled 519 shares previously purchased in August 2013. There was no corresponding gain or loss associated with this transaction and the impact is accounted for within Additional Paid in Capital. The Company completed a repurchase of 66 additional shares from a shareholder in July 2014 with the impact accounted for as a reduction of Additional Paid in Capital. Please see our Combined and Consolidated Statement of Stockholder's Equity.

As of December 31, 2014, the Company WISeTrust held 66 treasury shares (December 31, 2013: 0, December 31, 2012: 284) at a total acquisition cost of USD 162'121 (December 31, 2013: 0, December 31, 2012: USD 185'534). These are recorded as a reduction in Additional Paid in Capital. Gains or loss on sales or redemption of treasury shares are credited or debited to Additional Paid in Capital.

Prior to January 1, 2012, WISeTrust held 5'262'410 of WISeKey common stock. The Company continued to transact in treasury shares in subsequent years. During 2014, WISeTrust sold a total of 447'903 WISeKey common stock.

As of December 31, 2014 WISeTrust owned 4'814'507 common stock in WISeKey (December 31, 2013 and December 31, 2012: 5,262,410) for an acquisition price amounting to USD 1'573'758 (December 31, 2013 - 0, December 31, 2012 - USD 1'755'627). Gains on sales of treasury shares amounted to USD 92'161 in 2014, (no sale in 2013 and 2012). Those gains are shown in additional paid-in capital.

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12. STOCK COMPENSATION PROGRAM

Stock Option Plans

The Stock Option Plan ("ESOP 1") was approved on December 31, 2007 by the stockholders, representing 2'632'500 options convertible into WISeKey SA shares with an exercise price of CHF 0.01 per share.

The Stock Option Plan ("ESOP 2") was approved on December 31, 2011 by the stockholders, representing 16'698'300 options convertible into WISeKey SA shares with an exercise price of CHF 0.01 per share.

Grants

From December 31, 2007 to December 31, 2011 the Combined Company has issued under ESOP 1 a total of 2'330'750 stock-options exercisable at a price of USD 0.01 (CHF 0.01) per share valid until December 31, 2017 and vesting in 3 years in yearly instalments.

2014

15'608'769 options were granted on June 30, 2014 to board members and employees of which 342'877 options related to board member fees accrued from 2007 to 2014.

16'600 options were granted on September 30, 2014 to board members related to board member fees accrued from 2007 to 2014.

16'600 options were granted on December 31, 2014 to board members related to board member fees accrued from 2007 to 2014.

Out of the 2014 grants, 14'234'262 options vested immediately while the others vest over 2.5 to 3 years.

2013

No options were granted in 2013.

2012

No options were granted in 2012.

Stock Option Grants

The Combined Company calculates the fair value of options granted by applying the Black-Scholes option pricing model. Expected volatility is based on the other companies (in the same industry and of the similar size) share price volatility.

The following assumptions were used to calculate the compensation expense and the calculated fair value of stock options granted:

Assumption	December 31, 2014	December 31, 2013	December 31, 2012
Dividend yield	None	n.a.	n.a.
Risk-free interest rate used (average)	1.00%	n.a.	n.a.
Expected market price volatility	65.00%	n.a.	n.a.
Average expected life of stock options	4.50 years	n.a.	n.a.

During the year ended December 31, 2014, the weighted average fair value of options granted was USD 1.76.

The following table illustrates the development of the Combined Company's non-vested options during the years ended December 31, 2012, December 31, 2013 and December 31, 2014, respectively:

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Non-vested options	Shares under options	Weighted-average grant date fair value (In USD)
Non-vested at December 31, 2011	590,667	1.01
Granted	-	-
Vested	(372,333)	1.02
Non-vested at December 31, 2012	218'333	1.03
Granted	-	-
Vested	(218'333)	1.01
Non-vested, forfeited or cancelled	-	-
Non-vested at December 31, 2013	-	-
Granted	15'641'969	1.76
Vested	(14'487'378)	1.76
Non-vested, forfeited or cancelled	-	-
Non-vested at December 31, 2014	1'154'591	1.76

As of December 31, 2014, the unrecognized compensation expense related to non-vested stock option based compensation arrangements amounts to USD 2'030'553. As at December 31, 2013 and 2012, there was no unrecognized compensation expense related to non-vested stock option based compensation arrangements.

The following table summarizes the Combined Company's stock option activity for the years ended December 31, 2014, 2013 and 2012:

	Shares under options	Weighted-average exercise price (In USD)	Weighted-average remaining contractual term (years)	Aggregate intrinsic value (In USD)
Outstanding at December 31, 2011	2'330'750	0.01	6	2'323'084
Granted	-	-		-
Exercised	-			-
Forfeited or expired	(351'500)	0.01	5	(760'988)
Outstanding at December 31, 2012	1'979'250	0.01	5	4'399'217
Granted	-	-		-
Exercised				-
Outstanding at December 31, 2013	1'979'250	0.01	4	4'757'813
Granted	15'641'969	0.01	7	27'526'781
Forfeited or expired	(381,500)		6.05	(178'505)
Outstanding at December 31, 2014	17'239'719	0.01	6.05	8'447'462
Exercisable	16'085'128	0.01	6.05	7'881'713

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Summary of Stock-based Compensation Expenses

Stock-based compensation expenses (In USD)

	2014	2013	2012
Options grants	27'526'781	220'793	365'155

Stock-based compensation expenses are recorded under cost of sales, research and development, general and administrative and sales and marketing expenses, depending on the beneficiaries, as follows:

(In USD)	2014	2013	2012
COS	-	21'638	19'721
R&D	955'950	40'184	69'224
G&A	9'880'930	83'901	116'551
S&M	16'689'901	75'070	159'659
Total	27'526'781	220'793	365'155

13. EMPLOYEE BENEFIT PLANS

Defined Benefit Post-retirement Plan

We offer to our employees a defined benefit pension plan. Benefits are provided based upon employees' years of service and earnings, in accordance with applicable employee benefit regulations. The funding of the plan is split between the employees and the Combined Company.

The Combined Company is affiliated to the Swiss Life Collective BVG Foundation for the provision of these benefits. All benefits in accordance with the regulations are reinsured in their entirety with Swiss Life Ltd, within the framework of the corresponding contract. This pension solution significantly reinsures the risks of disability, death and longevity with Swiss Life. Swiss Life invests the vested pension capital and provides a 100% capital and interest guarantee. There is a guaranteed interest on the mandatory retirement savings and the supplementary retirement savings. The pension plan is entitled to an annual bonus from Swiss Life comprising the effective savings, risk and cost results. The technical administration and management of the savings account are guaranteed by Swiss Life on behalf of the collective foundation. Insurance benefits are paid directly to the entitled persons by Swiss Life in the name of and for the account of the collective foundation.

The treatment of so-called "fully insured" pension plans under ASC 715-30 has been thoroughly analysed by the Swiss Auditing Chamber as a result of which it has concluded that for ASC 715-30 purposes "fully insured" pension plans shall be considered as defined benefit plans.

There was a plan amendment as of January 1, 2013 that retroactively increased the benefits to the employees. The change has been accounted for in accordance with ASC 715, Defined Benefit Plans, which allows a straight-line amortization of the increased liability to be charged to other comprehensive loss, and amortized over the average remaining service period of employees. The additional liability of USD 581'841, per actuarial valuation, as at January 1, 2013 is credited to the prior service cost in 2013, and booked into other comprehensive loss to be amortized on a straight line basis over the next 11 years, which is the expected average remaining working years.

Effective January 1, 2015, the Company changed its pension plan provider, resulting in a plan coverage change. The cost impact of the adjustment was USD 236,286 and is included in the 2014 prior service cost.

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Personnel costs (In USD)	2014	2013	2012
Wages and salaries	2'440'915	2'897'357	2'963'738
Social security contributions	218'548	286'225	411'603
Pension fund contributions	213'740	229'787	241'031

Amounts recognized (In USD)	2014	2013	2012
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ABO end of year	6'793'982	3'462'861	2'701'844
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Change in PBO during year

PBO at beginning of period	4'178'086	3'025'675	4,959,714
Service cost	252'884	306'695	283,800
Interest cost	81'300	52'182	111,823
Employee contributions	456'263	203'368	201,338
Plan amendments	255'494	581'841	0
Actuarial (gain)/loss due to change in assumptions	3'621'668	(37'897)	(138'391)
Benefit payments	(707'211)	(74'531)	(2'481'359)
Currency translation adjustment	(716'398)	120'753	88'750
PBO at end of year	7'422'086	4'178'086	3'025'675

Change in assets during the year	3'088'585	1'977'000	4'093'495
Actual return on assets	2'336'138	670'919	(136'525)
Company contributions	213'134	218'802	240'306
Employee contributions	456'263	203'368	201'338
Benefit payments	(707'211)	(74'531)	(2'481'359)
Currency translation adjustment	(482'273)	93'027	59'745
Fair value of assets at end of year	4'904'636	3'088'585	1'977'000

Net assets/(liabilities) in balance sheet	(2'517'450)	(1'089'501)	(1'048'675)
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Amounts recognized in accumulated

OCI (In USD)	2014	2013	2012
Net loss (gain)	1'345'631	(674'719)	90'927
Unrecognized transition (asset) / obligation	255'494	581'841	-
Prior service cost (credit)	(53'574)	-	-
Total	1'883'797	(92'878)	90'927

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Assumptions at year-end	December 31, 2014	December 31, 2013	December 31, 2012
Discount rate	1%	2%	1.75%
Expected rate of return on plan assets	1.5%	2%	1.75%
Salary increases	1.5%	1.5%	1.50%

Pension expense (in USD)	2014	2013	2012
Net service cost	252'884	306'695	283'800
Interest cost	81'300	52'182	111'823
Expected return on assets	(60'101)	(34'097)	(92'294)
Amortization of (gain)/loss	53'574	-	
Net periodic pension cost	327'657	324'780	303'329

The expected future cash flows to be paid by the Combined Company in respect of employer contributions to the pension plan for the year ended December 31, 2015 are USD 163'740 (CHF 162'000).

Future projected benefits payments in the next ten years are expected to be USD 3'104'000 (CHF 3'071'000).

14. OTHER INCOME / LOSSES

Other income/(losses), net consisted of the following:

(In USD)	2014	2013	2012
Loss on acquisition of WISeKey BR BV	-	(489'000)	-
Foreign exchange gain / (loss)	(71'127)	7'790	(67'037)
Services to OISTE	-	44'001	35'971
Other	10'866	(19'789)	(38'417)
Taxes on fortune	(8'273)	(8'262)	(16'690)
Total other income / (expenses), net	(68'534)	(465'260)	(86'173)

15. INCOME TAXES

The components of income from continuing operations before income taxes are as follows:

Income / Losses (In USD)	2014	2013	2012
Switzerland	(32'795'316)	(4'498'097)	(5'346'447)
Foreign	(48'211)	(407'908)	(95'777)
Income/(loss) before income tax	(32'843'527)	(4'906'005)	(5'442'224)

Income taxes relating to the Combined Company's continuing operations are as follows:

Income taxes from continuing operations

(In USD)	2014	2013	2012
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Current income taxes

Switzerland	-	-	-
Foreign	(300)	(1'144)	(1'498)
Income tax (expense)/recovery	(300)	(1'144)	(1'498)

Income tax at the Swiss statutory rate compared to the Combined Company's income tax expenses as reported are as follows:

**Income taxes at the Swiss
statutory rate (In USD)**

	2014	2013	2012
Net Income/(loss) before income tax	(32'843'527)	(4'906'005)	(5'442'224)
Statutory tax rate	24%	24%	24%
Expected income tax expense/(recovery)	(7'882'446)	(1'177'441)	(1'306'134)
Income tax in other jurisdictions	(300)	(1'144)	(1'498)
Change in valuation allowance	(426'439)	835'433	1'041'345
Permanent difference	4'884'490	(863'059)	(1'302'644)
Change in expiration of tax loss carry forwards	3'416'972	1'208'274	259'801
Income tax (expense)/recovery	(300)	(1'144)	(1'498)

The Combined Company assesses the recoverability of its deferred tax assets and, to the extent recoverability does not satisfy the "more likely than not" recognition criterion under ASC740, records a valuation allowance against its deferred tax assets. The Combined Company considered its recent operating results and anticipated future taxable income in assessing the need for its valuation allowance.

Since the Combined Company has been loss-making since its inception, it recorded a 100% valuation allowance on its deferred tax assets.

The Combined Company's deferred tax assets and liabilities consist of the following:

**Deferred tax assets and
liabilities (In USD)**

	December 31, 2014	December 31, 2013	December 31, 2012
Pension liability	604'188	261'480	251'682
Tax loss carry forwards	14'677'350	15'446'496	14'620'862
Valuation allowance	(15'281'538)	(15'707'977)	(14'872'544)
Deferred tax assets/(liabilities)	-	-	-

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The Combined Company's operating cumulated loss carry-forwards of all jurisdictions, as of December 31, 2014, are as follows:

Operating loss carry- forward (USD)	United States	Switzerland	Spain	France	The Netherlands	Total
2015	-	13'635'275	-	57'899	-	13'693'174
2016	-	9'681'400	-	19'584	-	9'700'984
2017	-	7'948'155	-	6'534	-	7'954'689
2018	-	8'604'374	-	6'019	-	8'610'393
2019	-	6'213'633	-	3'448	-	6'217'081
2020	-	1'996'033	-	-	-	1'996'033
2021	-	7'945'955	-	-	479'825	8'425'780
2022	-	-	223'128	-	278'167	501'295
2023	-	-	1'295'829	-	73'442	1'369'272
2024	-	-	1'329'004	-	153'393	1'482'396
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	18'487	-	-	-	-	18'487
2028	143'467	-	-	-	-	143'467
2029	177'005	-	-	-	-	177'005
2030	9'293	-	-	-	-	9'293
2031	1'660	-	-	-	-	1'660
2032	53'669	-	-	-	-	53'669
2033	89'339	-	-	-	-	89'339
2034	-	-	-	-	-	-
Total operating loss carry- forwards	492'920	56'024'825	2'847'961	93'483	984'828	60'444'017

The following tax years remain subject to examination:

Significant jurisdictions	Open years
Switzerland	2014
USA	2011 - 2014
The Netherlands	2011 - 2014
France	2011 - 2014
Spain	2010 - 2014

As of December 31, 2014, 2013 and 2012, there were no known uncertain tax positions.

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16. SEGMENT INFORMATION

ASC 280, *Segment Reporting*, establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker or decision making group in deciding how to allocate resources and in assessing performance. Our chief operating decision maker is our Chief Executive Officer. We are organized geographically, but analysis is limited to revenues due to the overall size of the business currently. We do not provide disaggregated financial information, so the Combined Company considers that it has only one reporting segment.

Geographic Information

The following table summarizes geographic information for each region based upon the billing address of the client.

Revenue by geographic region (In USD)	December 31,		
	2014	2013	2012
Europe	3,270,299	5'535'505	3'988'588
North America	125'081	203'010	182'313
Rest of World	69'947	20'570	29'347
Total Revenues	3'465'327	5'759'085	4'200'248

The Company's tangible fixed assets are all located in Switzerland, Europe.

17. LOSS PER SHARE

Basic earnings per share are the result of dividing the Combined Company's net income (or net loss) by the weighted average number of shares outstanding of both WISeKey and WISeTrust for the contemplated years. The WISeTrust weighted average number of shares outstanding was multiplied by a factor of 7'738 which was historically used in transactions from shareholders to exchange WISeKey and WISeTrust shares. Diluted earnings per share are calculated applying the treasury stock method. When there is a net income dilutive effect all stock-based compensation awards or participating financial instruments are considered. When the Combined Company posts a loss, basis loss per share equals diluted loss per share. The following table depicts how the denominator for the calculation of basic and diluted earnings per share was determined under the treasury stock method.

	2014	2013	2012
Combined Company posted	Net loss	Net loss	Net loss
Basic weighted average number of issued shares - WISeKey	69'534'245	65'595'490	62'524'647
Basic weighted average number of issued shares - WISeTrust	5'261'840	19'669'784	27'083'000
Basic weighted average number of treasury shares - WISeKey	(5'186'137)	(5'262'410)	(5'262'410)
Basic weighted average number of treasury shares - WISeTrust	(510'708)	-	(2'197'592)
Basic weighted average number of outstanding shares - combined	69'099'240	80'002'864	82'147'645
Dilutive effect of common stock equivalents	None	None	None
Diluted weighted average number of issued shares - WISeKey	69'534'245	65'595'490	62'524'647
Diluted weighted average number of issued shares - WISeTrust	5'261'840	19'669'784	27'083'000
Diluted weighted average number of treasury shares - WISeKey	(5'186'137)	(5'262'410)	(5'262'410)
Diluted weighted average number of treasury shares - WISeTrust	(510'708)	-	(2'197'592)
Diluted weighted average number of outstanding shares - combined	69'099'240	80'002'864	82'147'645

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The following table shows the total number of stock equivalents that are excluded from the computation of diluted loss per share for the respective period because the effect would have been anti-dilutive:

	December 31, 2014	December 31, 2013	December 31, 2012
Options	17'239'719	1'979'250	1'979'250
Total	17'239'719	1'979'250	1'979'250

Detailed information regarding share and option based payments see Note 12 Stock Compensation.

18. LEGAL PROCEEDINGS

In January 2009, WISeKey entered into loans with settlement options on WISeKey's choice with several shareholders for several capital amounts and for various periods. The shareholders' funds were used to guarantee a line of credit at our bank, UBS SA and carried a rate of interest that was to be compensated in common shares of WISeKey. These agreements were extended by the shareholders for time to time, but eventually all shareholders except one, converted their loans, both capital and interest, in WISeKey common shares as was the intention of the agreements. One shareholder disputed the right of conversion stating he had the right to choose to be reimbursed in cash rather than common shares. The loan agreements dispute resolution clause called for arbitration, so the Combined Company entered into arbitration discussions with the shareholder before the competent court in Geneva. The Combined Company lost the first instance and appealed. The Combined Company subsequently lost this appeal also. In July 2013, the Combined Company paid the shareholder in cash the original loan amount of CHF 1'500'000 together with an amount of CHF 231'577 for interest due and court fees. The Combined Company had anticipated these settlement terms and the interests were booked from December 2010 to July 2013 on an accrual basis.

Other Litigation

We are currently not party to any other legal proceedings and claims.

19. SUBSEQUENT EVENTS

Capital Increases

On February 16, 2015, the Combined Company made an authorised share capital increase from CHF 734'055.06 to CHF 736'197.93 (CHF 2'142.87) by issuing 214'287 ordinary shares at a nominal value of CHF 0.01 with an AGIO of CHF 0.99 (CHF 212'144.13).

On June 4, 2015, the Combined Company made a capital increase from its conditional capital, from CHF 738'882.08 to CHF 880'412.94 (CHF 141'530.86) by issuing 14'153'086 shares at nominal value.

On January 15, 2016, the Combined Company made a capital Increase from its conditional capital, from CHF 880'413 to CHF 884'174 (CHF 3'761) by issuing 376'077 shares at nominal value of CHF0.01.

On February 24, 2016, the Combined Company made an authorised share capital increase from CHF 884'174 to CHF 894,174 (CHF 10'000) by issuing 1,000,000 shares at nominal value of CHF 0.01.

On March 3, 2016, the Combined Company made an authorised capital increase from CHF 894,174 to CHF 925'789 (CHF 31'615) by issuing 3,161,548 ordinary shares at a nominal value of CHF 0.01 with an AGIO of CHF 0.99 (CHF 3'129'933).

On March 3, 2016, the Combined Company made a capital increase from its conditional capital, from CHF 925'789 to CHF 933'311 (CHF 7'522) by issuing 752,218 ordinary shares at a nominal value of CHF 0.01.

On March 11, 2016, the Combined Company made an authorised capital increase from CHF 933,436 to CHF933'436 (CHF125.00) by issuing 12,500 ordinary shares at nominal value of CHF0.01.

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Intangibles

As at December 31, 2014, management expected to obtain new contracts during the summer of 2015, based on the start of the football season in Europe. However, as at June 30, 2015, management reassessed the QWANT license and does not expect the license to generate any significant revenue for the Combined Company for some time. This is a result of the slower growth of the fan communities, due in part to competition from other apps, but also a lack of promotional activities by the clubs together with management's inability to obtain contracts from other clubs in the Combined Company's pipeline. Due to this slow growth of the fan base, the app is less attractive to prospective sponsors. As a result, management deems that a full write-down is required based on the uncertainty of future revenues.

The effect is a 100% impairment in the amount of USD 1'559'762 of the QWANT license to NIL as at June 30, 2015. This would decrease assets and increase net loss before taxes by the write-down amount.

Corporate restructuring

In the first quarter 2016, the Combined Company is planning to undergo a corporate restructuring, whereby its shareholders will be offered to exchange their shares into a new holding company – WISeKey International Holding AG – that is envisaged to be listed on the International Reporting Standard of the SIX Swiss Stock Exchange.

On 20 January, 2016, WISeKey announced that it has signed a binding agreement with a leading consortium of high profile institutional investors (the “**Investors**”) led by Global Yield Fund LLC SCS (“GEM”), granting WISeKey a committed CHF 60 million committed Share Subscription Facility (the “SSF”) as of the date of the WISeKey Group listing on SIX Swiss Exchange.

Under the terms of the SSF, WISeKey will have the right, from time to time and during a period of up to 5 years, to issue and sell shares to the Investors. Under the facility, the Investors undertake to subscribe to or acquire ordinary registered WISeKey International Holding AG shares upon WISeKey's exercise of a Draw Down Notice. WISeKey will control the timing and maximum amount of any Draw Down, and has the right, not the obligation, to draw down on the full Commitment Amount.

The fee for the SSF amounts to CHF 1.2 million which is payable to GEM upon proceeds from the first drawdowns. However, the fee will be reduced to CHF 0.5 million in the event that the listing on SIX Swiss Exchange does not take place within twelve months after the date of the agreement.

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Unaudited Combined Consolidated Interim Financial Statements of WISeKey SA and
WISeTrust SA for the six months ended 30 June 2015 and 2014

WISeKey S.A. and WISeTrust S.A.
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Combined Statements of Comprehensive Loss

In USD	Six months ended June 30,	
	2015	2014
	unaudited	unaudited
Revenues	1'450'769	1'546'183
Cost of sales	(867'764)	(759'922)
Gross profit	583'005	786'261
Research and development	(520'101)	(1'375'162)
General and administrative	(2'464'948)	(13'712'621)
Sales and marketing	(1'075'791)	(17'500'048)
Loss on impairment	(1'559'762)	-
Loss from operations	(5'037'597)	(31'801'570)
Interest income	-	281
Interest expenses	(41'664)	(16'342)
Other income (expenses), net	34'700	(54'968)
Loss on investments in associated companies	-	310'253
Income before taxes	(5'044'561)	(31'562'346)
Income taxes	(300)	(300)
Net loss	(5'044'861)	(31'562'646)
Net foreign currency translation adjustments	690'706	(24'717)
Pension adjustment	63'462	(663'653)
Other comprehensive income (loss), net	754'168	(688'370)
Other comprehensive loss	(4'290'693)	(32'251'016)
Weighted average number of outstanding shares (basic)	73'771'339	68'980'668
Weighted average number of outstanding shares (diluted)	73'771'339	68'980'668
Basic loss per share	(0.07)	(0.46)
Diluted loss per share	(0.07)	(0.46)

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Combined Consolidated Balance Sheets

In USD	As at June 30,	December 31,
	2015	2014
	unaudited	
ASSETS		
Cash and cash equivalents	642'451	475'025
Trade receivables, net of allowances for doubtful accounts	1'028'867	243'531
Receivables from shareholders	214'428	53'401
Receivables from related parties	43'339	-
Inventories	3'200	4'022
Prepaid expenses and other current assets	184'745	230'818
Total current assets	2'117'030	1'006'797
Property, plant and equipment, net	30'136	42'757
Intangible assets, net	32'809	1'778'145
Deposits	64'240	57'323
Total non-current assets	127'185	1'878'225
TOTAL ASSETS	2'244'215	2'885'022
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Accounts payable	637'037	742'678
Other current liabilities	3'105'204	2'571'730
Notes payable to shareholders	-	260'337
Deferred revenues	608'839	358'533
Total current liabilities	4'351'080	3'933'278
Pension liabilities	2'706'930	2'517'450
Total non-current liabilities	2'706'930	2'517'450
Stockholders' deficit		
WISeKey SA	794'002	638'584
Common stock, par value of CHF 0.01 per share; as at June 30, 2015, 15'229'457 shares authorized and 88'041'294 shares issued and outstanding; as at December 31, 2014, 15'712'155 shares authorized and 73'405'506 shares issued and outstanding, respectively		
WISeTrust SA	459'221	459'221
Common stock, par value of CHF 1'000 per share; as at June 30, 2015: 680 shares issued and outstanding;		
Additional paid-in capital	112'699'485	109'680'791
Treasury shares	(1'867'385)	(1'735'882)
Accumulated deficit	(118'279'851)	(113'234'990)
Accumulated other comprehensive income	1'380'735	626'570
Total stockholders' deficit	(4'813'795)	(3'565'706)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	2'244'215	2'885'022

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Combined Consolidated Statements of Stockholders' Deficit

(In USD)	WISEKEY SA - COMMON STOCK		WISETRUST SA - COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	TREASURY SHARES	ACCUMULATED DEFICIT	OTHER ACCUMULATED COMPREHENSIVE INCOME	TOTAL STOCKHOLDERS' DEFICIT
	NB. SHARES	AMOUNT	NB. SHARES	AMOUNT					
Balance at December 31, 2014	73'405'506	638'584	680	459'221	109'680'791	(1'735'882)	(113'234'990)	626'570	(3'565'706)
Common stock issued	14'635'784	155'418			1'036'961				1'192'379
Acquisition / sale of treasury shares					1'516'092	(131'503)			1'384'589
Stock based compensation					465'641				465'641
Other comprehensive income								754'168	754'168
Net loss							(5'044'861)		(5'044'861)
Balance at June 30, 2015	88'041'290	794'002	680	459'221	112'699'485	(1'867'385)	(118'279'851)	1'380'738	(4'813'790)

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Combined Consolidated Statements of Cash Flows

In USD	Six months ended June 30,	
	2015	2014
Cash flows from operating activities:	unaudited	unaudited
Net loss	(5'044'861)	(31'562'646)
Adjustments to reconcile net income to net cash provided by operating activities:	-	-
Amortization of intangible assets	281'500	342'305
Impairment on intangible assets	1'599'762	-
Depreciation of property, plant & equipment	15'004	32'696
Change in pension liability	252'942	50'321
Stock-based compensation	465'641	27'742'234
Loss on investments in associated companies	-	(310'645)
Other, net	-	68'844
Changes in operating assets & liabilities, net of effects from acquisitions:		
Decrease (increase) in trade receivables	(785'475)	12'272
Decrease (increase) in inventories	822	(82'709)
Decrease (increase) in other receivables	-	(22'457)
Decrease (increase) in prepaid expenses and other assets	46'073	104'609
Increase (decrease) in payables and other liabilities	(94'848)	1'170'969
Increase (decrease) in other current liabilities	533'474	772'409
Increase (decrease) in deferred revenues	250'305	-
Unrealized exchange difference	504'688	-
Interest paid	-	222
Interest received	-	-
Net cash used for operating activities	(1'974'973)	(1'681'576)
Cash flows from investing activities:		
Net cash used for investing activities	-	-
Cash flows from financing activities:		
Payments to Shareholders, net	(161'027)	
Proceeds from issuance of common stock	909'409	1'452'190
Proceeds from sales of treasury shares	1'823'874	467'693
Acquisition of treasury shares	(429'858)	-
Net cash provided by financing activities	2'142'398	1'919'883
Net (decrease) increase in cash and cash equivalents	167'426	238'307
Cash and cash equivalents at beginning of period	475'025	441'219
Cash and cash equivalents at end of period	642'451	679'527
Non-cash transition		
Conversion of notes payable into common stock	(282'970)	

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1. ORGANISATION

WISeKey SA has its headquarters in Meyrin, Switzerland and was established in 1999. The Company develops, markets, hosts and supports a range of solutions that enable the secure digital identification of people, content and objects, by generating digital identities that enable its clients to monetize their existing user bases and at the same time, expands its own eco-system. WISeKey generates digital identities from its current products and services in Cybersecurity Services, IoT, Digital Brand Management and Mobile Security.

WISeTrust SA has its headquarters in Meyrin, Switzerland and was established in 1999. The company does not have any employees. Its purpose is to acquire and hold participations.

The following notes relate to the combined financial statements of WISeKey SA and WISeTrust SA (together the “**Combined Company**”, “**Wisekey**” or “**we**”) for each of the six months ended June 30, 2015 and 2014. Both entities have the same senior management and governing body.

2. FUTURE OPERATIONS

The Combined Company has experienced losses from operations, although it does anticipate being able to generate profits in the near future. However, this cannot be predicted with any certainty. The accompanying financial statements have been prepared assuming that the Combined Company will continue as a going concern. The Combined Company incurred a net operating loss of USD (5'037'597) and a negative cash flow from operations of USD (1'974'973) for the half year ended June 30, 2015. It had a working capital of USD (2'234'050) as at June 30, 2015. These matters do raise substantial doubt about its ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Combined Company has had negative cash flows from operations to date and has been dependent on equity financing to augment the operating cash flow to cover its cash requirements. Management believes that the Combined Company currently may not have adequate operating cash resources to fund future cash requirements and therefore, the Combined Company will have to raise additional funding through equity contributions and loans. Any additional equity financing may be dilutive to shareholders and debt financing, if available, will increase expenses and may involve restrictive covenants.

From June 30, 2015 to the report date, the Combined Company received funds from capital increases totalling CHF 3'182'956. During the next 12 months, the Combined Company may not be able to generate sufficient cash flow from its operations and therefore may have to continue to look for additional funding from capital increases.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statements

Our combined and consolidated interim financial statements are prepared in accordance with US generally accepted accounting principles (GAAP) as set forth in the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC).

The accompanying unaudited interim consolidated financial statements have been prepared by management in accordance with ASC 270, therefore, do not include all information and footnotes required by generally accepted accounting principles and should, therefore, be read in conjunction with the Combined Company's combined and consolidated financial statements for the year ended December 31, 2014. These statements do include all normal recurring adjustments which the Combined

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Company believes necessary for a fair presentation of the statements. The interim results of operations are not necessarily indicative of the results to be expected for the full year ended December 31, 2015.

Except as indicated in the notes below, there have been no other material changes in the information disclosed in the notes to the financial statements included in the Combined Company's combined and consolidated financial statements for the year ended December 31, 2014. All amounts are stated in USD unless otherwise stated.

Principles of Consolidation and Combination

The combined and consolidated financial statements include the accounts of the WISeKey, its subsidiaries and WISeTrust. The combined and consolidated financial statements include the accounts of our wholly- and majority-owned subsidiaries. The companies included in the consolidation are listed in Note 9. Investments, in which the Combined Company exercises significant influence but not control, are accounted for under the equity method.

Intercompany income and expenses, including unrealized gross profits from internal group transactions and intercompany receivables, payables and loans have been eliminated. Companies acquired or divested in the course of the year are included in the consolidated financial statements as of the date of purchase respectively up to the date of sale.

Non-controlling interests in net assets of consolidated subsidiaries are reported as equity. The amount of net income attributable to the non-controlling interest is identified in the consolidated statements of operations and comprehensive loss.

Use of Estimates

These accounting principles require us to make certain estimates, judgments and assumptions. We believe these estimates, judgments and assumptions are reasonable, based upon information available to us at the time they were made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. To the extent there are differences between these estimates, judgments or assumptions and the actual results, our consolidated financial statements will be affected. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in its application. There are also areas in which management's judgment in selecting from available alternatives would not produce a materially different result.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*.

This guidance includes the required steps to achieve the core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance is effective for fiscal years and interim periods beginning after December 15, 2017. Early adoption is not permitted. The Combined Company expects to adopt this guidance when effective, and the impact on its consolidated financial statements is not currently estimable.

In June 2014, the FASB issued ASU 2014-12, *Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*.

The amendments in this Update require that a performance target included in a share-based payment award that affects vesting and that could be achieved after the requisite service period be treated as a

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performance condition. Therefore, such performance target should not be reflected in estimating the grant-date fair value of the award. A reporting entity should apply existing guidance in Topic 718 as it relates to the award with performance conditions that affect vesting. That is, compensation cost should be recognized in the period in which it becomes probable that the performance condition would be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and would be adjusted to reflect those awards that ultimately vest.

For all entities, the amendments are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. The effective date is the same for both public business entities and all other entities.

Entities may apply the amendments in this Update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this Update as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*.

The amendments in this Update define when and how companies are required to disclose going concern uncertainties, which must be evaluated each interim and annual period. Specifically, the ASU requires management to determine whether substantial doubt exists regarding the entity's going concern presumption. Substantial doubt about an entity's ability to continue as a going concern exists when relevant conditions and events, considered in the aggregate, indicate that it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued (or available to be issued). If substantial doubt exists, certain disclosures are required; the extent of those disclosures depends on an evaluation of management's plans (if any) to mitigate the going concern uncertainty.

The new standard applies prospectively, for both public and private entities, to annual periods ending after December 15, 2016, and to annual and interim periods thereafter. Early adoption is permitted.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*.

The amendments in ASU 2015-12 (i) require fully benefit-responsive investment contracts to be measured, presented and disclosed only at contract value, not fair value; (ii) simplify the investment disclosure requirements; and (iii) provide a measurement date practical expedient for employee benefit plans.

Part I. Fully Benefit-Responsive Investment Contracts – the amendments designate contract value as the only required measurement for fully benefit-responsive investments contracts within the scope of

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Topics 962 and 965, eliminating the requirement to measure, present and disclose such contracts also at fair value and reconcile fair value to contract value.

Part II. Plan Investment Disclosures – the amendments eliminate certain disclosure requirements for both participant-directed investments and nonparticipant-directed investments, and also reduce disclosures required specifically for investments using the net asset value per share practical expedient. The amendments also require that both participant-directed and nonparticipant-directed investments be grouped only by general type, eliminating the need to disaggregate the investments in multiple ways (i.e., also on the basis of nature, characteristics, and risks as required by Topic 820, Fair Value Measurement).

Part III. Measurement Date Practical Expedient – the amendments provide a measurement date practical expedient for employee benefit plans similar to the practical expedient allowing employers to measure defined benefit plan assets on a month-end date that is nearest to the employer's fiscal year-end, when the fiscal period does not coincide with a month-end.

The amendments are effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively. Only the nature and reason for the change in accounting principle is required to be disclosed in the annual period of adoption.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities (Subtopic 825-10)*, to address certain aspects of recognition, measurement, presentation and disclosure of financial instruments for all entities that hold financial assets or owe financial liabilities.

The amendments in this update make targeted improvements to generally accepted accounting principles (GAAP) as follows:

1. Require equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.
2. Simplify the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. When a qualitative assessment indicates that impairment exists, an entity is required to measure the investment at fair value.
3. Eliminate the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities.
4. Eliminate the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet.
5. Require public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes.
6. Require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments.

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7. Require separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements.

8. Clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. The amendments are effective for fiscal years beginning after December 15, 2017.

The Combined Company expects to adopt all of the aforementioned guidance when effective, and the impact on its combined and consolidated financial statements is not currently estimable.

4. CASH AND CASH EQUIVALENTS

Cash consists of deposits held at major banks.

5. FAIR VALUE MEASUREMENTS

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. There are no financial assets or financial liabilities measured on a recurring basis at fair value as of June 30, 2015 and June 30, 2014, respectively.

	June 30, 2015		December 31, 2014		Fair value levels	Ref.
(In USD)	Carrying amount	Fair value	Carrying amount	Fair value		
Cash and cash equivalents	642'451	642'451	475'025	475'025	1	4
Trade receivables	1'028'867	1'028'867	243'531	243'531	3	
Receivables from shareholders	214'428	214'428	53'401	53'401	3	
Receivables from related parties	43'339	43'339	-	-	3	
Deposits	64'240	64'240	57'323	57'323	1	
Accounts payable	637'037	637'037	742'678	742'678	1	
Notes payable to shareholders	-	-	260'337	260'337	3	8&9

In addition to the methods and assumptions we use to record the fair value of financial instruments as discussed in the Fair Value Measurements section above, we used the following methods and assumptions to estimate the fair value of our financial instruments:

- Cash and cash equivalents – carrying amount approximated fair value.
- Deposits – carrying amount approximated fair value.
- Trade receivables – carrying amount approximated fair value due to its short term nature.
- Receivables from shareholders – carrying amount approximated fair value due to its short term nature.
- Receivables from related parties - carrying amount approximated fair value due to its short term nature.

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- Accounts Payable – carrying amount approximated fair value.
- Notes payable to shareholders:
 - o Loans, as of December 31, 2014 – carrying amount approximated fair value due to its short term nature.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consisted of the following:

(In USD)	Useful estimated life	June 30, 2015	December 31, 2014
Computer, office equipment and furniture	Between 2 and 5 years	774'497	774'497
Buildings and improvements	5 years	1'963'214	1'963'214
Total property, plant and equipment		2'737'710	2'737'710
Accumulated depreciation		(2'707'575)	(2'694'953)
Total property, plant and equipment, net		30'136	42'757

Depreciation expense for the 6 months ended June 30, 2015 and 2014 was USD 15'004 and USD 32'969 respectively.

7. INTANGIBLE ASSETS

Intangible assets consist of the following:

(In USD)	Useful estimated life	June 30, 2015	December 31, 2014
Trademarks	5 years	67'310	63'297
License agreements	5 years	2'860'891	2'768'978
Website		95'192	95'192
North American rights		485'343	485'343
Total intangible assets		3'508'736	3'412'810
Write-down of QWANT license		-1'559'762	-
Accumulated depreciation		-1'916'165	-1'634'665
Total intangible assets, net		32'809	1'778'145

Amortization expense for the 6 months ended June 30, 2015 and 2014 was USD 281'500 and USD 342'305, respectively.

As at June 30, 2015, management reassessed the QWANT license and does not expect the license to generate any significant revenue for the Combined Company for some time. This is a result of the slower growth of the fan communities, due in part to competition from other apps, but also a lack of promotional activities by the clubs together with management's inability to obtain contracts from other clubs in the Combined Company's pipeline. Due to this slow growth of the fan base, the app is less attractive to prospective sponsors. As a result, management deems that a full impairment is required based on the uncertainty of future revenues.

The effect is a 100% impairment in the amount of USD 1'559'762 of the QWANT license to NIL as at the half year reporting period of June 30, 2015. This amount has been recorded in the loss on impairment line within the combined statement of comprehensive loss.

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8. NOTES PAYABLE

The current notes payables to shareholders are composed as follows:

(In USD)	Notes payables to shareholders	
	June 30, 2015	December 31, 2014
International Telecom, October 2014 loan	-	260'337
Total	-	260'337

Loan agreements International Telecom SA

On October 25, 2014, International Telecom SA concluded a CHF 250'000 loan agreement with WISeKey SA, with the main terms being:

- The maturity date is on October 24, 2015.
- The interests are 7%.
- The principal is payable in cash or shares at maturity, up to WISeKey's choice. The payment in shares, if chosen, is fixed to CHF 1 per share. The interests were payable in shares only, at the same conditions.

As WISeKey has settlement option, at a given price, and at a fixed date, the Combined Company has presented the loan as liability in accordance with ASC 470. This loan was converted to equity on February, 16 2015.

Shareholder Loans

From time to time, to augment cash generated by operations and capital increases, the company entered into loan agreements with certain shareholders. The loans were generally for 12 to 24 months and carried an arm's length interest rate. The loans and interest contained a settlement option to either repay in cash or in common shares of the Combined Company.

9. RELATED PARTIES DISCLOSURE

The combined and consolidated financial statements include the financial statements of WISeKey SA and of WISeTrust SA including the entities listed in the following table:

Company	Country	June 30, 2015	Dec 31, 2014
		Equity Share	Equity Share
WISeTrust SA (+)	Switzerland	100%	100%
WISeKey SA (1)	Switzerland	100%	100%
WISeKey Suisse SA (2)	Switzerland	100%	100%
WISeKey ELA SL (3)	Spain	100%	100%
WISeKey USA Inc. (4)	United States of America	100%	100%
WISeKey France SAS (5)	France	100%	100%
WISeKey BR BV (6)	The Netherlands	100%	100%
WISeKey Italy (7)	Italy	50%	50%

(1) Holding company, founded in 1999.

(2) Founded in 2002.

(3) Founded in 2006.

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(4) Founded in 2006. This subsidiary is owned for 50% by WISeKey SA who has full power over the decisions taken by its Board of Directors. The other 50% are owned by WISeTrust.

(5) Founded in 2007

(6) WISeKey SA purchased the remaining 50% of WISeKey BR BV in January 2013.

(7) This entity is considered as not significant for the Group, and is accounted for at cost, less impairment if applicable.

Relationship with Organisation Internationale pour la Sécurité des Transactions Electroniques (“OISTE”)

In 2001 the Combined Company entered into a contract with OISTE, a Swiss non-profit making foundation that owns a cryptographic rootkey, to operate and maintain the global trust infrastructures of OISTE. Two members of the Board of Directors of WISeKey SA are also members of the Counsel of the Foundation which gives rise to the related party situation.

As at June 30, 2015 a receivable amount of USD 43'339 is due from OISTE, and included in the line item receivables from related parties on the combined and consolidated balance sheet.

10. COMMITMENTS AND CONTINGENCIES

Lease Commitments

We lease certain facilities and equipment under operating leases. As of June 30, 2015, future minimum annual operating lease payments were as follows:

	July to December 31, 2015	146'385
	2016	287'894
	2017	136'453
	2018	60'733
	2019 and thereafter	220'688
Total future minimum operating lease payments		852'153

Guarantees

Our software and hardware product sales agreements generally include certain provisions for indemnifying customers against liabilities if our products infringe a third party's intellectual property rights. Certain of our product sales agreements also include provisions indemnifying customers against liabilities in the event we breach confidentiality or service level requirements. It is not possible to determine the maximum potential amount under these indemnification agreements due to our lack of history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. To date, we have not incurred any costs as a result of such indemnifications and have not accrued any liabilities related to such obligations in our consolidated financial statements.

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11. STOCKHOLDERS EQUITY

Shares WISeKey	June 30, 2015	December 31, 2014
Total number of authorized shares	15'229'457	15'712'155
Total number of conditional shares	10'237'473	24'390'563
Total number of fully paid-in shares	88'041'294	73'405'506
Total number of treasury shares	17'938'157	4'814'507
Par value per share (in CHF)	0.01	0.01
Total share capital (in USD)	794'002	638'584

Shares WISeTrust	June 30, 2015	December 31, 2014
Total number of authorized shares	0	0
Total number of conditional shares	0	0
Total number of treasury shares	66	66
Total number of fully paid-in shares	680	680
Par value per share (in CHF)	1,000	1,000
Total share capital (in USD)	459'221	459'221

All shares are common shares. There are no different share categories.

Prior to January 1, 2012, WiseTrust SA held 284 shares of its common stock outstanding in various transactions. WiseTrust SA continued to transact in treasury shares in subsequent years. There is no corresponding gain or loss associated with this transaction and the impact is accounted for within Additional Paid in Capital. WiseTrust SA repurchased 66 own shares from a shareholder in July 2014 with the impact accounted for as a reduction of Additional Paid in Capital. Please see our Combined and Consolidated Statement of Stockholder's Equity.

As of June 30, 2015, WISeTrust SA held 66 treasury shares (December 31, 2014: 66) for a total acquisition cost of CHF 181,089 (December 31, 2014: CHF 181,089). These are recorded as a reduction in additional paid in capital. Gains or loss on sales or redemption of treasury shares are credited or debited to additional paid in capital.

Prior to January 1, 2012, WISeTrust SA held 5'262'410 of WISeKey SA common stock. WISeTrust SA continued to transact in WISeKey SA shares in subsequent years. During the first six months of 2015, WISeTrust SA increased their holding in WISeKey SA common stock by 13'123'650.

As of June 30, 2015, WISeTrust SA held at total of 17'938'157 (December 31, 2014: 4,814,507) common stock in WISeKey SA for an acquisition amount of USD 1,694,912 (December 31, 2014 -1,573,758). Gains on sales of WISeKey SA shares amounted to USD 1'516'092 during the first six months 2015, USD 93'252 in 2014. Those gains are shown in additional paid-in capital.

On February 16, 2015, WISeKey SA made an authorised share capital increase from CHF 734'055.06 to CHF 736'197.93 (CHF 2'142.87) by issuing 214'287 ordinary shares at a nominal value of CHF 0.01 with an AGIO of CHF 0.99 (CHF 212'144.13).

On June 4, 2015, WISeKey SA made a capital increase from its conditional capital, from CHF 738'882.08 to CHF 880'412.94 (CHF 141'530.86) by issuing 14'153'086 shares at nominal value.

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12. STOCK COMPENSATION PROGRAM

Stock Option Plans

The Stock Option Plan ("ESOP 1") was approved on December 31, 2007 by the stockholders, representing 2'632'500 options convertible into WISeKey SA shares with an exercise price of CHF 0.01 per share.

The Stock Option Plan ("ESOP 2") was approved on December 31, 2011 by the stockholders, representing 16'698'300 options convertible into WISeKey SA shares with an exercise price of CHF 0.01 per share.

Grants

2014

15'608'769 options were granted on June 30, 2014 to Board Members and Employees of which 342'877 options related to board member fees accrued from 2007 to 2014.

2015

No options were granted in the 6 months period ended June 30, 2015.

Stock Option Grants

The Combined Company calculates the fair value of options granted by applying the Black-Scholes option pricing model. Expected volatility is based on the other companies (in the same industry and of the similar size) share price volatility.

The following assumptions were used to calculate the compensation expense and the calculated fair value of stock options granted:

Assumption	June 30, 2015	June 30, 2014
Dividend yield	na	None
Risk-free interest rate used (average)	na	0.95%
Expected market price volatility	na	60.00%
Average expected life of stock options	na	4 years

For the 6 months ended June 30, 2014, the weighted average fair value of options granted was USD 1.76 at the grant date.

The following table illustrates the development of the Combined Company's non-vested options during the 6 months ended June 30, 2015:

Non-vested options	Shares under options	Weighted-average grant date fair value (In USD)
Non-vested at December 31, 2014	1'154'591	1.76
Granted	-	-
Vested	(248'984)	1.76
Non-vested, forfeited or cancelled	-	-
Non-vested at June 30, 2015	905'607	1.76

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As of June 30, 2015, the unrecognized compensation expense related to non-vested stock option based compensation arrangements amounts to USD 1'693'634.

The following table summarizes the Combined Company's stock option activity for the years ended June 30, 2014 and June 30, 2015, respectively:

	Shares under options	Weighted- average exercise price (In USD)	Weighted- average remaining contractual term (years)	Aggregate intrinsic value (In USD)
Outstanding at December 31, 2014	17'239'719	0.01	6.05	8'447'462
Granted	-	-		-
Exercised	(14'153'086)			-
Forfeited or expired	-	-	-	-
Outstanding at June 30, 2015	3'086'633	0.01	5.55	3'271'831
Exercisable at June 30, 2015	2'181'026	0.01	3.55	2'311'888

Summary of Stock-based Compensation Expenses

Stock-based compensation expenses	June 30, 2015	June 30, 2014
Options grants	465'641	27'742'234

Stock-based compensation expenses are recorded under research and development, general and administrative and sales and marketing expenses, depending on the beneficiaries, as follows:

6 month period ended	June 30, 2015	June 30, 2014
R&D	27'841	952'466
G&A	200'133	9'907'178
S&M	237'667	16'882'590
Total	465'641	27'742'234

13. EMPLOYEE BENEFIT PLANS

Defined Benefit Post-retirement Plan

The Combined Company maintains a pension plan covering all employees in Switzerland. The plan is considered a defined benefit plan and accounted for in accordance with ASC 715 Compensation – Retirement Benefits. This model allocates pension costs over the service period of employees in the plan. The underlying principle is that employees render services ratably over this period, and therefore, the income statement effects of pensions should follow a similar pattern. ASC 715 requires recognition of the funded status, or difference between the fair value of plan assets and the projected benefit obligations of the pension plan on the balance sheet, with a corresponding adjustment recorded in the net loss. If the projected benefit obligation exceeds the fair value of plan assets, then that difference or unfunded status represents the pension liability.

The Combined Company records a net periodic pension cost in the statement of comprehensive loss. The liabilities and annual income or expense of the pension plan is determined using methodologies

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that involve several actuarial assumptions, the most significant of which are the discount rate and the long-term rate of asset return (based on the market-related value of assets). The fair values of plan assets are determined based on prevailing market prices.

Net periodic pension cost has been included in the Combined Company's results as follows:

	6 month period ended	6 month period ended
Pension expense (In USD)	June 30, 2015	June 30, 2014
Net service cost	125'904	129'892
Interest cost	38'504	41'759
Expected return on assets	(38'447)	(30'870)
Amortization of (gain)/loss	25'222	0
Amortization of prior service cost / (credit)	38'241	27'518
Net periodic pension cost	189'708	168'299

During the six month periods ended June 30, 2015 and June 30, 2014 the Combined Company made cash contributions of USD 87'742 and USD 109'475, respectively, to its defined benefit pension plan.

All of the assets are significantly insured and held under the collective contract and are invested in a mix of Swiss and international bond and equity securities within the limits prescribed by the Swiss Pension Law. Since January 1, 2015, the provider for the pension plan scheme is Patrimonia Collective Foundation (Fondation Patrimonia, Le Lumion, Rte François Peyrot 14, 1215 Genève).

The expected future cash flows to be paid by the Combined Company in respect of employer contributions to the pension plan for the 6 months to December 31, 2015 are USD 193'011.

Future projected benefits payments in the next ten years are expected to be USD 3'702'171.

14. OTHER INCOME / LOSSES

Other income / (losses), net consisted of the following:

(In USD)	June 30, 2015	June 30, 2014
Foreign exchange gain / (loss)	124'183	(18'572)
Other	(2'251)	(28'123)
Total other income / (expenses), net	121'932	(46'695)

15. SEGMENT INFORMATION

ASC 280, *Segment Reporting*, establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker or decision making group in deciding how to allocate resources and in assessing performance. Our chief operating decision maker is our Chief Executive Officer. We are organized geographically, but analysis is limited to revenues due to the overall size of the business currently. We do not provide disaggregated financial information, so the Combined Company considers that it has only one reporting segment.

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Geographic Information

The following table summarizes geographic information for each region based upon the billing address of the client.

Revenue by Geographic Region (In USD)	6 month ending June 30, 2015	6 month ending June 30, 2014
Europe	1'391'631	1'486'157
North America	37'928	54'504
Rest of World	21'210	5'523
Total Revenues	1'450'769	1'546'183

The Company's tangible fixed assets are all located in Switzerland, Europe.

16. LOSS PER SHARE

Basic earnings per share are the result of dividing the Company's net income (or net loss) by the weighted average number of shares outstanding of both WISeKey and WISeTrust for the contemplated period. The WISeTrust weighted average number of shares outstanding was multiplied by a factor of 7'738 which was historically used in transactions from shareholders to exchange WISeKey and WISeTrust shares. Diluted earnings per share are calculated applying the treasury stock method. When there is a net income dilutive effect all stock-based compensation awards or participating financial instruments are considered. When the Combined Company posts a loss, basis loss per share equals diluted loss per share. The following table depicts how the denominator for the calculation of basic and diluted earnings per share was determined under the treasury stock method.

Loss per share	June 30, 2015	June 30, 2014
Combined Company posted	Net loss	Net loss
Basic weighted average number of issued shares – WISeKey	75'795'903	68'981'238
Basic weighted average number of issued shares – WISeTrust	5'261'840	5'261'840
Basic weighted average number of treasury shares – WISeKey	(6'775'695)	(5'262'410)
Basic weighted average number of treasury shares – WISeTrust	(510'708)	-
Basic weighted average number of outstanding shares – combined	73'771'339	68'980'668
 Dilutive effect of common stock equivalents	 None	 None
 Diluted weighted average number of issued shares – WISeKey	 75'795'903	 68'981'238
Diluted weighted average number of issued shares – WISeTrust	5'261'840	5'261'840
Diluted weighted average number of treasury shares – WISeKey	(6'775'695)	(5'262'410)
Diluted weighted average number of treasury shares – WISeTrust	(510'708)	-
Diluted weighted average number of outstanding shares – combined	73'771'339	68'980'668

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The following table shows the total number of stock equivalents that excluded from the computation of diluted loss per share for the respective period because the effect would have been anti-dilutive:

Loss per share	Period ended June 30, 2015	Period ended June 30, 2014
Options	3'086'633	17'206'519
Total	3'086'633	17'206'519

Detailed information regarding share and option based payments see Note 12 Stock Compensation.

17. LEGAL PROCEEDINGS

We are currently not party to any legal proceedings and claims.

18. SUBSEQUENT EVENTS

Capital Increases

On January 15, 2016, the Combined Company made a capital increase from its conditional capital, from CHF 880'413 to CHF 884'174 (CHF 3'761) by issuing 376'077 shares at nominal value of CHF 0.01.

On February 24, 2016, the Combined Company made an authorised share capital increase from CHF 884'174 to CHF 894,174 (CHF 10'000) by issuing 1,000,000 shares at nominal value of CHF 0.01.

On March 3, 2016, the Combined Company made an authorised capital increase from CHF 894,174 to CHF 925'789 (CHF 31'615) by issuing 3,161,548 ordinary shares at a nominal value of CHF 0.01 and an AGIO of CHF 0.99 (CHF 3'029'933).

On March 3, 2016, the Combined Company made a capital increase from its conditional capital, from CHF 925'789 to CHF 933'311 (CHF 7'522) by issuing 752,218 ordinary shares at a nominal value of CHF 0.01.

On March 11, 2016, the Combined Company made an authorised capital increase from CHF 933,436 to CHF 933'436 (CHF 125.00) by issuing 12,500 ordinary shares at nominal value of CHF 0.01.

Corporate Restructuring

In the first quarter 2016, the Combined Company is planning to undergo a corporate restructuring, whereby its shareholders will be offered to exchange their shares into a new holding company – WISeKey International Holding AG – that is envisaged to be listed on the International Reporting Standard of the SIX Swiss Stock Exchange.

On 20 January, 2016, WISeKey announced that it has signed a binding agreement with a leading consortium of high profile institutional investors (the "Investors") led by Global Yield Fund LLC SCS ("GEM"), granting WISeKey a committed CHF 60 million committed Share Subscription Facility (the "SSF") as of the date of the WISeKey Group listing on SIX Swiss Exchange.

Under the terms of the SSF, WISeKey will have the right, from time to time and during a period of up to 5 years, to issue and sell shares to the Investors. Under the facility, the Investors undertake to subscribe to or acquire ordinary registered WISeKey International Holding AG shares upon WISeKey's exercise of a Draw Down Notice. WISeKey will control the timing and maximum amount of any Draw Down, and has the right, not the obligation, to draw down on the full Commitment Amount.

The fee for the SSF amounts to CHF 1.2 million which is payable to GEM upon proceeds from the first drawdowns. However, the fee will be reduced to CHF 0.5 million in the event that the listing on SIX Swiss Exchange does not take place within twelve months after the date of the agreement.

Annex 1 – Subsidiaries of WISeKey International Holding Ltd

Entity	Ownership (%)	Share Capital	Currency
WISeKey SA	100%	894,173.71	CHF
WISeKey UK Ltd	100%	1,000	GBP
WISeKey Suisse SA	100%	100,000	CHF
WISeKey ELA SL	100%	4,000,000	EUR
WISeKey USA Inc	100%*	6,500	USD
WISeKey Bulgaria AD	80%	50,000	BGN
WISeKey Bulgaria PS	31%	273,000	BGN
WISeKey France SAS	100%	37,000	EUR
WISeKey BR BV	50%	771,359	EUR
WISeKey Italia SRL	50%	10,000	EUR

* 50% direct ownership and 50% through WISeTrust SA

THE COMPANY

WISeKey International Holding Ltd

General–Guisan-Strasse 6

6300 Zug

Switzerland

(Address of registered office)

c/o WISeKey SA

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1215 Geneva 15

Switzerland

(Address of principal executive offices)

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Homburger Ltd

Prime Tower

Hardstrasse 201

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Switzerland

AUDITOR TO THE COMPANY

BDO Ltd

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