

WIS@key

2019 Annual General Meeting in Zürich

Building Trust in the Connected World



ROOT OF TRUST



SECURE IDENTITY



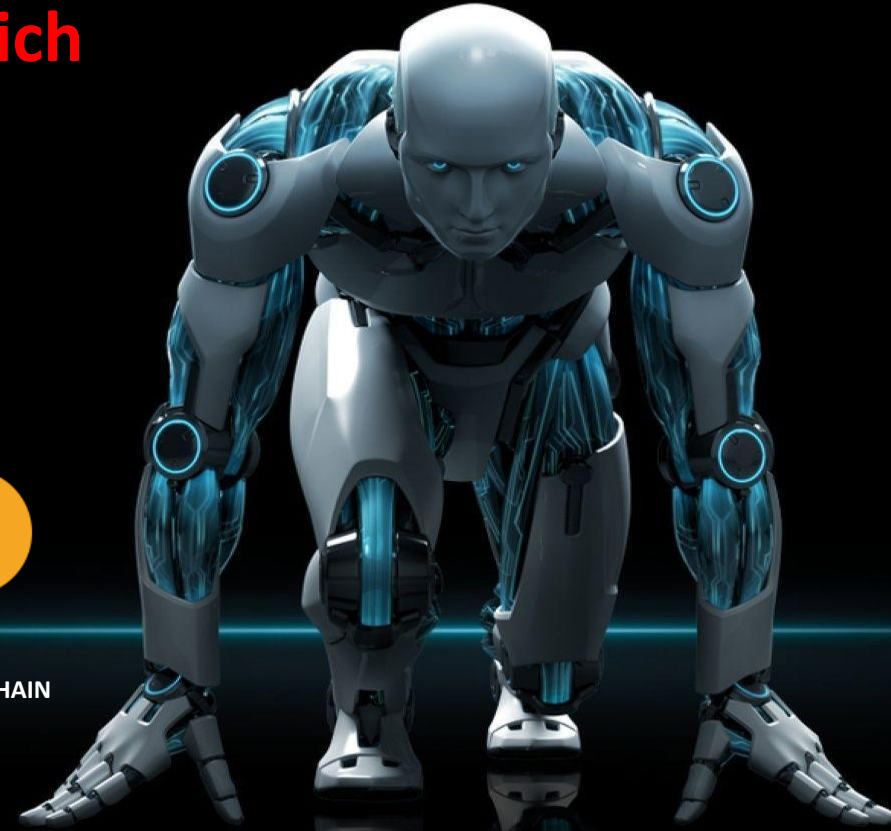
SECURE IOT



ARTIFICIAL INTELLIGENCE



BLOCKCHAIN



Carlos Moreira
Chairman and Chief Executive Officer

21 May 2019

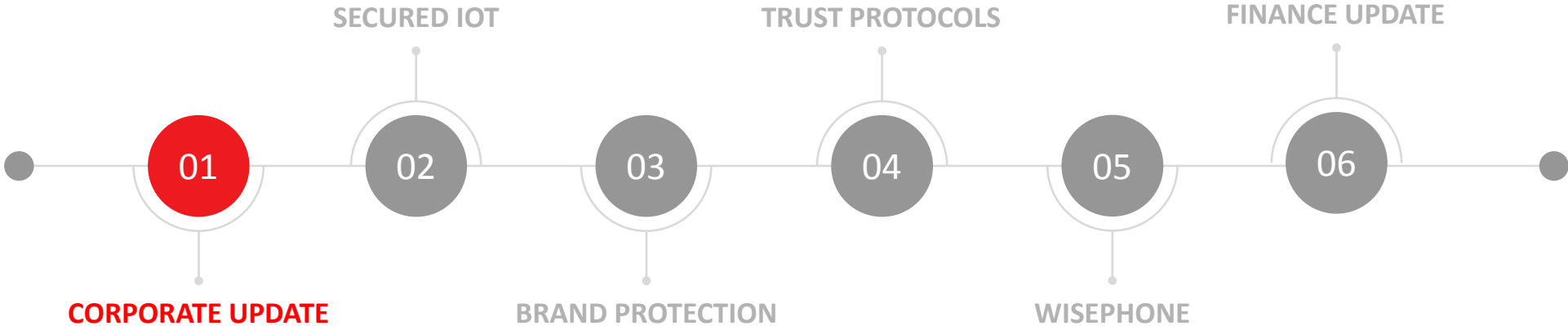


DISCLAIMER

This communication expressly or implicitly contains certain forward-looking statements concerning WIS@key International Holding Ltd and its business. Such statements involve certain known and unknown risks, uncertainties and other factors, which could cause the actual results, financial condition, performance or achievements of WIS@key International Holding Ltd to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. WIS@key International Holding Ltd is providing this communication as of this date and does not undertake to update any forward-looking statements contained herein as a result of new information, future events or otherwise.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, and it does not constitute an offering prospectus within the meaning of article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. Investors must rely on their own evaluation of WIS@key and its securities, 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 WIS@key.

AGENDA



WISEKEY

A global leader in the delivery of integrated security products for the Internet of Things (“IoT”) and digital identity ecosystems.



● LISTED

2016

● EMPLOYEES

160 Worldwide (12/31/2018)

● HEADQUARTERS

Geneva, Switzerland

● STOCK EXCHANGE

SIX Swiss (SWX: WIHN)

CORE EXPERTISE

Over two decades of experience developing innovative digital security solutions that use IoT cryptographic chips, secure software, blockchain and trusted services to protect users, devices, data and transactions in the connected world.

SECURE
IOT



BRAND
PROTECTION

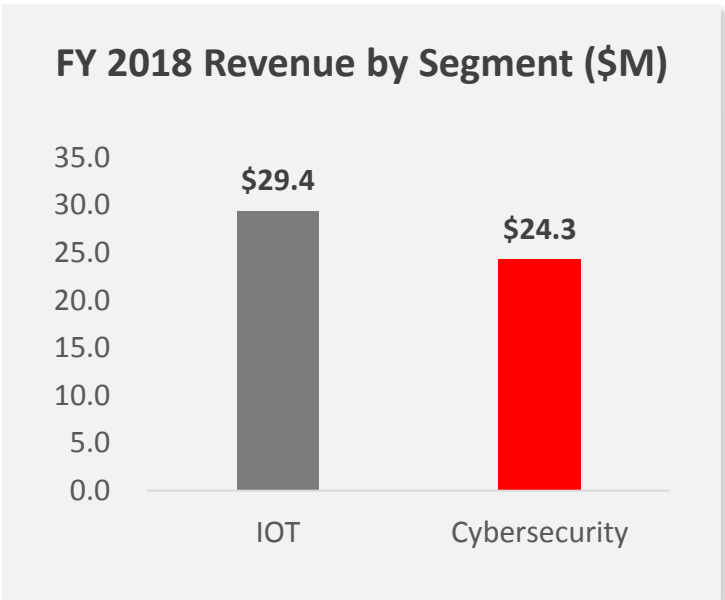
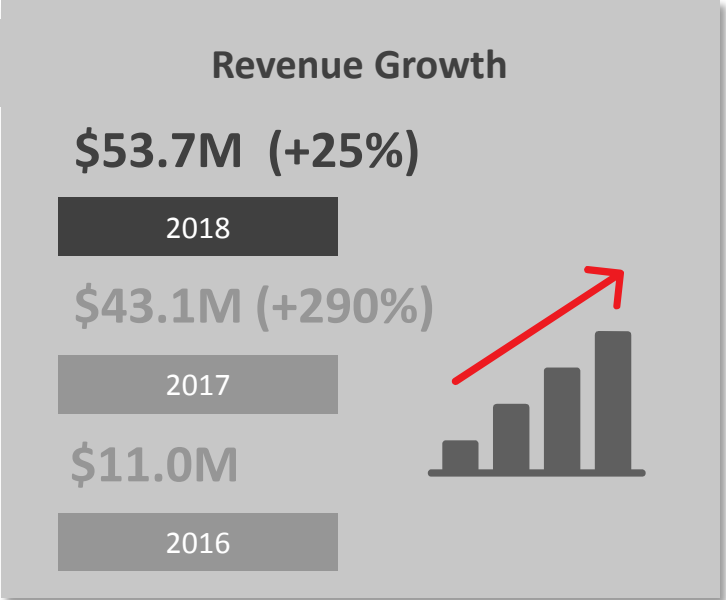
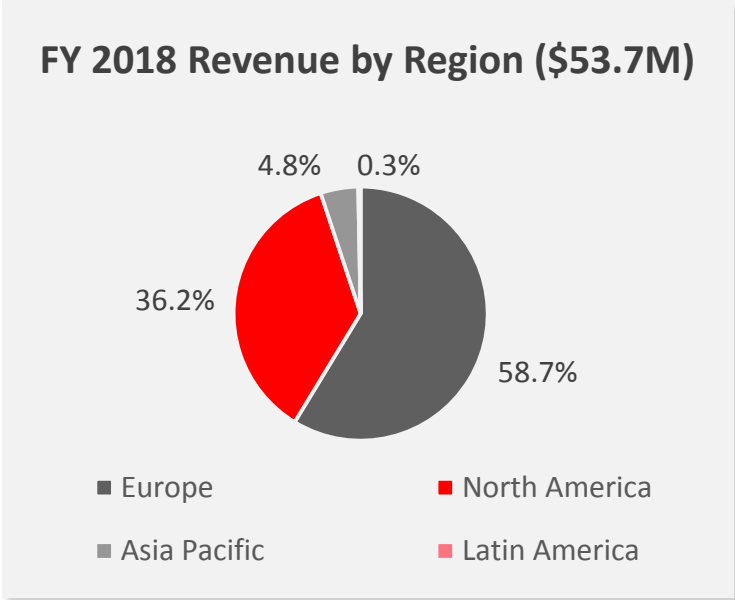


TRUST
PROTOCOLS



INVESTMENT HIGHLIGHTS – FULL YEAR 2018 TOTAL GROUP CONSOLIDATION (NON-GAAP)

2018 was a strong year for WISeKey



Improved Gross Margins

54.3%

Up from 48.0% in 2017

Strategic Patent Portfolio

88

Individual Patents

Strong Liquidity

\$11.2 M

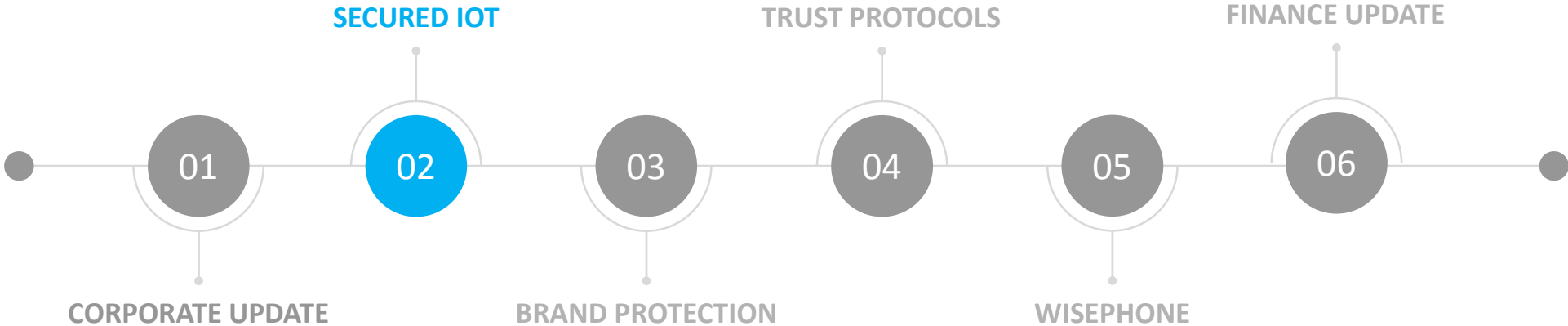
Cash and restricted cash at 12/31/2018

R&D Investments

\$8.1 M

Cybersecurity, IoT, blockchain

AGENDA



IOT MARKET TRENDS

The role that trust plays in the growth of the connected world.

01 THE IOT RACE

“...Every single sector on the planet is in a **race to digitize**, to connect things. And very importantly, to collect data from those things...” (1)

02 THE STATE OF INSECURITY

“...the industry is in its **“gold rush”** state, where every vendor is hastily seeking to dish out the next innovative connected gadget before competitors do. Under such circumstances, functionality becomes the main focus and **security takes a back seat.**” (2)

03 FAKE PRODUCTS, REAL ISSUES

“Together, the negative impacts of counterfeiting and piracy are projected to **drain US\$4.2 trillion** from the global economy and put **5.4 million legitimate jobs at risk** by 2022.” (3)

(1) Darren Thompson CTO & Vice President of Technology Services Symantec

(2) Prof. Ahmed Banafa, Stanford University

(3) International Chamber of Commerce, iccwbo.org

CONNECTED TRUST ESSENTIALS



IDENTIFICATION

Connected devices need a digital ID that can be used to tell them apart from the billions of other devices connecting to the cloud every day.



CERTIFICATION

Certificates are digital contracts, signed by authorized parties, that attest to the rights of the connected device.



PROTECTION

To preserve the integrity of digital IDs and certificates, digital vaults are used to secure the assets stored on the connected device.

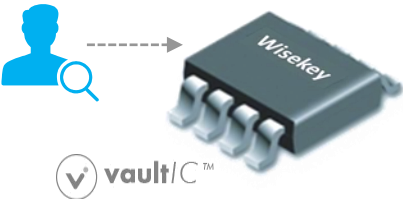
SECURING THE INTERNET OF THINGS

Using the WISeKey IOT Microchips and Suite to build a trusted device powering the Fourth Industrial Revolution.

WISeKey has emerged in only 3 years since the WISeKey Swiss Listing as one of the largest IoT listed companies in Switzerland in the sector of IoT, with \$34.3 million revenues. This is an extraordinary evolution when compared with other IoT Swiss listed companies still showing \$2.0 million.

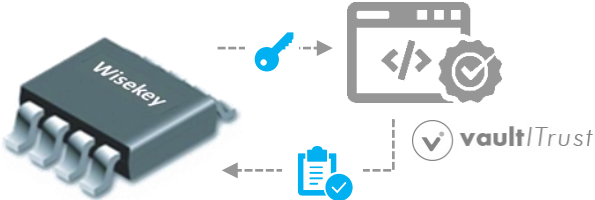
IDENTIFICATION

A unique ID (UID) is created for the Secure Element chip.



CERTIFICATION

The WISeKey IOT platform securely installs OEM specific certificates on the chip.



PROTECTION

Securing the UID and certificates, the Secure Element becomes the digital vault for the connected device.



IOT SECURITY AS A PLATFORM

WISeKey's integrated suite of hardware, software, and services creates trusted connectivity from Chip-to-Cloud.

CLOUD SERVICES

Device onboarding and life-cycle control based on a **PROTECTED** connection to a trusted device increases the confidence of decisions made in the Cloud.



Cloud Platform

SOFTWARE

Software designed to leverage secure elements and **CERTIFICATES** creates the strongest bond between the hardware and software layers.



HARDWARE

IDENTITIES stored in tamper-resistant chips provide the foundation of trusted connectivity.



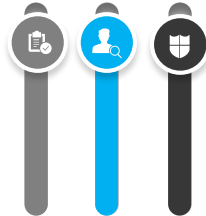
Trusted Device

PERFECTLY POSITIONED

WIS@key has carved out a unique space in the IOT security market.



WIS@key has over 20 years of experience in the delivery of Root of Trust services, digital identities, and banking-grade secure chips.

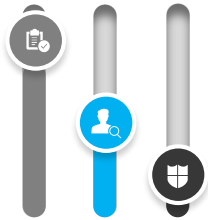


Core Competencies

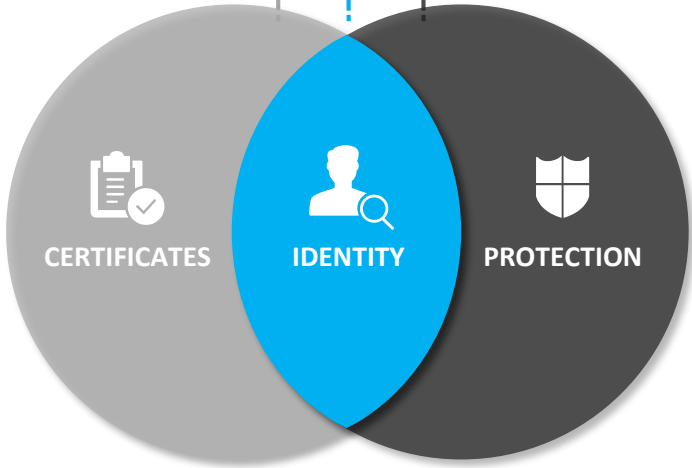
With expertise in these three disciplines we separate ourselves from our competitors and become the clear choice for Chip-to-Cloud security.

SOFTWARE VENDORS

Primarily focus on certificates.
Don't provide device-level hardware protection.

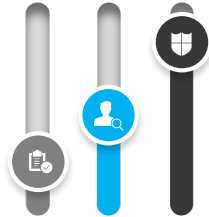


Core Competencies



HARDWARE VENDORS

Primarily focus on chips.
No interest in certificate authority (CA) business.

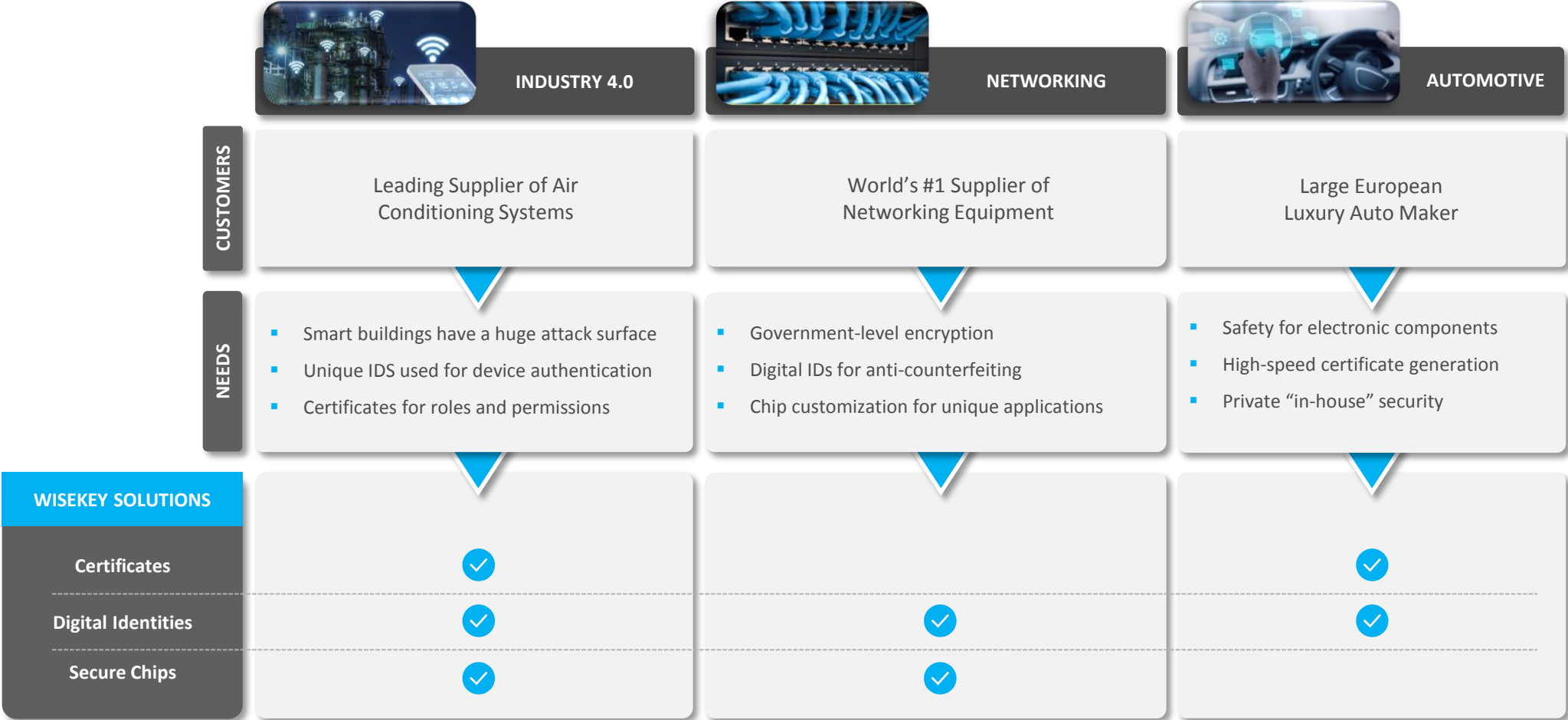


Core Competencies



CASE STUDIES

What brings customers to WIS@key IoT and what are we selling them?



IOT CUSTOMERS

Creating secure connections for a wide range of companies and products.



DAIMLER

tyco

TOMTOM® 

Landis
| Gyr+

Johnson
Controls 



Panasonic

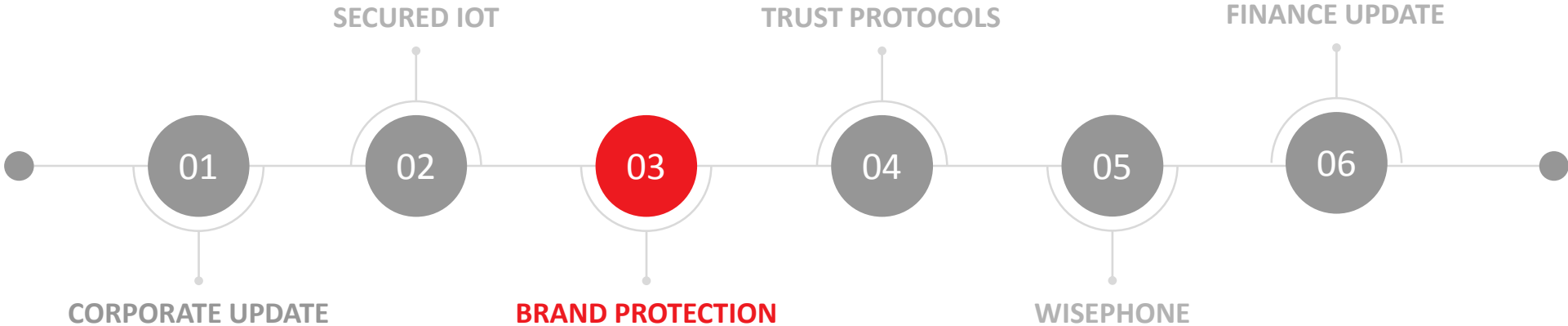
 Medtronic

 BOSCH


TATA STEEL

WIS@key

AGENDA



THE BRAND PROTECTION CHALLENGE

“Amount of total counterfeiting globally has reached \$1.2 Trillion in 2017” ⁽¹⁾

“Together, the negative impacts of counterfeiting and piracy are projected to drain US\$4.2 trillion from the global economy and put 5.4 million legitimate jobs at risk by 2022.” ⁽²⁾

\$30B



Losses incurred by Luxury Brands alone in 2017 ⁽¹⁾

5.4M



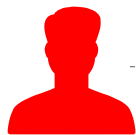
Legitimate jobs lost by 2022 ⁽²⁾

⁽¹⁾ Global Brand Counterfeiting Report 2018

⁽²⁾ International Chamber of Commerce, iccwbo.org

WHY BRAND PROTECTION?

ROI benefits that are driving the Brands to invest in protection platforms.



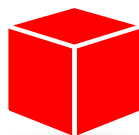
KNOW YOUR CUSTOMER (KYC)

There is almost no price tag too high for the answer to the questions of *what* and *when* will their customers buy next.



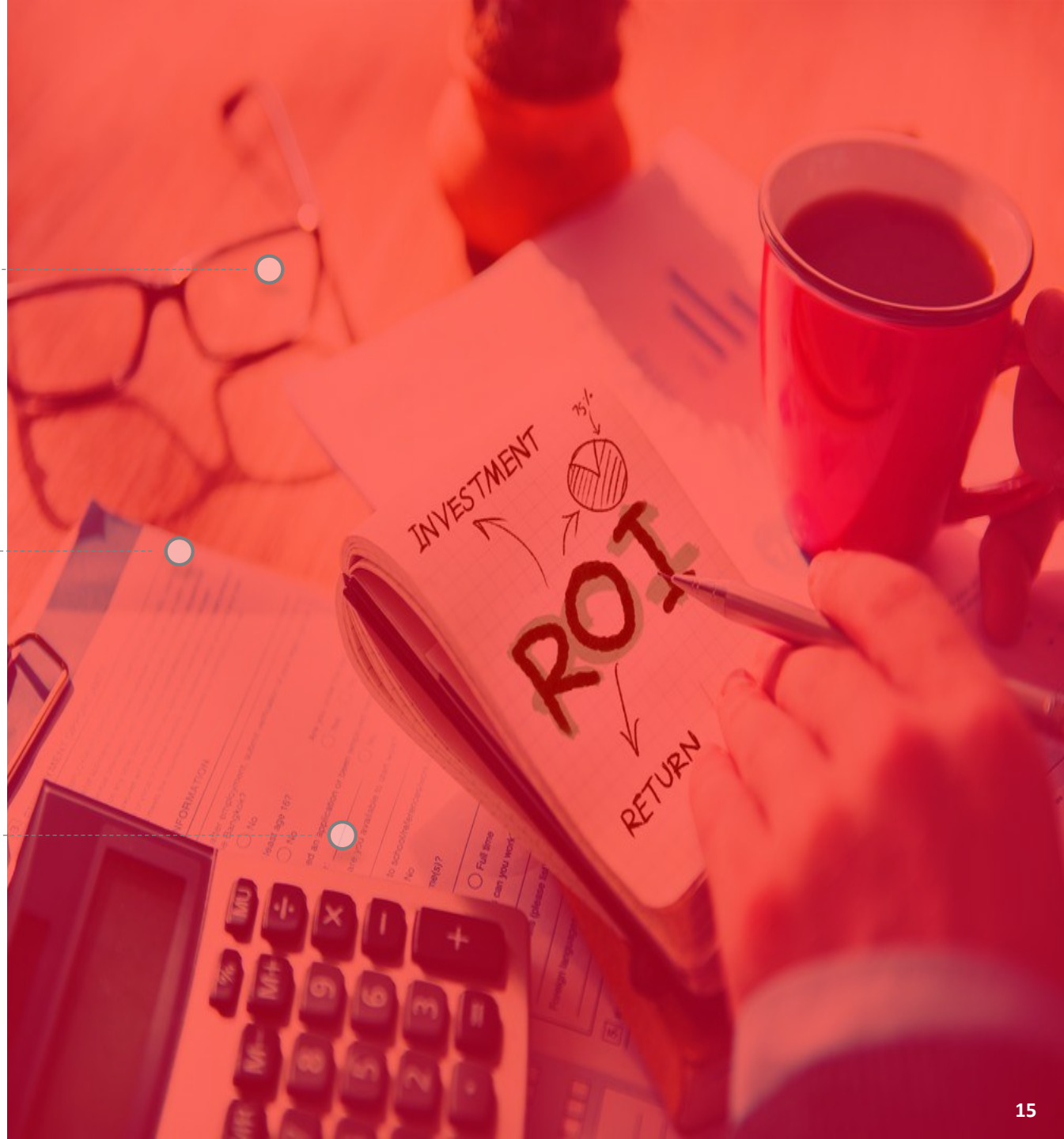
ANTI-COUNTERFEITING

Defending against the threats of gray markets that are increasing in value and sophistication.



UNIFIED MANAGEMENT

One-screen access saves time and increases confidence that their products, and reputation, are protected at every stage.





Know Your Customer (KYC)

New connected (NFC*) tags are turning static products into communication channels.

OEM apps deliver instant product authentication, product registration and consumer engagement to Android and iOS mobile devices users. Your consumer engagement program and application can be customized with rewards programs, incentives, product feedback and more.



CUSTOMER INTELLIGENCE

Improves direct marketing campaigns.



GEOLOCATION

Creates relevant, regionally focused products.



COMMUNITY

Builds loyalty and connection with the brand.


Authentication with Open Detection

Digital tags equipped with open detection seals can now tell if the bottle has been tampered with or give details of the history of the journey that it has made.

With the use of cryptography standards that can scale in both cost and strength the right cost trade-off for the manufacturer can always be met.

01

Generate a **unique digital ID (UID)** and store it on a secure chip.

A small, grey, rectangular chip with four pins on one side and a red gear icon with a checkmark on the top left.


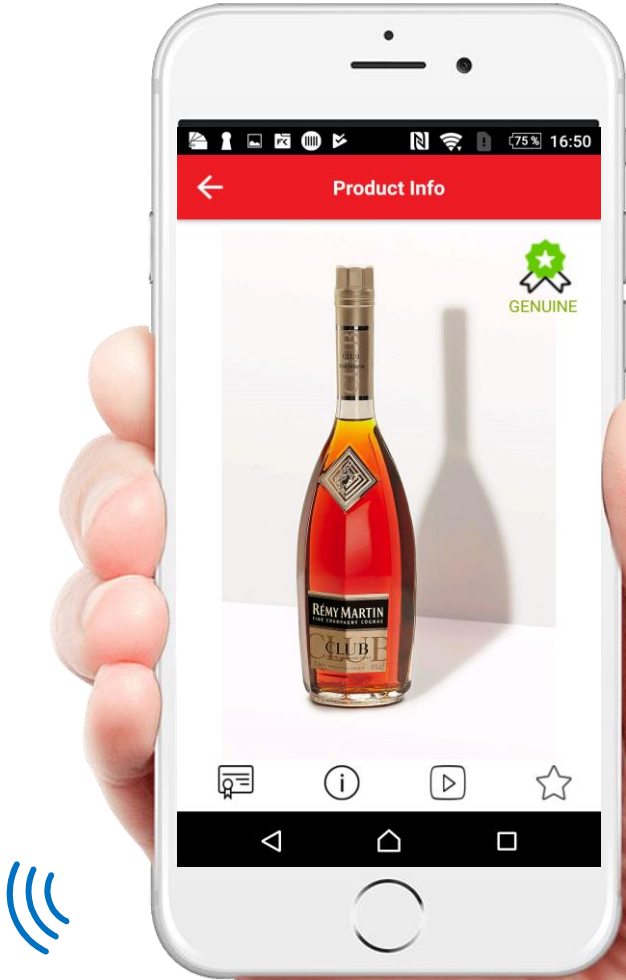
02

The personalized chip is built into a **product specific NFC tag** configuration.

A hand is shown placing a small, red, cylindrical NFC tag onto a black cylindrical component. The InTact logo is visible at the bottom.

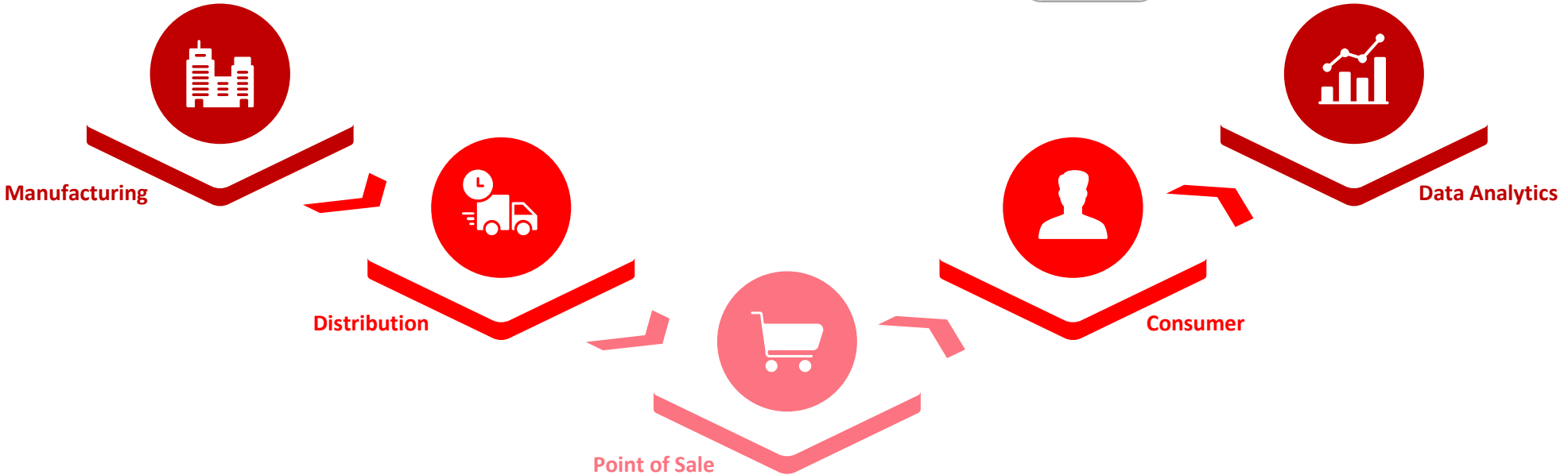
03

The NFC tag is loaded with **product specific data** and built into the product label.

A bottle of Remy Martin Club Cognac is shown with a blue circular NFC tag icon overlaid on its label. The tag icon contains the text 'NFC' and a signal icon.

Track & Trace

Using technologies like **Artificial Intelligence** and **Blockchain**, the backend systems **track & trace the entire product lifecycle** and leverage the collected data to provide **real-time visibility**, improve supply chain efficiencies and eliminate threats of fake and illicitly traded goods.



ACTIVE VS. PASSIVE AUTHENTICATION TRENDS

Similar to the digitization trends that pushed the payment industry into **active (chip-based) solutions**, the Brand Protection market has started to adopt **active authentication** through the use of **chips enabled with Near Field Communication (NFC)** to increase their defense against counterfeiters and **add consumer attraction features** into their products.



Secure Chips

- Bank-grade encryption, used inside of tamper-resistant silicon, prevents digital cloning of private data stored on the chip.
- Thanks to the payment cards, the consumer perception is that a product with a chip is more secure than a product without one.



Active Garment Tags



Holograms

- Sophisticated printing techniques make it costly and difficult to physically clone the card or tag.
- Most consumers have no idea how to spot a real hologram from a fake one.



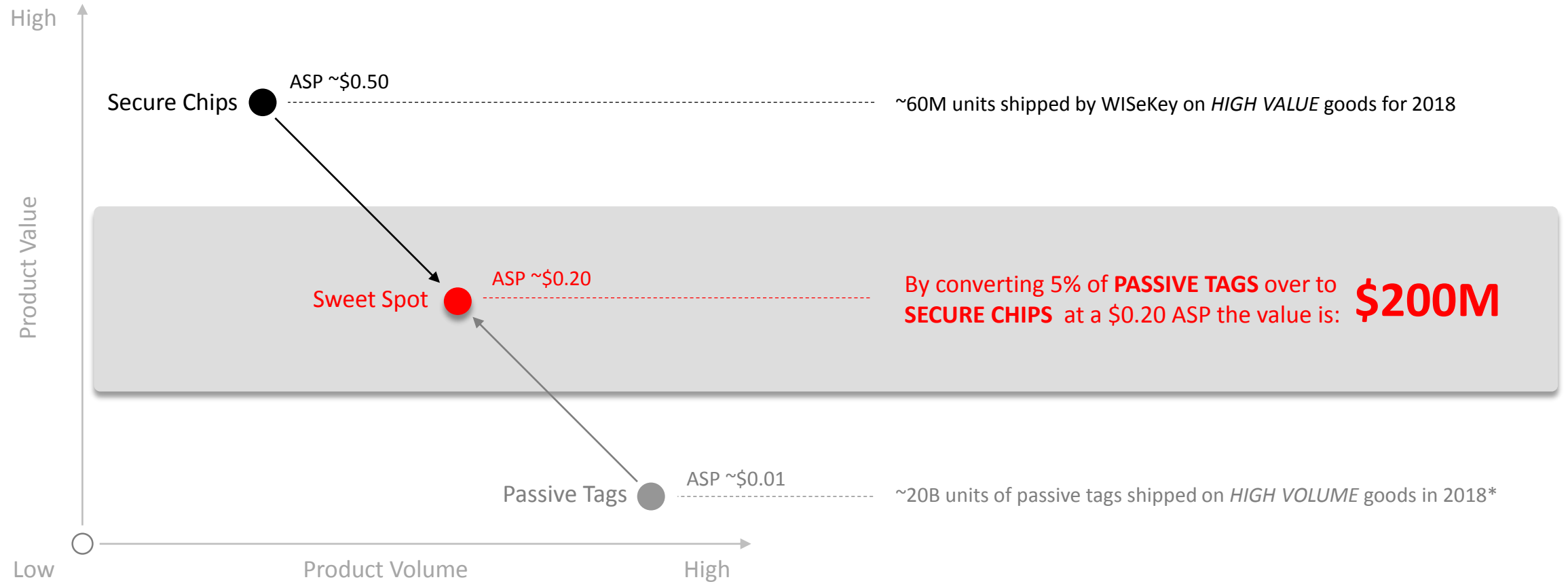
Passive Garment Tags

ACTIVE AUTHENTICATION

PASSIVE AUTHENTICATION

THE SWEET SPOT

By creating a mid-point in the market we generate the perfect storm of price and protection.



PREMIUM BRANDS SELECT WISEAUTHENTIC

Creating new avenues of business efficiencies and brand protection for a wide range of companies and products.



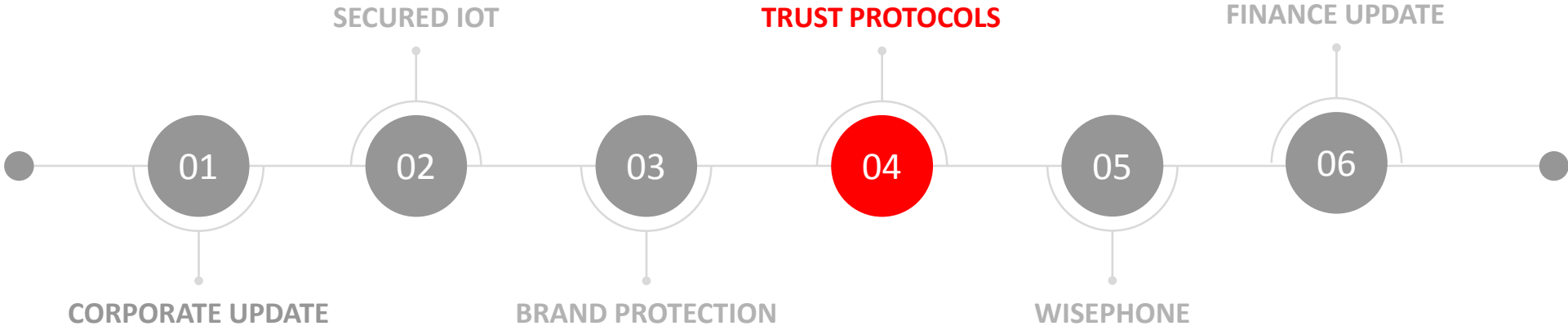
BVLGARI



DOMAINE PONSOT

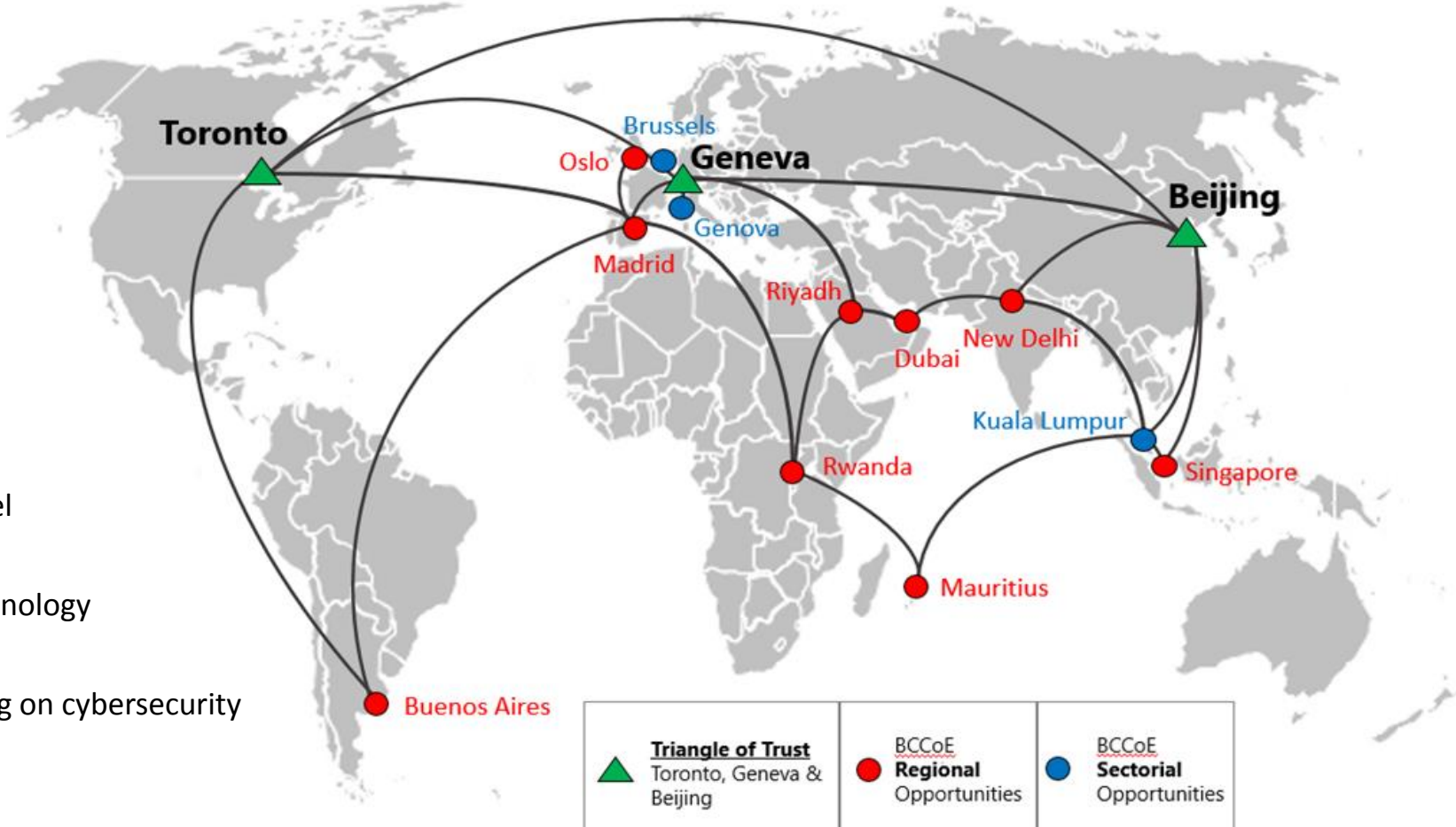


AGENDA

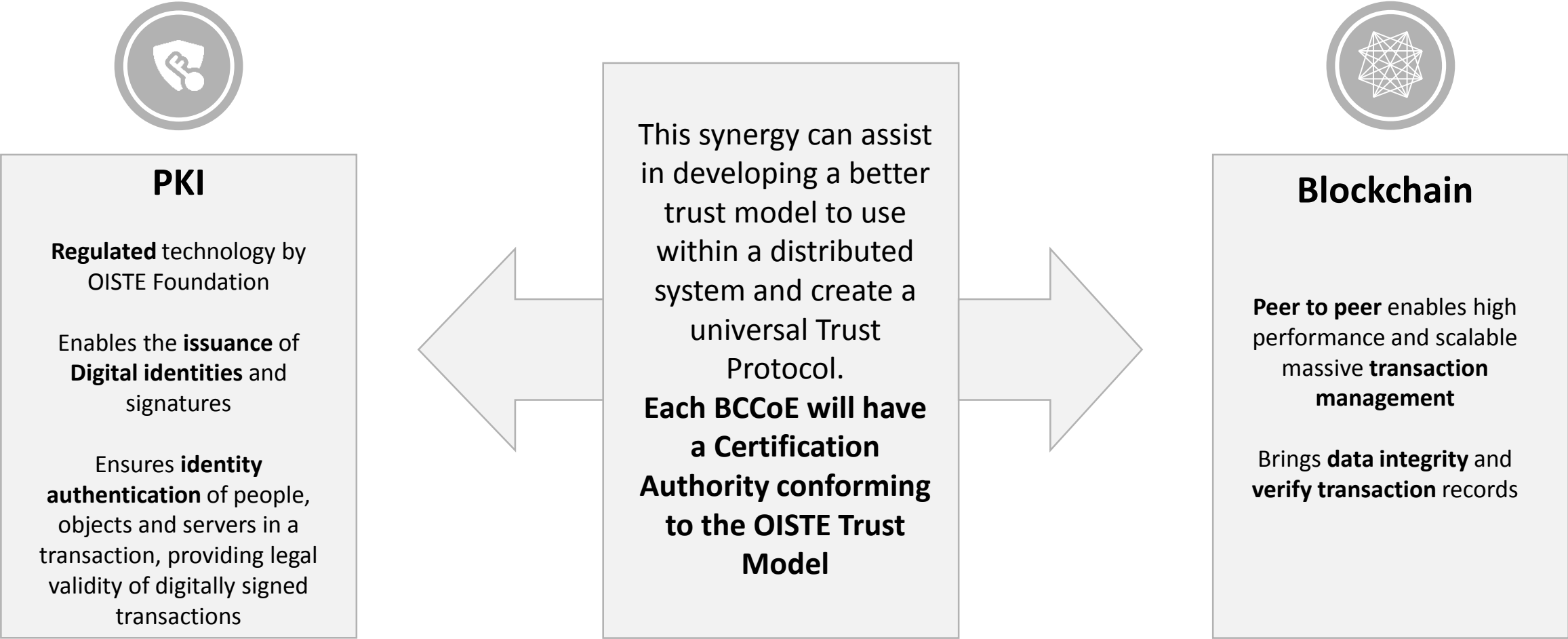


BLOCKCHAIN CENTERS OF EXCELLENCE

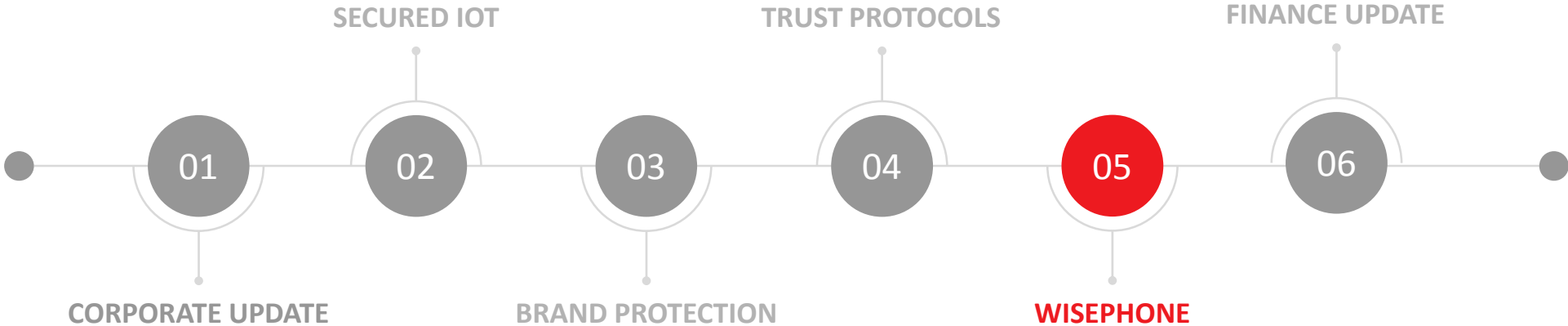
- ✓ Blockchain best practices
- ✓ Sharing Intellectual Property
- ✓ Public, Private and Academic collaboration
- ✓ Latest technological standards and applications
- ✓ Foster better security through OISTE Trust Model
- ✓ Accelerators for the adoption of blockchain technology
- ✓ Development of Blockchain applications focusing on cybersecurity



Blockchain technology and Public Key Infrastructure Synergy



AGENDA



WIS@Phone

THE ENTERPRISE-GRADE CYBERSECURE TERMINAL



WISEPHONE #GENESIS & #BLOCK EDITIONS

Security Token Service



Authorization Server

Federation Service, Identity provider, Clients, Permissions, Security Token Service, Policy Server, OpenID/Xaml2

Identity Provider

WISeKey Provider

- User Account service
- Profile service
- KYC service



WIS@Phone
Genesis Edition

WIS@Phone
Block Edition

Chip Management

- Secure functionality
- Cypher, Signature
- Key management
- Memory management

VAULTIC
Kernel interface
Firmware

WISeOS
Security parameters with WISeKey Semiconductor are placed in the System and can be used by all applications to protect data and enforce privacy

WISePhone Applications

WISeID
Secure profile & account management

WISeTalk
Secure Business Communications

WISeAccess
Secure access control

WISeVault
Secure data vault

WISeEmail
Secure Email communications

WISeCloud
Secure and encrypted data store

VaultIC API

Client SDKs

Services



Secure Cloud storage

- DataVault Service
- Secure data storage
- Sharing service



Enterprise Management

- Administration dashboard
- Device manager
- OTA (On-The-Air) OS updates
- App store



Identity validation

- KYC Services



Object Authenticity

WISeAuthentic Service

- Entity
- Identity
- Profile
- Transaction
- User



Timestamping Service

- Timestamp Server
- Atomic timestamp
- Server signature



Digital Certificate

- Key Service**
- Key generation
 - Key store
 - KeyVault Service



Object Fingerprint

- Identification Service**
- Fingerprint generation
 - Fingerprint Verification
 - Fingerprint evolution



Secure store

- Blockchain Hash Service**
- Access key
 - Timestamp (blockchain)

SUMMARY

WISeKey is in the right place at the right time, with the technologies needed to address a growing market.



Core platform is fully integrated and applicable across a broad range of industries

Technology Leadership



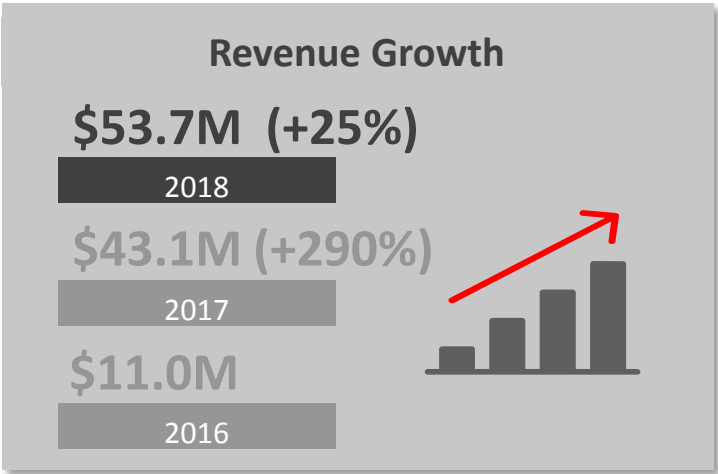
Over 20 years of experience and a large installed base of blue-chip customers

Market Penetration



Ideally positioned to maximize on the rapidly growing IoT cybersecurity market

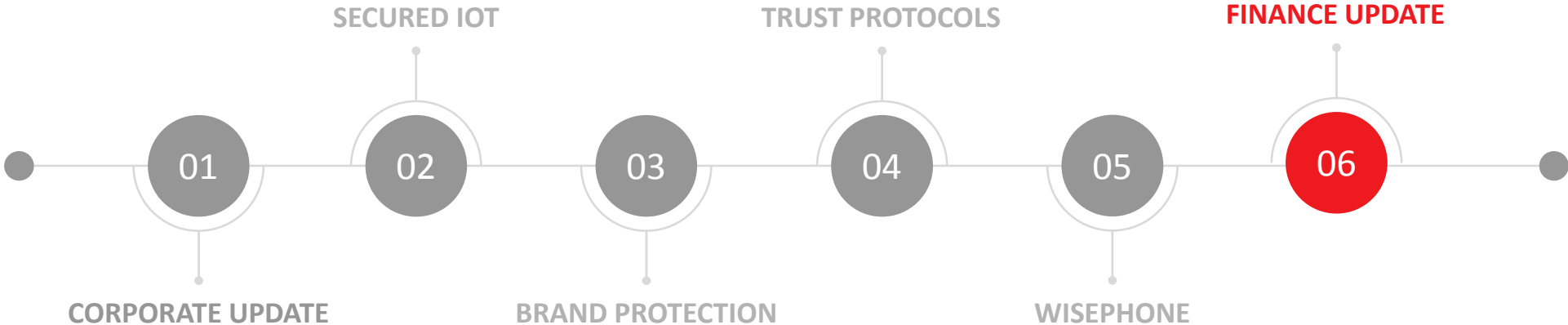
Growth Potential



Leadership Team

Chairman & CEO	Carlos Moreira
Chief Financial Officer	Peter Ward
MD WISeCoin	Hans Schwab
SVP Sales, IoT & Semiconductor	Bernard Vian

AGENDA



WIS@key



WISeKey International Holding AG Annual General Meeting 21 May 2019 Review of Financial Statements 2018

Peter Ward
Chief Financial Officer



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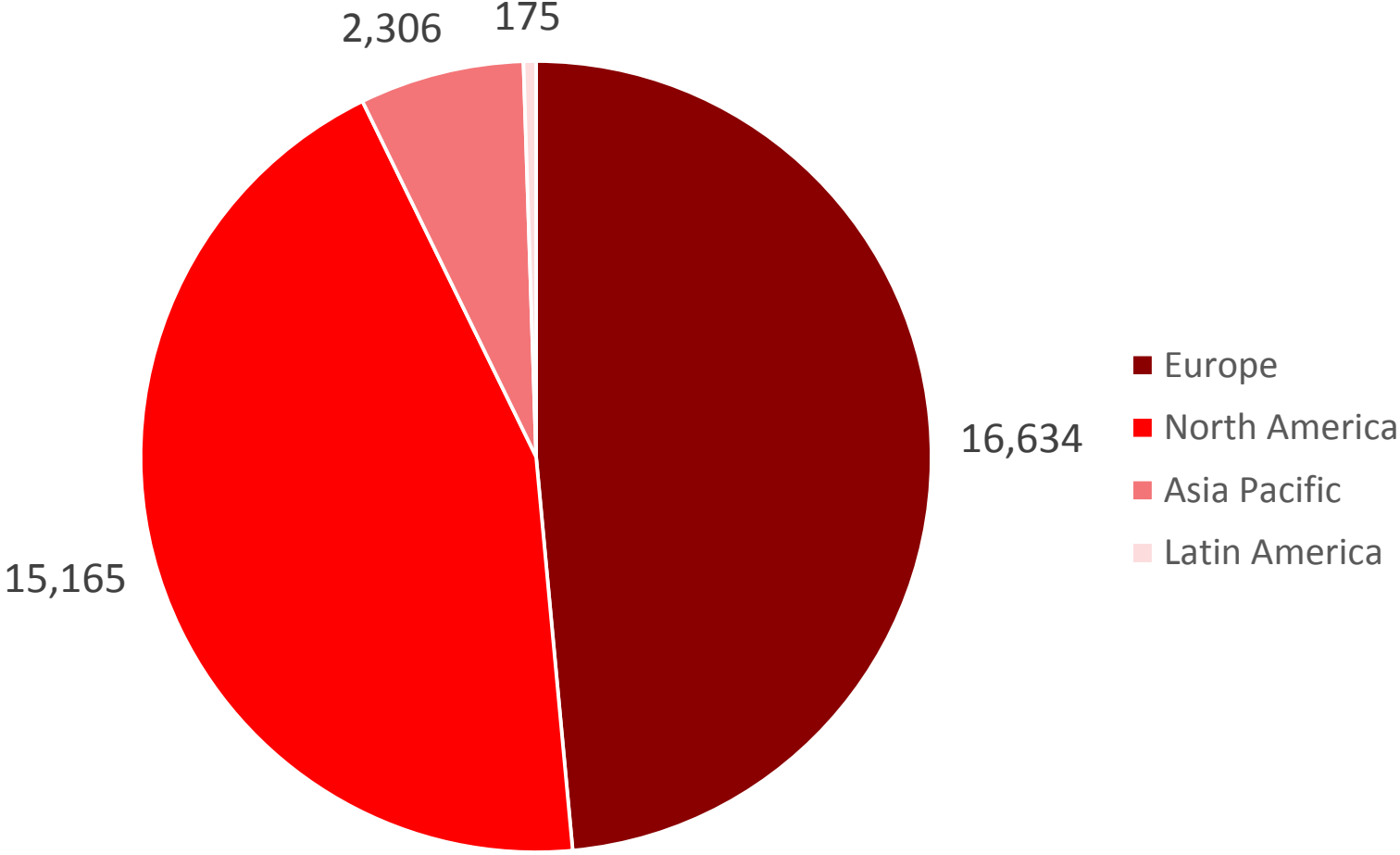
SEPARATION OF QUOVADIS RESULTS IN THE FINANCIAL STATEMENTS PUBLISHED

- On December 21, 2018, WISeKey signed a Sale & Purchase agreement (“SPA”) to sell the QuoVadis Group to Digicert Inc.
- **The sale was completed in Q1 2019:**
 - 8 entities including the QuoVadis holding transferred on January 16th, 2019 and
 - the last entity, QuoVadis Services Ltd, transferred on February 28th, 2019.
- Under US GAAP standard ASC 205, **the 2018 results of the QuoVadis Group are presented separately in a “discontinued operations”** section in the income statement, and the assets and liabilities are added together and presented as one separate line in each category of the balance sheet as “held for sale”.

US GAAP CONSOLIDATED INCOME STATEMENT

USD'000	12 months ended December 31,		YoY
	2018	2017	Variance
Net sales	34,280	33,674	2%
Cost of sales	(18,319)	(17,870)	3%
Gross profit	15,961	15,804	1%
<i>Gross profit margin</i>	47%	47%	=
Total operating expenses	(25,021)	(23,673)	6%
Operating loss	(9,060)	(7,869)	15%
Total non-operating expenses	(795)	(2,186)	-64%
Income tax (expense)/recovery	(53)	(71)	-25%
Net loss from continuing operations	(9,908)	(10,126)	-2%
Discontinued operations:			
Net sales from discontinued operations	19,412	9,404	106%
Cost of sales from discontinued operations	(6,196)	(4,516)	37%
Total operating and non-operating expenses from discontinued operations	(19,778)	(20,620)	-4%
Income tax (expense)/recovery from discontinued operations	205	1,108	-81%
Net loss on discontinued operations	(6,357)	(14,624)	-57%
Net loss	(16,265)	(24,750)	-34%

2018 REVENUE BY REGION (CONTINUING OPERATIONS \$000'S)



US GAAP CONSOLIDATED BALANCE SHEET

USD'000	As at December 31,		YoY Variance
	2018	2017	
ASSETS			
Cash and cash equivalents	9,146	9,583	-5%
Restricted cash	618	-	
Accounts receivable, net of allowance for doubtful accounts	7,620	3,954	93%
Inventories	4,186	3,463	21%
Current assets held for sale	8,916	6,777	32%
Other current assets	1,632	2,294	-29%
Total current assets	32,118	26,071	23%
Noncurrent assets held for sale	23,744	24,532	-3%
Other noncurrent assets	22,591	16,553	36%
Total noncurrent assets	46,335	41,085	13%
TOTAL ASSETS	78,453	67,156	17%
LIABILITIES			
Current Liabilities			
Accounts payable	12,917	12,155	6%
Notes payable	6,797	84	7992%
Current liabilities held for sale	14,085	8,763	61%
Other current liabilities	1,076	2,714	-60%
Total current liabilities	34,875	23,716	47%
Noncurrent liabilities			
Convertible note payable	23,940	18,592	29%
Noncurrent liabilities held for sale	8,590	5,667	52%
Other noncurrent liabilities	7,073	5,575	27%
Total noncurrent liabilities	39,603	29,834	33%
TOTAL LIABILITIES	74,478	53,550	39%

Total Cash +Restricted cash of: \$ 9,764
+ Cash from discontinued ops: \$ 1,390
Total Group cash: \$11,154

CONSOLIDATED EQUITY

USD'000	As at December 31,	
	2018	2017
SHAREHOLDERS' EQUITY		
Common stock - Class A	400	400
CHF 0.01 par value		
Authorized - 40,021,988 and 40,021,988 shares		
Issued and outstanding - 40,021,988 and 40,021,988 shares		
Common stock - Class B	1,472	1,261
CHF 0.05 par value		
Authorized - 41,063,901 and 35,517,168 shares		
Issued - 28,769,797 and 24,590,918 shares		
Outstanding - 26,681,736 and 24,590,918 shares		
Treasury stock, at cost (2,088,061 and nil shares held)	(1,139)	-
Additional paid-in capital	201,373	189,152
Accumulated other comprehensive income / (loss)	100	(650)
Accumulated deficit	(197,348)	(180,554)
Total shareholders'equity (deficit) attributable to WIS@key shareholders	4,858	9,609
Noncontrolling interests in consolidated subsidiaries	(883)	(883)
Total shareholders'equity	3,975	8,726
TOTAL LIABILITIES AND EQUITY AND REDEEMABLE PREFERRED SHARES	78,453	67,156

SHARE CAPITAL AND AUTHORIZED CAPITAL

WIS@key International Holding AG	As at December 31, 2018		As at December 31, 2017	
	Class A Shares	Class B Shares	Class A Shares	Class B Shares
Share Capital				
Par value per share (in CHF)	0.01	0.05	0.01	0.05
Share capital (in USD)	400,186	1,472,276	400,186	1,260,956
<i>Per Articles of association and Swiss capital categories</i>				
Authorized Capital - Total number of authorized shares	-	8,881,829	-	11,803,428
Conditional Share Capital - Total number of conditional shares	-	11,894,379	-	10,926,250
Total number of fully paid-in shares	40,021,988	28,769,797	40,021,988	24,590,918
Total share capital (in USD)	1,872,462		1,661,142	
Treasury Share Capital				
Total number of fully paid-in shares held as treasury shares	-	2,088,061	-	-
Treasury share capital (in USD)	-	1,138,596	-	-
Total treasury share capital (in USD)	-	1,138,596	-	-

Note: unregistered conversion of conditional capital NOT deducted from total number of conditional shares, i.e. as if the issue had not taken place.

	As at December 31, 2018	As at December 31, 2017
Dilutive vehicles		
Total stock options	1,342,819	731,772
Warrants	2,942,374	2,534,127
Redeemable preferred stock	-	860,000
Total convertible instruments	6,821,804	3,922,438
Total number of shares from dilutive vehicles	11,106,997	8,048,337

SEPARATION OF QUOVADIS RESULTS IN THE FINANCIAL STATEMENTS PUBLISHED AND OTHER NON-GAAP ITEMS

- WIS@key believes that the group activity for 2018 should show both continuing and discontinued operations and has prepared non-GAAP financial results to reflect the total activity of the group in 2018.
- Non-GAAP financial results also exclude non-cash expenses recorded in the income statement and exceptional expenses linked to specific transactions.

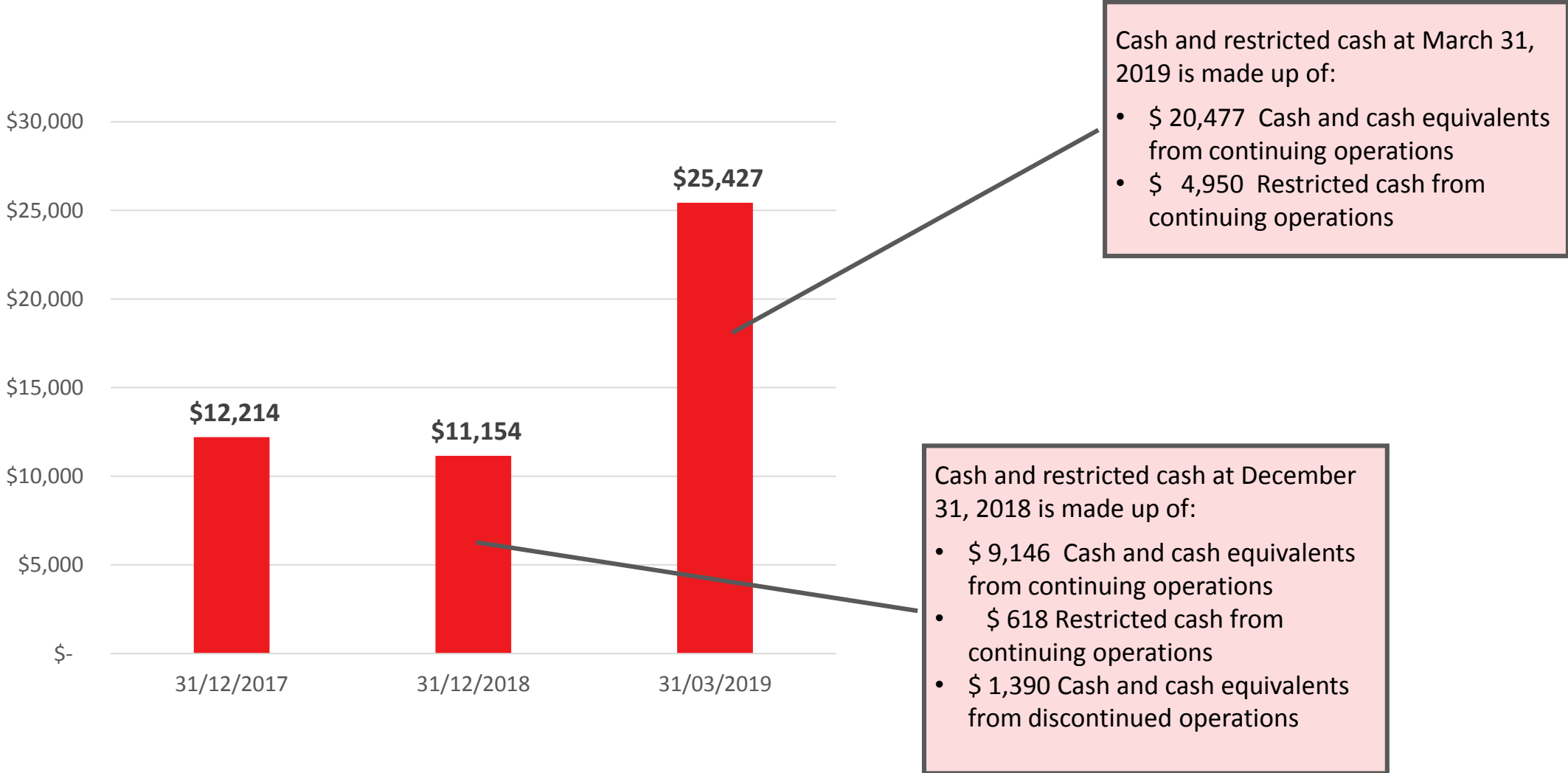
2018 KEY CONSOLIDATED FIGURES

- 24.6% increase in total revenue to \$53.7 million
- 41% increase in total gross profit to \$29.2 million
- 32.9% decrease in net losses to \$16.3 million
- \$11.2 million cash and restricted cash at December 31, 2018

Q1 2019

- \$45 million purchase price from the sale of QuoVadis Group in Q1 2019 (including \$4.5 million held in escrow to be released 56% in Q1 2020, and 44% in Q1 2021)
- Repayment of \$25.3 million loan made in Q1 2019
- Cash balance of \$25.4m at end of Q1 2019
- \$8.0m Q1 2019 revenue

STRONG CASH POSITION MAINTAINED



ADDING CONTINUING AND DISCONTINUED RESULTS = NON-GAAP CONSOLIDATED INCOME STATEMENT

Non-GAAP Consolidated Statement of Income / (Loss)	12 months ended December 31, 2018			12 months ended December 31, 2017		
	US GAAP Continuing operations	Non-GAAP adjustment Add results from discontinued operations	Non-GAAP WISeKey Group	US GAAP Continuing operations	Non-GAAP adjustment Add results from discontinued operations	Non-GAAP WISeKey Group
USD'000						
Net sales	34,280	19,412	53,692	33,674	9,404	43,078
Cost of sales	(18,319)	(6,196)	(24,515)	(17,870)	(4,516)	(22,386)
Gross profit	15,961	13,216	29,177	15,804	4,888	20,692
Other operating income	288	28	316	1,526	-	1,526
Research & development expenses	(5,305)	(2,801)	(8,106)	(5,339)	(2,047)	(7,386)
Selling & marketing expenses	(5,772)	(2,826)	(8,598)	(4,459)	(1,795)	(6,254)
General & administrative expenses	(14,232)	(10,509)	(24,741)	(15,401)	(6,544)	(21,945)
Total operating expenses	(25,021)	(16,108)	(41,129)	(23,673)	(10,386)	(34,059)
Operating income / (loss)	(9,060)	(2,892)	(11,952)	(7,869)	(5,498)	(13,367)

NON-GAAP CONSOLIDATED INCOME STATEMENT AND EBITDA

Non-GAAP Consolidated Statement of Income /
(Loss)
USD'000

12 months ended December 31,
2018 2017

Net sales	53,692	43,078	Sales increased by 24.6%
Cost of sales	(24,515)	(22,386)	
Gross profit	29,177	20,692	Gross profit increased by 41%
Other operating income	316	1,526	
Research & development expenses	(8,106)	(7,386)	
Selling & marketing expenses	(8,598)	(6,254)	
General & administrative expenses	(24,741)	(21,945)	
Total operating expenses	(41,129)	(34,059)	Increase in operating expenses due to 1/ the consolidation of QuoVadis for 12 months Vs 9 months in 2017; and 2/ the creation of WISECoin and funding of its development (STO, WISECoin token, Blockchain, WISEPhone)
Operating income / (loss)	(11,952)	(13,367)	
Depreciation and amortization	3,485	5,021	
EBITDA	(8,467)	(8,346)	EBITDA remains stable despite lower depreciation & amortization
Non-cash expenses			
Stock-based compensation and expenses settled in equity	3,345	2,232	
One-off expenses			
M&A-related legal and professional fees	1,594	4,368	
Adjusted EBITDA	(3,528)	(1,746)	Adjusted EBITDA increase reflects financial efforts to set up WISECoin

GROUP HEADCOUNT BY LOCATION

WIS@key Group Full Time Equivalent (FTEs)	As at December 31, 2018	As at December 31, 2017	YoY Variance	As at March 31, 2019
Europe	128.4	123.2	4%	84
France	60	64.7		62
Switzerland	38.6	29.4		22
The Netherlands	15.6	16.6		-
Germany	10.3	7.5		-
Belgium	1.9	3		-
United Kingdom	2	2		-
North America	13.6	13.8	-1%	3
Bermuda	10.6	11.8		-
U.S.A.	3	2		3
Asia	10	8.5	18%	10
India	7	5.5		6
Taiwan	2	2		2
Japan	1	1		2
Grand Total	152	145.5	4%	97

G&A EXPENSES

	12 months ended December 31, 2018	12 months ended December 31, 2017
Total Non-GAAP General & administrative expenses USD'000		
Staff-related costs	12,845	10,152
Depreciation & amortization classified under G&A	2,231	1,884
Legal and professional fees	4,650	4,456
Rental, office, IT & insurance	2,740	2,291
Stock based compensation classified under G&A	967	1,765
Non-income tax expense	380	643
Customer contract impairment losses	276	188
Other G&A Operating Costs	652	709
Total Group G&A expenses	24,741	22,088

G&A expenses increased by \$2.6 million, but actually remained stable when excluding the impact of QuoVadis G&A expenses not consolidated into WISeKey in FY 2017 (\$2.6 million).

We incurred approximately \$1.2 million in costs associated with the development and launch of WISeCoin leading to the receipt of the Non-Action letter from FINMA that will enable us to move forward with our Security Token Offering (“STO”) in 2019.

However, we managed to offset these costs associated by effectively reducing other components of G&A expenses:

- our legal fees were reduced by \$1.0 million due to the recruitment of a Chief Legal Officer,
- stock-based compensation expenses decreased by \$0.8 million,
- non-income tax expenses were lowered by \$0.3 million
- no acquisition in FY 2018, as compared to FY 2017.

CORE CONTINUING OPERATIONS ARE EBITDA-POSITIVE

Non-GAAP Consolidated Statement of Income / (Loss) for the Core continuing operations	12 months ended December 31, 2018			
	Non-GAAP Continuing WISeKey Group excluding WISeCoin AG	Non-GAAP to US GAAP Reconciliation		US GAAP
USD'000		Add back WISeCoin AG results	Add back Consolidatio n entries	Continuing operations
Net sales	43,285	-	(9,005)	34,280
Cost of sales	(18,319)	-	-	(18,319)
Gross profit	24,966	-	(9,005)	15,961
Other operating income	289	-	-	289
Research & development expenses	(5,306)	-	-	(5,306)
Selling & marketing expenses	(5,772)	-	-	(5,772)
General & administrative expenses	(14,157)	(3,143)	3,068	(14,232)
Total operating expenses	(24,946)	(3,143)	3,068	(25,021)
Operating income / (loss)	20	(3,143)	(5,937)	(9,060)
Depreciation and amortization expenses	1,315			
EBITDA	1,335			
Non-cash items				
Stock-based compensation and expenses settled in equity	3,345			
One-off expenses				
M&A-related legal fees	1,477			
Adjusted EBITDA	6,157			

Positive EBITDA and Adjusted EBITDA for the core continuing business of WISeKey, excluding WISeCoin AG and the discontinued operations

