WISeKey International Holding Ltd

Consolidated Financial Statements

As at December 31, 2025

The page numbers below refer only to the F pages of the annual report.

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1. Report of the Independent Registered Public Accounting Firm (BDO AG; Zurich, Switzerland; PCAOB ID# 5988)

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BDO Ltd
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To the general meeting of

WISeKey International Holding Ltd
General-Guisan-Strasse 6
6300 Zug

Report on the Audit of the Consolidated Financial Statements 2025

(for the period from 01.01.2025 to 31.12.2025)

April 30, 2025

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STATUTORY AUDITOR'S REPORT

To the general meeting of WISeKey International Holding Ltd, Zug

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of WISeKey International Holding Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheets as at December 31, 2025 and December 31, 2024, and the related consolidated statements of comprehensive (loss) / income, consolidated statements of changes in shareholders' equity and consolidated statement of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial Statements, including a summary of significant accounting policies.

In our opinion the consolidated financial Statements (pages F-8 to F-60) present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, the standards of the Public Company Accounting Oversight Board (United States) (PCAOB) and Swiss Standards on Auditing (SA-CH). Our responsibility is to express an opinion on these consolidated financial statements based on our audit and our responsibilities under those provisions and standards are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report. We are a public accounting firm and are independent of the Company in accordance with the provisions of Swiss law, U.S. federal securities law, as well as the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, the U.S. Securities and Exchange Commission and the PCAOB. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How the Key Audit Matter was addressed in the audit
Business Combination - Valuation of Customer Relationships	
As described in Note 6 to the consolidated financial statements, on August 4, 2025, the Company acquired 100% of the issued and outstanding shares of IC'Alps SAS ("IC'Alps"). The Company accounted for the acquisitions under the acquisition method of accounting for business combinations. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on their respective fair values, including customer relationships valued at $ 12.8 million. We identified management's judgment used to determine the fair value of customer relationships as a critical audit matter. Estimating the fair value of customer relationships involved significant subjective judgement over significant assumptions utilized including revenue growth rates, attrition rate, EBITDA margin, SG&A add back percentage and discount rate. Auditing these significant assumptions involved especially subjective and challenging auditor judgement due to the nature and extent of audit effort required to address these matters, including the extent of specialized skill or knowledge needed.	We evaluated the completeness and accuracy of the documentation provided by management for identifying and valuing customer relationships. We further evaluated the reasonableness of significant assumptions used in the determination of the fair value of customer relationships by: - reviewing the historical performance of the acquired company; - assessing revenue projections against industry metrics and peer-group companies; - testing of underlying supporting documents and schedules utilized in developing significant assumptions and specifically the sales pipeline and the signed contracts; and - performing sensitivity analyses to evaluate the potential impact of changes in significant assumptions on the fair value measurement We utilized personnel with specialized knowledge and skill in valuation to assist in: - assessing the appropriateness of the valuation models and methodologies used; - evaluating the reasonableness of the discount rate; and - testing the source information underlying the determination of the discount rate.

Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Board of Directors for the Consolidated Financial Statements

The board of directors is responsible for the preparation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles and the provisions of Swiss law, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, the standards of the PCAOB and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

Geneva, April 30, 2026

BDO Ltd

Nigel Le Masurier	Sascha Gasser
Licensed Audit Expert Auditor in charge	Licensed Audit Expert

2. Consolidated Statements of Comprehensive (Loss) / Income

USD'000, except earnings per share	12 months ended December 31, 2025	2024	2023	Note ref.
Net sales	19,289	11,875	30,918	31
Cost of sales	(9,545)	(7,104)	(15,754)	
Depreciation of production assets	(506)	(478)	(420)	
Gross profit	**9,238**	**4,293**	**14,744**	
Other operating income	224	184	167	32
Research & development expenses	(14,883)	(7,026)	(4,398)	
Selling & marketing expenses	(14,394)	(8,550)	(6,523)	
General & administrative expenses	(27,879)	(16,324)	(17,290)	
Total operating expenses	**(56,932)**	**(31,716)**	**(28,044)**	
Operating loss	**(47,694)**	**(27,423)**	**(13,300)**	
Non-operating income	13,423	1,629	2,374	34
Debt conversion expense	-	(32)	(562)	
Interest and amortization of debt discount	(224)	(1,013)	(624)	
Non-operating expenses	(3,716)	(2,018)	(3,107)	36
Loss before income tax expense	**(38,211)**	**(28,857)**	**(15,219)**	
Income tax income / (expense)	163	(3,086)	(230)	37
Equity in earnings of unconsolidated entities	(106)	-	-	
Net loss	**(38,154)**	**(31,943)**	**(15,449)**	
Net loss attributable to noncontrolling interests	(32,082)	(18,497)	(89)	
Net loss attributable to WISeKey International Holding Ltd	**(6,072)**	**(13,446)**	**(15,360)**	
Earnings per Class A Share (USD)				38
Earnings per Class A Share				
Basic	(0.91)	(0.92)	(0.50)	
Diluted	(0.91)	(0.92)	(0.50)	
Earning per Class A Share attributable to WISeKey International Holding Ltd				
Basic	(0.15)	(0.39)	(0.51)	
Diluted	(0.15)	(0.39)	(0.51)	
Earnings per Class B Share (USD)				38
Earnings per Class B Share				
Basic	(9.12)	(9.17)	(5.01)	
Diluted	(9.12)	(9.17)	(5.01)	
Earning per Class B Share attributable to WISeKey International Holding Ltd				
Basic	(1.45)	(3.86)	(5.06)	
Diluted	(1.45)	(3.86)	(5.06)	

	12 months ended December 31,			
USD'000	**2025**	**2024**	**2023**	***Note ref.***
Other comprehensive income / (loss), net of tax:				
Foreign currency translation adjustments	377	287	(842)	
Unrealized holding gains arising during period	25	0	0	
Defined benefit pension plans:				*26*
Net loss arising during period	(72)	(1,206)	(1,151)	
Other comprehensive (loss) / income	**330**	**(919)**	**(1,993)**	
Comprehensive loss	**(37,824)**	**(32,862)**	**(17,442)**	
Other comprehensive income / (loss) attributable to noncontrolling interests	54	(28)	(99)	
Other comprehensive income / (loss) attributable to WISeKey International Holding Ltd	**276**	**(891)**	**(1,894)**	
Comprehensive loss attributable to noncontrolling interests	(32,028)	(18,525)	(188)	
Comprehensive loss attributable to WISeKey International Holding Ltd	**(5,796)**	**(14,337)**	**(17,254)**	

The accompanying notes are an integral part of these consolidated financial statements.

3. Consolidated Balance Sheets

USD'000	As at December 31, 2025	As at December 31, 2024	*Note ref.*
ASSETS			
Current assets			
Cash and cash equivalents	429,244	90,600	*8*
Restricted cash, current	4	-	
Accounts receivable, net of allowance for credit losses	5,109	4,285	*9*
Notes receivable, current	-	13	
Inventories	2,012	1,418	*10*
Prepaid expenses, current	2,445	1,364	
Investment, current	10,032	-	*11*
Government assistance	4,579	2,247	*12*
Other current assets	2,353	573	*13*
Total current assets	**455,778**	**100,500**	
Noncurrent assets			
Notes receivable, noncurrent	31	32	
Deferred tax credits	2,364	250	*14*
Property, plant and equipment, net of accumulated depreciation	3,804	3,275	*15*
Intangible assets, net of accumulated amortization	21,073	96	*16*
Operating lease right-of-use assets	6,366	1,502	*17*
Finance lease right-of-use assets	126	-	*17*
Goodwill	13,973	8,317	*18*
Available-for-sale debt securities, noncurrent	129	-	*19*
Equity securities, at cost	517	455	*20*
Investment in SAFE	1,000	-	*21*
Investment in unconsolidated affiliates	7,857	-	*22*
Prepaid expenses, noncurrent	1,114	-	
Other noncurrent assets	455	261	
Total noncurrent assets	**58,809**	**14,188**	
TOTAL ASSETS	**514,587**	**114,688**	
LIABILITIES			
Current Liabilities			
Accounts payable	19,207	13,496	*23*
Notes payable	748	5,900	*25*
Indebtedness to related parties, current	84	78	*25*
Convertible note payable, current	10	9	*25*
Deferred revenue, current	93	93	*31*
Current portion of obligations under operating lease liabilities	932	607	*17*
Current portion of obligations under finance lease liabilities	57	-	*17*
Income tax payable	3	2	*36*
Other current liabilities	14,132	1,135	*24*
Total current liabilities	**35,266**	**21,320**	

USD'000	As at December 31, 2025	As at December 31, 2024	*Note ref.*
Noncurrent liabilities			
Bonds, mortgages and other long-term debt	1,047	102	*25*
Deferred revenue, noncurrent	13	21	*31*
Indebtedness to related parties, noncurrent	1,324	1,387	*25*
Operating lease liabilities, noncurrent	5,536	853	*17*
Finance lease liabilities, noncurrent	72	-	*17*
Deferred income tax liability	4,367	-	*36*
Employee benefit plan obligation	4,502	3,877	*26*
Other noncurrent liabilities	1,311	4	
Total noncurrent liabilities	**18,172**	**6,244**	
TOTAL LIABILITIES	**53,438**	**27,564**	
Commitments and contingent liabilities			*27*
SHAREHOLDERS' EQUITY			
Common stock - Class A	16	16	*28*
Par value - CHF 0.01 and CHF 0.01			
Authorized - 2,000,880 and 2,000,880 shares			
Issued and outstanding - 1,600,880 and 1,600,880 shares			
Common stock - Class B	440	359	*28*
Par value - CHF 0.10 and CHF 0.10			
Authorized - 8,281,180 and 6,194,267			
Issued – 4,080,546 and 3,365,560			
Outstanding - 4,024,038 and 3,309,052			
Share subscription in progress	-	1	
Treasury stock, at cost (56,508 and 56,508 shares held)	(502)	(502)	*28*
Additional paid-in capital	343,015	316,431	
Accumulated other comprehensive income / (loss)	3,426	3,150	*29*
Accumulated deficit	(300,479)	(294,407)	
Total shareholders' equity attributable to WISeKey shareholders	**45,916**	**25,048**	
Noncontrolling interests in consolidated subsidiaries	415,233	62,076	
Total shareholders' equity	**461,149**	**87,124**	
TOTAL LIABILITIES AND EQUITY	**514,587**	**114,688**	

The accompanying notes are an integral part of these consolidated financial statements.

4. Consolidated Statements of Changes in Shareholders' Equity

USD'000 (except for share numbers)	Number of common shares(1) Class A	Number of common shares(1) Class B	Common Share Capital(1) Class A	Common Share Capital(1) Class B	Total share capital(1)	Treasury Shares	Additional paid-in capital	Share subscription in progress	Accumulated deficit	Accumulated other comprehensive income / (loss)	**Total stockholders' equity**	Noncontrolling interests	**Total equity**	***Note ref.***
As at December 31, 2023	1,600,800	3,076,150	400	8,170	8,570	(691)	289,448	-	(280,961)	4,041	**20,407**	677	**21,084**	
Options exercised	-	-	-	-	-	-	(12)	1	-	-	**(11)**	-	**(11)**	
Stock-based compensation	-	-	-	-	-	-	1,182	-	-	-	**1,182**	-	**1,182**	
L1 Facilities(2)	-	-	-	-	-	189	1,083	-	-	-	**1,272**	-	**1,272**	*25*
Anson Facilities(3)	-	289,410	-	817	817	-	235	-	-	-	**1,052**	-	**1,052**	*25*
L1 SPAs(4) and warrants	-	-	-	-	-	-	6,756	-	-	-	**6,756**	40,259	**47,015**	
Anson SPAs(5) and warrants	-	-	-	-	-	-	7,265	-	-	-	**7,265**	39,632	**46,897**	
Change in par value of shares	-	-	(384)	(8,628)	(9,012)	-	9,012	-	-	-	**-**	-	**-**	
Change in ownership of WISe.ART	-	-	-	-	-	-	1,462	-	-	-	**1,462**	33	**1,495**	
Net income	-	-	-	-	-	-	-	-	(13,446)	-	**(13,446)**	(18,497)	**(31,943)**	
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-	-	(891)	**(891)**	(28)	**(919)**	
As at December 31, 2024	1,600,880	3,365,560	16	359	375	(502)	316,431	1	(294,407)	3,150	**25,048**	62,076	**87,124**	
Options exercised and acquisition of common stock for tax withholding obligations	-	23,570	-	3	3	-	(3,276)	(1)	-	-	**(3,274)**	164	**(3,110)**	
Stock-based compensation	-	-	-	-	-	-	3,263	-	-	-	**3,263**	-	**3,263**	*33*
Subscription Agreements	-	691,416	-	78	78	-	(78)	-	-	-	**-**	-	**-**	*25*
Securities Purchase Agreements	-	-	-	-	-	-	13,492	-	-	-	**13,492**	242,477	**255,969**	*30*
Warrant exercises	-	-	-	-	-	-	5,153	-	-	-	**5,153**	75,825	**80,978**	*30*
Change in ownership of SEALCOIN	-	-	-	-	-	-	846	-	-	-	**846**	(281)	**565**	*30*
ATM	-	-	-	-	-	-	6,868	-	-	-	**6,868**	62,950	**69,818**	*30*
Investment in Wecan	-	-	-	-	-	-	152	-	-	-	**152**	1,775	**1,927**	*22*
Acquisition of IC'Alps	-	-	-	-	-	-	164	-	-	-	**164**	2,275	**2,439**	*6*
Net income	-	-	-	-	-	-	-	-	(6,072)	-	**(6,072)**	(32,082)	**(38,154)**	
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-	-	276	**276**	54	**330**	
As at December 31, 2025	1,600,880	4,080,546	16	440	456	(502)	343,015	-	(300,479)	3,426	**45,916**	415,233	**461,149**	

1. The articles of association of the Company had not been fully updated as of December 31, 2025 and 2024 with the shares issued out of conditional capital.

The accompanying notes are an integral part of these consolidated financial statements

5. Consolidated Statements of Cash Flows

	12 months ended December 31,		
USD'000	**2025**	**2024**	**2023**
Cash Flows from operating activities:			
Net Income (loss)	(38,154)	(31,943)	(15,449)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation of property, plant & equipment	752	728	624
Depreciation of lease building & assets, net of cash paid	(2,021)	(46)	-
Amortization of intangible assets	1,523	-	1
Impairment charge	472	-	-
Write-off loss / (gain)	-	-	(48)
Debt conversion expense	-	32	562
Interest and amortization of debt discount	224	1,013	624
Stock-based compensation	8,347	1,182	178
Bad debt expense	-	-	36
Inventory valuation allowance	34	(523)	594
Gain on repayment of ExWorks Loan	(3,699)	-	-
Income / (loss) from equity-method investments, net of dividends received	106	-	-
Increase (decrease) in defined benefit pension liability, net of unrealized gains and losses	375	(330)	232
Deferred tax asset write-off	-	3,077	-
Income tax expense / (recovery) net of cash paid	(169)	1	222
Change in income tax receivable — withholding tax	(2,114)	-	-
Other non cash expenses /(income)			
Expenses settled in equity	-	2,652	214
Unrealized and non-cash foreign currency transactions	(568)	206	(518)
Other	-	-	409
Changes in operating assets and liabilities, net of effects of businesses acquired			
Decrease (increase) in accounts receivables	549	1,186	(2,898)
Decrease (increase) in inventories	(629)	4,335	2,319
Decrease (increase) in government assistance	(1,039)	(529)	(1,069)
Decrease (increase) in other current assets and prepaids, net	(2,344)	361	(21)
Decrease (increase) in other noncurrent assets	(71)	14	(26)
Increase (decrease) in accounts payable	3,315	634	(538)
Increase (decrease) in deferred revenue, current	(15)	(124)	43
Increase (decrease) in income taxes payable	1	(2)	(53)
Increase (decrease) in other current liabilities, excluding stock-based compensation liability	5,843	303	360
Increase (decrease) in deferred revenue, noncurrent	-	(3)	2
Increase (decrease) in other noncurrent liabilities	(3,080)	2	(6)
Net cash provided by (used in) operating activities	**(32,362)**	**(17,774)**	**(14,206)**
Cash Flows from investing activities:			
Change in ownership of WISe.ART	-	750	-
Sale / (acquisition) of equity securities	565	-	-
Sale / (acquisition) of property, plant and equipment	(743)	(571)	(3,021)
Sale / (acquisition) of cryptocurrencies	(500)	-	-
Sale / (acquisition) of investment in SAFE	(1,000)	-	-
Sale / (acquisition) of available-for-sale debt securities	(104)	-	-
Sale / (acquisition) of investment, current	(10,000)	-	-
Acquisition of a business, net of cash and cash equivalents acquired	(10,549)	-	-
Acquisition of unconsolidated affiliates	(6,015)	-	-
Net cash provided by (used in) investing activities	**(28,346)**	**179**	**(3,021)**

USD'000	12 months ended December 31, 2025	2024	2023
Cash Flows from financing activities:			
Proceeds from options and warrants exercises	7,403	17,612	28
Proceeds from issuance of Common Stock	429,266	60,000	-
Common Stock issuance costs	(29,098)	(4,855)	-
Proceeds from convertible loan issuance	-	22,500	12,990
Proceeds from debt	-	12	-
Repayments of debt	(4,933)	(53)	(276)
Payments of debt issue costs	-	(2,300)	(890)
Repurchase of treasury shares	-	-	(2)
Acquisition of common stock for tax withholding obligations	(3,136)	-	-
Net cash provided by (used in) financing activities	**399,502**	**92,916**	**11,850**
Effect of exchange rate changes on cash and cash equivalents	(146)	(32)	(126)
Cash and cash equivalents and restricted cash			
Net increase (decrease) during the period	338,648	75,289	(5,503)
Balance, beginning of period	90,600	15,311	20,814
Balance, end of period	**429,248**	**90,600**	**15,311**
Reconciliation to balance sheet			
Cash and cash equivalents	429,244	90,600	15,311
Restricted cash, current	4	-	-
Balance, end of period	**429,248**	**90,600**	**15,311**
Supplemental cash flow information for financing and investing activities			
Cash paid for incomes taxes	6	8	8
Shares withheld to satisfy tax obligations	3,136	-	-
Noncash conversion of convertible loans into common stock	-	24,515	12,875
Issuance of shares in relation to investments in unconsolidated affiliates	1,948	-	-
Issuance of shares in relation to the acquisition of IC'Alps	2,464	-	-
ROU assets obtained from operating lease	6,312	62	66
ROU assets obtained from finance lease	157	-	-

The accompanying notes are an integral part of these consolidated financial statements.

6. Notes to the Consolidated Financial Statements

Note 1. The WISeKey Group

WISeKey International Holding Ltd, together with its consolidated subsidiaries ("WISeKey" or the "Company" or the "Group" or the "WISeKey Group"), has its headquarters in Switzerland. WISeKey International Holding Ltd, the ultimate parent of the WISeKey Group, was incorporated in December 2015 and is listed on the Swiss Stock Exchange, SIX SIS AG, with the valor symbol "WIHN" since March 2016 and on the NASDAQ Capital Market exchange with the valor symbol "WKEY" since December 2019.
The Group develops, markets, hosts and supports a range of solutions that enable the secure digital identification of individuals, cloud applications, and connected devices, through its Digital Identities, Semiconductors, Public Key Infrastructure (PKI), Blockchain and Space technologies. WISeKey's current focus is on post-quantum cryptography (PQC) in order to provide secure, quantum resistant identification means to the market.
The Group leads a carefully planned vertical integration strategy through acquisitions of companies in the industry. Its strategic objectives include to secure its position among leading post-quantum cryptography providers and to provide integrated services to its customers and also achieve cross-selling and synergies across WISeKey.

Note 2. Future operations and going concern

The Group experienced a loss from operations in this reporting period. Although the WISeKey Group does anticipate being able to generate profits in the near future, this cannot be predicted with any certainty. The accompanying consolidated financial statements have been prepared assuming that the Group will continue as a going concern.
The Group incurred a net operating loss of USD 47.7 million and had positive working capital of USD 420.5 million as at December 31, 2025, calculated as the difference between current assets and current liabilities. Based on the Group's cash projections for the next 12 months to April 30, 2027, it has sufficient liquidity to fund operations and financial commitments. Historically, the Group has been dependent on equity financing to augment the operating cash flow to cover its cash requirements. Any additional equity financing may be dilutive to shareholders.

Based on the foregoing, Management believe it is correct to present these figures on a going concern basis.

Note 3. Basis of presentation

The consolidated financial statements are prepared in accordance with the Generally Accepted Accounting Principles in the United States of America ("US GAAP") as set forth in the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC). All amounts are in United States dollars ("USD") unless otherwise stated.

Acquisition of IC'Alps

On August 4, 2025, WISeKey, through its subsidiary SEALSQ Corp ("SEALSQ"), acquired 100% of the issued and outstanding shares of IC'Alps SAS ("IC'Alps"), a French société par actions simplifiée, pursuant to a Share Purchase Agreement dated May 26, 2025. IC'Alps is a France-based ASIC and system-on-chip design company serving the medical, automotive, industrial and security markets.
The acquisition was accounted for as a business combination in accordance with ASC 805, Business Combinations, with SEALSQ identified as the accounting acquirer. The assets, liabilities and results of IC'Alps have been included in the Group's consolidated financial statements from August 4, 2025.
The acquisition enhances WISeKey's semiconductor design capabilities and expands its engineering workforce and customer relationships.

Note 4. Summary of significant accounting policies

Accounts Receivable

Receivables represent rights to consideration that are unconditional and consist of amounts billed and currently due from customers. The Group extends credit to customers in the normal course of business and in line with industry practices.

Advertising Costs

All advertising costs are expensed as incurred.

Allowance for Credit losses

The Group recognizes an allowance for credit losses to present the net amount of receivables expected to be collected as of the balance sheet date. The allowance is based on the credit losses expected to arise over the asset's contractual term taking into account historical loss experience, customer-specific data as well as forward-looking estimates. Expected credit losses are estimated individually.
Accounts receivables are written off when deemed uncollectible and are recognized as a deduction from the allowance for credit losses. Expected recoveries, which are not to exceed the amount previously written off, are considered in determining the allowance balance at the balance sheet date.

Available-For-Sale Debt Securities

Available-for-sale debt securities are reported at fair value. Unrealized gains and losses, net of tax, are included in accumulated other comprehensive income (AOCI) until realized or determined to be credit impaired. The Company evaluates available-for-sale debt securities for expected credit losses under ASC 326. A credit loss allowance is recorded when a security's fair value is less than its amortized cost and the Company does not expect to recover the full amortized cost.

Cash and Cash Equivalents

Cash consists of deposits held at major banks that are readily available. Cash equivalents consist of highly liquid investments that are readily convertible to cash and with original maturity dates of three months or less from the date of purchase. The carrying amounts approximate fair value due to the short maturities of these instruments. Managed investment accounts held for investment purposes are excluded from cash and cash equivalents.

Comprehensive Income / (Loss)

Comprehensive income includes net income and other comprehensive income ("OCI"). Other comprehensive income consists of revenues, expenses, gains, and losses to be included in comprehensive income but excluded from net income as listed in ASC 220-10-45-10A.
In line with ASC 220 (Income Statement - Reporting Comprehensive Income), the Group has elected to report comprehensive income in a single continuous financial statement with two sections: net income and other comprehensive income.
The Group presents each of the components of other comprehensive income separately, based on their nature, in the statement of comprehensive income.

Contract Assets

Contract assets consist of accrued revenue where the Group has fulfilled its performance obligation towards the customer, but the right to payment is conditional on something other than the passage of time, and therefore the corresponding invoice has not yet been issued. Upon invoicing, contract assets are reclassified to trade accounts receivable until payment is received.

Contract Liability

Contract liability consists of either:

- amounts that have been invoiced and not yet paid nor recognized as revenue. Upon payment, the liability is reclassified to deferred revenue if the amounts still have not been recognized as revenue. Contract liability that will be realized during the succeeding 12-month period is recorded as current and the remaining contract liability recorded as noncurrent. This would relate to multi-year certificates or licenses.
- advances from customers not supported by invoices.

Cost of Sales and Depreciation of Production Assets

Our cost of sales consists primarily of expenses associated with the delivery and distribution of our services and products. These include expenses related to the license to the global cryptographic root key, the global certification authorities as well as the digital certificates for people, servers and objects, expenses related to the preparation of our secure elements and the technical support provided on the Group's ongoing production and on ramp-up phases, including materials, labor, test and assembly suppliers and subcontractors, freights costs, as well as the amortization of probes, wafers and other items that are used in the production process. This amortization is disclosed separately under depreciation of production assets on the face of the income statement.

Crypto Assets

The Group's cryptocurrency holding is classified as crypto assets with indefinite useful lives in accordance with ASC 350-30 and presented separately in the notes (see Note 16). All in-scope crypto assets shall be remeasured to fair value at each reporting date in accordance with ASC 820 (Fair Value Measurement). All changes in fair value (whether unrealized gains or losses) shall be recognized in net income for the period in which the change occurs.
Cryptocurrencies created or issued by the Group's related parties are explicitly outside the ASU 2023-08 scope. They are accounted for under the cost-less-impairment model and subject to periodic impairment testing and are not amortized. The Group evaluates these assets for impairment at least annually, or more frequently when indicators of impairment exist.

Deferred Revenue

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

Earnings per Share

Basic earnings per share are calculated using the two-class method required for companies with multiple classes of common stock. The two-class method determines net earnings per common share for each class of common stock according to dividends declared or accumulated and participation rights in distributed and undistributed earnings or losses. The two-class method requires income available to common stockholders for the period to be allocated between each class of common stock based upon their respective rights to receive dividends as if all income for the period had been distributed.

For WISeKey, the dividend rights of the holders of Class A Shares, nominal value CHF 0.01, (the "WIHN Class A Shares", or, individually, a "WIHN Class A Share") and WIHN Class B Shares (collectively, the "common stock") differ. Dividend rights are proportionate to the nominal value of each class of shares. The dividend rights of a WIHN Class B Share with a nominal value of CHF 0.10 are ten times greater than the dividend rights of a WIHN Class A Share with a nominal value of CHF 0.01. Undistributed earnings are allocated to the classes of common stock proportionately to their dividend rights and the resulting net results per share will, therefore, vary for each class of common stock. In line with ASC 260-10-45, the Group has presented the net earnings attributed to its common stock for each class of common stock. The earnings per share calculation is based on the weighted average number of shares in issue of each class.
When the effects are not antidilutive, diluted earnings per share are calculated using the weighted-average outstanding common shares and the dilutive effect of stock options as determined under the treasury stock method.

Equity Securities

Equity securities are any security representing an ownership interest in an entity or the right to acquire or dispose of an ownership interest in an entity at fixed or determinable prices, in accordance with ASC 321, i.e., investments that do not qualify for accounting as a derivative instrument, an investment in consolidated subsidiaries, or an investment accounted for under the equity method.
The Group accounts for these investments in equity securities at fair value at the reporting date, except for those investments without a readily determinable fair value where the Group has elected the measurement 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, in line with ASC 321. Changes in fair value are accounted for in the income statement as a non-operating income/expense.

Fair Value of Financial Instruments

The Group's financial instruments are primarily composed of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities, other liabilities, and debt obligations.
Fair value is the price that would be received to sell an asset or the amount paid to transfer a liability, also referred to as the "exit price," in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, as described in Note 6, the fair value measurement classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Management's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.
Fair values of financial instruments are estimated using public market prices, quotes from financial institutions and other available information. Due to their short-term maturity, the carrying amounts of cash and cash equivalents, accounts receivable and contract assets, accounts payable and other current liabilities approximate their fair values, and management also believes that the carrying values of notes and other receivables and outstanding balances on the Group's credit and term loan facilities approximate their fair values, based on their specific asset and/or liability characteristics, including having terms consistent with current market conditions. The fair value of convertible note payable is calculated based on the present value of the future cash flows as of the reporting date.

Fiscal Year

The Group's fiscal year ends on December 31.

Foreign Currency

In general, the functional currency of a foreign operation is the local currency. Assets and liabilities recorded in foreign currencies are translated at the exchange rate on the balance sheet date. Revenue and expenses are translated at average rates of exchange prevailing during the year. The effects of foreign currency translation adjustments are included in stockholders' equity as a component of accumulated other comprehensive income / (loss). The Group's reporting currency is USD.

General Principles of Business Combinations

The Group uses the acquisition method to account for business combination, in line with ASC Topic 805-10 Business Combinations. Subsidiaries acquired or divested in the course of the year are included in the consolidated financial statements respectively as of the date of purchase, and up to the date of sale. The consideration for the acquisition is measured as the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group.
Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interests over the net identifiable assets acquired and liabilities assumed.

Goodwill

Goodwill is not amortized but is subject to impairment analysis at least annually or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable.
Goodwill is allocated to the reporting unit in which the business that created the goodwill resides. A reporting unit is an operating segment, or a business unit one level below that operating segment, for which discrete financial information is prepared and regularly reviewed by segment management. The Group performs its annual goodwill impairment test as of October 1st. The impairment test requires significant estimates of fair value, including projected cash flows and discount rates. Adverse changes in market conditions, operating performance, or other factors could result in a material impairment charge in future periods.
In accordance with ASC 830, the goodwill balance is recorded in the functional currency of the acquired business and translated at each reporting date. The resulting foreign currency translation adjustments are recorded in other comprehensive income.

Government Assistance - Research Tax Credits

Research tax credits are provided by the French government to give incentives for companies to perform technical and scientific research. SEALSQ France SAS and IC'Alps SAS are eligible to receive such tax credits.
These research tax credits are presented as a reduction of research & development expenses in the income statement when companies that have qualifying expenses can receive such grants in the form of a tax credit irrespective of taxes ever paid or ever to be paid, the corresponding research and development efforts have been completed and the supporting documentation is available. The credit is deductible from the entity's income tax charge for the year or payable in cash the following year, whichever event occurs first. The tax credit is therefore considered to be a refundable R&D tax credit which is not within the scope of the income tax standard (ASC 740). It is included in current assets under government assistance in the balance sheet in line with ASC 832.

Government assistance in the form of interest-free loans is accounted for by recognizing a deferred revenue component, measured as the difference between the fair value of the loan on initial recognition and the proceeds received. This deferred income is amortized over the term of the loan. The Group classifies the portion of deferred income expected to be recognized within the next 12 months as current, with the remainder classified as noncurrent.
Other government incentives received as compensation for expenses already incurred for specific projects involving technical and scientific research are recognized as other operating income in the income statement when it becomes receivable.

Income Taxes

Taxes on income are accrued in the same period as the income 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 WISeKey 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. The Group records a valuation allowance when it is more likely than not that some portion of the deferred tax asset will not be realized. This assessment involves significant judgment regarding future taxable income. It is reasonably possible that changes in projections of future taxable income could result in a material adjustment to the valuation allowance within the next year.
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.
WISeKey is required to pay income taxes in a number of countries. WISeKey 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 fifty percent likely of being realized on settlement with the tax authority, assuming full knowledge of the position and all relevant facts. WISeKey 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.

Intangible Assets

Intangible assets that are determined to have finite useful lives are amortized over their estimated useful lives, which generally range from 1 to 19 years. The Group review these assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability is assessed in accordance with ASC 360 based on the expected undiscounted future cash flows generated by the asset or asset group. If the carrying amount exceeds the undiscounted cash flows, an impairment loss is recognized for the excess of carrying value over fair value.
The Group's cryptocurrency holding is classified as intangible assets with indefinite useful lives in accordance with ASC 350-30. Cryptocurrencies created or issued by the Group's related parties are explicitly outside the ASU 2023-08 scope. They are accounted for under the cost-less-impairment model and subject to periodic impairment testing and are not amortized. The Group evaluates these assets for impairment at least annually, or more frequently when indicators of impairment exist.

Inventories

Inventories are stated at the lower of cost or net realizable value. Costs are calculated using standard costs, approximating average costs. Finished goods and work-in-progress inventories include material, labor and manufacturing overhead costs. The Group records an inventory valuation allowance based on an analysis of physical deterioration, obsolescence or a comparison to the anticipated demand or market value based on a consideration of marketability and product maturity, demand forecasts, historical trends and assumptions about future demand and market conditions. Should actual demand differ from forecasted demand, additional write-downs may be required. It is reasonably possible that estimates of net realizable value could change in the near term and such changes could be material to the consolidated financial statements.

Investment in SAFE

The Group's investments in Simple Agreements for Future Equity ("SAFEs"), which represent contractual rights to receive equity interests in privately held companies upon the occurrence of specified future events, are accounted for as freestanding financial instruments. Because SAFEs do not convey a present ownership interest and do not meet the definition of an equity security, they are excluded from the scope of ASC 321 prior to conversion.
SAFEs are initially recognized at cost and classified as noncurrent assets. The Group assesses SAFEs for impairment based on qualitative factors, including the financial condition and prospects of the issuer, subsequent financing activity, and other company-specific developments. If an impairment is identified, the carrying amount is written down to its estimated recoverable amount with a corresponding charge to earnings. Upon conversion of a SAFE into equity securities, the Group derecognizes the SAFE and records the equity securities

received at the carrying amount of the SAFE on the conversion date. The equity securities are subsequently accounted for in accordance with ASC 321.

Investments in Unconsolidated Affiliates

In line with ASC 323, the Group accounts for investments in entities over which it has significant influence, but not control, using the equity method of accounting. The Group evaluates the need for the equity method where influence exists despite lower ownership levels. Under the equity method, investments are initially recorded at cost and subsequently adjusted for the Group's proportionate share of the investee's net income or loss and dividends received. The Group's share of the income or loss of these companies is reported in the consolidated income statement under equity in earnings of unconsolidated affiliates. The investment in these companies is reported in the consolidated balance sheet under investments in unconsolidated affiliates or related party affiliates.
The Group assesses equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Leases

In line with ASC 842, the Group, as a lessee, recognizes right-of-use assets and related lease liabilities on its balance sheet for all arrangements with terms longer than twelve months, and reviews its leases for classification between operating and finance leases. Obligations recorded under operating and finance leases are identified separately on the balance sheet. Assets under finance leases and their accumulated amortization are disclosed separately in the notes. Operating and finance lease assets and operating and finance lease liabilities are measured initially at an amount equal to the present value of minimum lease payments during the lease term, as at the beginning of the lease term.
The Group elected the short-term lease practical expedient whereby the Group does not present short-term leases on the consolidated balance sheet as these leases have a lease term of 12 months or less at lease inception and do not contain purchase options or renewal terms that the Group is reasonably certain to exercise.

Litigation and Contingencies

Should legal proceedings and tax matters arise, due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions. Management assesses the probability of loss for such contingencies and accrues liability and/or discloses the relevant circumstances, as appropriate.

Managed Investment Accounts

Managed investment accounts maintained for investment purposes are classified as investments and measured at fair value at each reporting date, with changes in fair value recognized in earnings. Cash balances and call deposits held within such accounts are not classified as cash or cash equivalents, as they are not segregated or designated for operating use.

Pension Plan

In the year 2025, the Group maintains five defined benefit post-retirement plans:

- one that covers all employees working for WISeKey SA in Switzerland,
- one that covers all employees working for WISeKey International Holding Ltd in Switzerland,
- one that covers all employees working for SEALSQ Corp in Switzerland,
- one that covers all employees working for SEALSQ France SAS in France, and
- one that covers all employees working for IC'Alps SAS in France.

In accordance with ASC 715-30, Defined Benefit Plans – Pension, the Group recognizes the funded status of the plan in the balance sheet. Actuarial gains and losses are recorded in accumulated other comprehensive income / (loss).
The measurement of defined benefit obligations requires significant assumptions, including discount rates and expected returns on plan assets. A change in discount rates of 100 basis points would materially affect the projected benefit obligation. It is reasonably possible that changes in actuarial assumptions could materially impact the recorded obligation in the next fiscal year.

Principles of Consolidation

The consolidated financial statements include the accounts of WISeKey and its subsidiaries over which the Group has control. Intercompany income and expenses, including unrealized gross profits from internal group transactions and intercompany receivables, payables and loans, have been eliminated.
Net income / (loss) and comprehensive income / (loss) attributable to non-wholly owned subsidiaries are allocated to the owners of the Group and to the noncontrolling interests based on their respective ownership interests. Noncontrolling interests are presented as a separate component of equity in the consolidated financial statements. Intercompany income and expenses, including unrealized gross profits from internal group transactions and intercompany receivables, payables, and loans have been eliminated in consolidation.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method based on estimated useful lives which range from 1 to 10 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.

Research and Development and Software Development Costs

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

Revenue Recognition

WISeKey's policy is to 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. To achieve that core principle, WISeKey applies the following steps:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group typically allocates the transaction price to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. If a standalone price is not observable, the Group uses estimates.

The Group recognizes revenue when it satisfies a performance obligation by transferring control over goods or services to a customer. The transfer may be done at a point in time (typically for goods) or over time (typically for services). The amount of revenue recognized is the amount allocated to the satisfied performance obligation. For performance obligations satisfied over time, the revenue is recognized over time, most frequently on a *pro-rata temporis* basis as most of the services provided by the Group relate to a set performance period.

If the Group determines that the performance obligation is not satisfied, it will defer recognition of revenue until it is satisfied.

The Group presents revenue net of sales taxes and any similar assessments.

The Group delivers products and records revenue pursuing commercial agreements with its customers, generally in the form of an approved purchase order or sales contract.

Where products are sold under warranty, the customer is granted a right of return which, when exercised, may result in either a full or partial refund of any consideration received, or a credit that can be applied against amounts owed, or that will be owed, to WISeKey. For any amount received or receivable for which the Group does not expect to be entitled to because the customer has exercised its right of return, the Group recognizes those amounts as a refund liability.

Sales Commissions

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

Segment Reporting

In 2025, following the acquisition of IC'Alps on August 4, 2025, our chief operating decision maker, who is also our Chief Executive Officer, requested changes in the information that he regularly reviews for purposes of allocating resources and assessing budgets and performance. As a result, beginning in fiscal year 2025, we report our financial performance based on a new segment structure described in Note 37. All prior periods were restated as a result of the change in reported segments.

Stock-Based Compensation

Stock-based compensation costs are recognized in earnings using the fair-value based method for all awards granted. Fair values of options and awards granted are estimated using a Black-Scholes option pricing model. The model's input assumptions are determined based on available internal and external data sources. The risk-free rate used in the model is based on the Swiss treasury rate for the expected contractual term. Expected volatility is based on historical volatility of the underlying share.

Where WISeKey permits the withholding of shares as a means of meeting the grantee's tax obligation in relation to their option exercise, the awards are accounted for as liabilities under ASC 718 for jurisdictions that do not have any withholding requirement. These awards are measured at fair value on the grant date and remeasured at each reporting period until settlement. Upon exercise, the fair value of the shares withheld is recorded in equity in line with ASC 718-10-25-18.

Compensation costs for unvested stock options and awards are recognized in earnings over the requisite service period based on the fair value of those options and awards at the grant date.

Nonemployee share-based payment transactions are measured by estimating the fair value of the equity instruments that an entity is obligated to issue, and the measurement date will be consistent with the measurement date for employee share-based payment awards (i.e., grant date for equity-classified awards).

Unbilled Accounts Receivable

Unbilled accounts receivable represent revenue recognized for which the Company has satisfied its performance obligations and has an unconditional right to consideration, but the related invoice has not yet been issued as of the reporting date. Upon invoicing, the asset is reclassified to trade accounts receivable until payment.

Use of Estimates

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. Management bases its estimates and assumptions on historical experience and on various other factors that it believes to be reasonable

under the circumstances. Actual results could differ from those estimates, and such differences may be material to the consolidated financial statements.
In many cases, the accounting treatment of a particular transaction is specifically dictated by US 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. However, certain estimates involve a higher degree of judgment and complexity and may materially affect the consolidated financial statements.
Significant estimates used in the preparation of the consolidated financial statements include:

- Valuation of assets acquired and liabilities assumed in business combinations (see Note 6)
- Inventory Valuation (see Note 10)
- Goodwill impairment assessments (see Note 18)
- Pension and other postretirement obligations (see Note 26)
- Recoverability of deferred tax assets (see Note 36)

Recent Accounting Pronouncements

Adoption of new FASB Accounting Standard in the current year – Prior-Year Financial Statements not restated:

As of January 1, 2025, the Group adopted Accounting Standards Update (ASU) 2023-08 Intangibles – Goodwill and Other – Crypto Assets (subtopic 350-60): Accounting for and Disclosure of Crypto Assets, which establishes guidance for the recognition measurement, presentation and disclosure of certain crypto assets.
ASU 2023-08 requires in-scope crypto assets to be measured at fair value, with changes in fair value recognized in net income. It also requires separate presentation of crypto assets on the balance sheet and enhanced disclosures regarding nature, fair value measurement, and risks associated with crypto holdings. There was no material impact on the Group's results upon adoption of the standard.

As of January 1, 2025, the Group also adopted Accounting Standards Update (ASU) 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which establishes new income tax disclosure and modifies or eliminates certain existing requirements.
ASU 2023-09 requires entities to disclose the amount of income taxes paid (net of refunds) disaggregated by federal, state, and foreign taxes. They will also disclose the amount of income taxes paid (net of refunds) disaggregated by individual jurisdictions in which income taxes paid is equal to or greater than five percent of total income taxes paid. The standard also outlines additional disclosure requirements. There was no impact on the Group's results upon adoption of the standard.

New FASB Accounting Standard to be adopted in the future:

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which updates mandates that public business entities provide more detailed disclosures about specific expense categories in their financial statement notes, enhancing transparency for investors.
Summary: Entities are required to disaggregate certain expense captions presented on the income statement into the following natural expense categories, such as purchases of Inventory, Employee compensation, Depreciation and Intangible Asset Amortization. These disaggregated expenses must be presented in a tabular format within the notes to the financial statements for both annual and interim reporting periods. Additionally, entities are required to disclose the total amount of selling expenses and provide their definition.
Effective Date: ASU 2024-03 is effective for annual reporting periods for public business entities for fiscal years beginning after December 15, 2026, and for interim reporting periods within fiscal years beginning after December 15, 2027. Early adoption is permitted.
The Group expects to adopt all the aforementioned guidance when effective. Management is assessing the impact of the aforementioned guidance on its consolidated financial statements but does not expect it to have a material impact.

In November 2024, the FASB issued ASU 2024-04, Debt - Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments. This update clarifies the accounting treatment for certain settlements of convertible debt instruments that do not occur under the instruments' preexisting terms.
Summary: The update introduces a "preexisting contract approach" to determine whether an inducement offer should be accounted for as an induced conversion. Under this approach, an inducement offer is considered to preserve the form and amount of consideration if it provides the debt holder with at least the same consideration as the original conversion terms of the instrument. The assessment is based on the terms as they existed one year before the offer acceptance date, especially if the instrument was modified within that period. Additionally, the ASU clarifies that induced conversion accounting applies to convertible debt instruments within the scope of Subtopic 470-20 that are not currently convertible, provided the instrument contained a substantive conversion feature at both its issuance date and the inducement offer acceptance date.
Effective Date: ASU 2024-04 is effective for public business entities for fiscal years beginning after December 15, 2025. Early adoption is permitted.
The Group expects to adopt all the aforementioned guidance when effective. Management is assessing the impact of the aforementioned guidance on its consolidated financial statements but does not expect it to have a material impact.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This update provides targeted simplifications to the current expected credit loss (CECL) model for certain short-term financial assets arising from revenue transactions.
Summary: The update introduces a practical expedient that allows entities to assume that current economic conditions as of the balance-sheet date remain unchanged for the remaining life of certain current accounts receivable and current contract assets when estimating

expected credit losses. This eliminates the need to develop forward-looking macroeconomic forecasts for these short-term assets, reducing complexity and documentation burden. The update also includes related disclosure requirements for entities electing the practical expedient or subsequent collection approach.
Effective Date: ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, including interim periods within those fiscal years. Early adoption is permitted.
The Group expects to adopt the guidance when effective. Management is assessing the impact of the aforementioned guidance on its consolidated financial statements but does not expect it to have a material impact.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. This ASU makes targeted improvements to Subtopic 350-40 to increase the operability of the recognition guidance considering different methods of software development.
Summary: This update amends Subtopic 350-40 by removing references to prescriptive software development stages and introducing a principles-based approach for capitalizing costs. Under this approach, capitalization begins when management has authorized and committed to funding and it is probable that the project will be completed and used as intended. Additionally, the ASU introduces a framework for assessing significant development uncertainty, clarifies that specific asset disclosures apply to all capitalized internal-use software costs, and consolidates guidance for website development costs into Subtopic 350-40.
Effective Date: ASU 2025-06 is effective for all entities for fiscal years beginning after December 15, 2027. Early adoption is permitted.
The Group expects to adopt all the aforementioned guidance when effective. Management is assessing the impact of the aforementioned guidance on its consolidated financial statements but does not expect it to have a material impact.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements. This update clarifies and refines the guidance in ASC 270 to improve how entities prepare and disclose interim financial statements and notes in accordance with U.S. GAAP.
Summary: The update specifies that ASC 270 applies to all entities that provide a complete set of interim financial statements with notes. It clarifies the form and content of interim financial statements and accompanying disclosures, including a consolidated list of disclosure requirements relevant for interim periods. The ASU also codifies a disclosure principle requiring entities to report material events or changes that occur after the most recent annual reporting period, such as significant changes in estimates, accounting policies, or contingencies. These amendments improve clarity, consistency, and ease of application but do not change the fundamental nature of interim reporting.
Effective Date: ASU 2025-11 is effective for public business entities for interim periods within annual periods beginning after December 15, 2027. Early adoption is permitted. The Group expects to adopt the guidance when effective. Management is assessing the impact of the aforementioned guidance on its interim financial statements but does not expect it to have a material impact.

Note 5. Concentration of credit risks

Financial instruments subject to credit risk

Financial instruments that are potentially subject to credit risk consist primarily of cash and cash equivalents and trade accounts receivable. Our cash and cash equivalents is mostly held with one large financial institution. Management believes that the financial institution that holds most of our cash and cash equivalents is financially sound and, accordingly, is subject to minimal credit risk. However, to the extent that such deposits exceed the maximum insurance levels, they are uninsured.

Customer concentration

The Group sells to large, international customers and, as a result, may maintain individually significant trade accounts receivable balances with such customers during the year. We generally do not require collateral on trade accounts receivable. Summarized below are the clients whose revenue was 10% or higher than the respective total consolidated net sales for the years ended December 31, 2025, 2024 or 2023, and the clients whose net trade accounts receivable balances (excluding related party receivables) represented 10% or more of total consolidated net trade accounts receivable balances as of December 31, 2025 and December 31, 2024. In addition, we note that some of our clients are contract manufacturers for the same companies; should these companies reduce their operations or change contract manufacturers, this would cause a decrease in our customer orders which would adversely affect our operating results.

Revenue concentration (% of total net sales)	**12 months ended December 31,**		
	2025	**2024**	**2023**
Semiconductors operating segment			
Multinational electronics contract manufacturing company	2%	4%	15%
International digital identity & security provider	0%	0%	12%
International telecommunication company	11%	33%	5%
International application specific solution provider	13%	4%	2%

Receivables concentration (% of total accounts receivable and maximum amount of loss due to credit risk)	As at December 31, 2025		As at December 31, 2024	
Semiconductors operating segment	**%**	**US'000**	**%**	**US'000**
International telecommunication company	25%	1,196	42%	1,804

Note 6. Business Combination

On August 4, 2025 (the "Acquisition Date"), WISeKey, through its subsidiary SEALSQ, acquired 100% of the issued and outstanding shares of IC'Alps, a French société par actions simplifiée, pursuant to a Share Purchase Agreement dated May 26, 2025. IC'Alps is a France-based ASIC and system-on-chip design company serving the medical, automotive, industrial, and security markets. The acquisition enhances WISeKey's semiconductor design capabilities and expands the Group's engineering workforce and customer relationships.
The acquisition was accounted for as a business combination in accordance with ASC 805, Business Combinations, with SEALSQ identified as the accounting acquirer. The assets, liabilities, and results of IC'Alps have been included in the Group's consolidated financial statements from August 4, 2025.

The total consideration transferred for the acquisition of IC'Alps was USD 13,892,574 and consisted of the following components:

	USD'000
Cash consideration (EUR 10,000,000)	11,429
Equity consideration (823,988 SEALSQ ordinary shares at USD 2.99)	2,464
Total consideration transferred	**13,893**

The equity consideration was measured at the quoted closing price of SEALSQ's ordinary shares on the Acquisition Date. Acquisition-related costs of USD 306,064 were expensed as incurred and are included within general and administrative expenses in the consolidated income statement.

The Share Purchase Agreement included an earn-out arrangement payable in SEALSQ shares if IC'Alps achieved specified revenue targets for the year ended December 31, 2025. Because settlement would occur through a variable number of shares, the earn-out was classified as a liability under ASC 480 and ASC 815-40. At the Acquisition Date, the fair value of the contingent consideration was determined to be zero based on probability-weighted revenue scenarios. As of December 31, 2025, the revenue targets were not met, and no contingent consideration liability was recognized. No remeasurement gains or losses were recorded during the year ended December 31, 2025.

The following table summarizes the final allocation of the purchase price as of August 4, 2025:

	USD'000
Cash and cash equivalents	879
Current assets	3,182
Property, plant and equipment, net of accumulated depreciation	237
Intangible assets (pre-existing), net of accumulated amortization	3,526
Right-of-use assets	3,465
Other noncurrent assets	124
Identifiable intangible assets	17,665
Total assets acquired	**29,078**
Total current liabilities	(4,467)
Long-term liabilities (excluding deferred tax liabilities)	(11,806)
Deferred income tax liability	(4,416)
Total liabilities assumed	**(20,689)**
Net identifiable assets acquired	**8,389**

The purchase price allocation was finalized during the year ended December 31, 2025.
Deferred tax liabilities of USD 4,416,375 were recognized primarily as a result of differences between the fair value and tax basis of acquired identifiable intangible assets. The deferred tax liabilities will reverse over the amortization period of the related intangible assets.

The following table reconciles the total consideration transferred to the net identifiable assets acquired and the resulting goodwill recognized as of the Acquisition Date (in USD):

	USD'000
Total consideration transferred	13,893
Less: net identifiable assets acquired	(8,389)
Goodwill recognized at Acquisition Date	**5,504**

Goodwill represents the excess of the consideration transferred over the fair value of identifiable assets acquired and liabilities assumed. The goodwill recognized is primarily attributable to expected operational and revenue synergies, the expansion of WISeKey's ASIC and system-on-chip design capabilities, access to IC'Alps' skilled engineering workforce, and cross-selling opportunities within the Group's existing customer base. These benefits do not qualify for separate recognition as identifiable intangible assets under ASC 805.
Goodwill is recorded in the functional currency of IC'Alps (EUR) and is translated into USD at the applicable closing exchange rate at each reporting date in accordance with ASC 830.
Goodwill has been allocated to the Group's ASIC reporting unit. Goodwill is not amortized and is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that it may be impaired, in accordance with ASC 350.
No impairment indicators were identified as of December 31, 2025. The goodwill recognized is not expected to be deductible for income tax purposes.
The identifiable intangible assets recognized in connection with the acquisition and their estimated useful lives are presented below. Intangible assets are amortized on a straight-line basis over their estimated useful lives. The weighted-average useful life of the acquired identifiable intangible assets is approximately 15.3 years.

Intangible asset	Fair value USD'000	Useful life Years
Customer relationships	12,772	19
Accreditations	1,284	3
Corp trade name	657	9
Technology	1,526	9
Software	163	9
Backlog	1,263	2
Acquired identifiable intangible assets	**17,665**	**15.3**

For the period from August 4, 2025, through December 31, 2025, IC'Alps contributed revenue of USD 3,600,625 and net loss of USD 1,405,384 to the Group's consolidated results.

Supplemental Pro Forma Information (Unaudited)

The following unaudited pro forma consolidated financial information presents the combined results of WISeKey and IC'Alps as if the acquisition had occurred on January 1, 2024.

	12 months ended December 31,	
USD'000	**2025**	**2024**
Revenue	26,235	22,024
Net income (loss)	(43,613)	(35,624)

The unaudited pro forma financial information includes adjustments to reflect incremental amortization of acquired identifiable intangible assets, related income tax effects, elimination of acquisition-related transaction costs, and elimination of intercompany transactions. The pro forma financial information does not reflect potential synergies or integration costs.

Note 7. Fair value measurements

ASC 820 establishes a three-tier fair value hierarchy for measuring financial instruments, 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.

	As at December 31, 2025		As at December 31, 2024			
USD'000	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**	**Fair value level**	***Note ref.***
Recurring fair value measurements						
Available-for-sale debt securities, noncurrent	129	129	-	-	3	*19*
Investment, current	10,032	10,032	-	-	2	*11*
Crypto assets	121	121	96	96	1	*16*
Nonrecurring fair value measurements						
Accounts receivable, net of allowance for credit losses	5,109	5,109	4,285	4,285	3	*9*
Equity securities, at cost	517	517	455	455	3	*20*
Accounts payable	19,207	19,207	13,496	13,496	3	*23*
Notes payable	748	748	5,900	5,900	3	*25*
Indebtedness to related parties, current	84	84	78	78	3	*25*
Convertible note payable, current	10	10	9	9	3	*25*
Bonds, mortgages and other long-term debt	1,047	1,047	102	102	3	*25*
Indebtedness to related parties, noncurrent	1,324	1,324	1,387	1,387	3	*25*

The following methods and assumptions were used to estimate the fair value of the Group's financial instruments:

- Available-for-sale debt securities, noncurrent - fair value remeasured as at reporting period, based on information available.
- Investment, current – consists of a managed investment account held with UBS Switzerland AG. Although the account is made up of a diversified, actively managed portfolio, including publicly traded equity securities, investment funds and exchange-traded funds, fixed-income instruments, structured products, and fiduciary call deposits and short-term cash balances, with fair value levels ranging from Level 1 to Level 3, fair value is remeasured as at reporting period, based on the statement of assets made available by UBS at the reporting date, which falls under Level 2.
- Crypto assets measured at fair value - fair value remeasured as at reporting period, based on quoted prices on crypto exchanges.
- Short-term instruments – carrying amounts of accounts receivable, net of allowance for credit losses, accounts payable, indebtedness to related parties, current and convertible note payable, current, approximate fair value due to the short-term nature of these instruments.
- Equity securities, at cost – no readily determinable fair value, measured at cost minus impairment.
- Bonds, mortgages and other long-term debt – carrying amount approximated fair value.
- Indebtedness to related parties, noncurrent – carrying amount approximated fair value.

Note 8. Cash and cash equivalents

Cash and cash equivalents consisted of cash held in bank accounts with major financial institutions, USD fiat balances held on the Coinbase platform that are immediately withdrawable and not subject to restrictions, and investments in money market funds. Cash at banks represents deposits that are readily available. Money market funds represent highly liquid investments that are readily convertible into cash.

Note 9. Accounts receivable

Accounts receivable balance consisted of the following:

USD'000	As at December 31, 2025	As at December 31, 2024
Trade accounts receivable	5,283	4,133
Allowance for credit losses	(416)	(94)
Accounts receivable from other related parties	143	158
Accounts receivable from board members	7	49
Accounts receivable from underwriters, promoters, and employees	77	2
Other accounts receivable	15	37
Total accounts receivable, net of allowance for credit losses	**5,109**	**4,285**

As at December 31, 2025 and 2024, accounts receivable from other related parties represented amounts due from OISTE in relation to the facilities and personnel hosted by WISeKey SA and WISeKey International Holding Ltd on behalf of OISTE (see Note 40).

Note 10. Inventories

Inventories consisted of the following:

USD'000	As at December 31, 2025	As at December 31, 2024
Raw materials	670	764
Work in progress	192	482
Finished goods	1,150	172
Total inventories	**2,012**	**1,418**

In the year ended December 31, 2025, the Group recorded an inventory valuation allowance in the income statement, consisting of a credit of USD 13,525, compared with debits of USD 92,284 and USD 220,289 in 2024 and 2023, respectively, in respect of raw materials. For work in progress, the Group recorded a charge of USD 47,326 in 2025, compared with credits of USD 615,608 and USD 373,469 in 2024 and 2023, respectively. The credit on raw materials in 2025 and on work in progress in 2024 and 2023 reflects the release of previously recognized provisions.

Note 11. Investment, current

Managed Investment Account

In November 2025, WISeKey entered into a discretionary asset management arrangement with UBS Switzerland AG ("UBS") and opened an investment account under the UBS "Manage Premium" mandate (the "UBS Investment Account"). In connection with this arrangement, the Group funded the UBS Investment Account with USD 10.0 million on November 28, 2025.
Under the terms of the arrangement, UBS is authorized to manage the assets held in the UBS Investment Account on a discretionary basis within agreed investment parameters. The UBS Investment Account is maintained for investment purposes and not for day-to-day operating cash needs.

As of December 31, 2025, the UBS Investment Account consisted of a diversified, actively managed portfolio, including publicly traded equity securities, investment funds and exchange-traded funds, fixed-income instruments, structured products, and fiduciary call deposits and short-term cash balances held to facilitate portfolio management.
The UBS Investment Account is classified as current investments and is measured at fair value at each reporting date. Changes in fair value, including unrealized gains and losses, are recognized in earnings. Fair value is determined based on UBS account statements reflecting observable market prices for the underlying investments.
Cash balances and call deposits held within the UBS Investment Account are not segregated or designated for operating use and are maintained as part of the overall investment strategy. Accordingly, such balances are not classified as cash and cash equivalents.

Note 12. Government assistance

SEALSQ France SAS and IC'Alps SAS are eligible for research tax credits provided by the French government (see Note 4). As at December 31, 2025 and December 31, 2024, the receivable balances in respect of these research tax credits owed to the Group were respectively USD 4,578,813, made up of USD 3,044,419 attributable to IC'Alps SAS and USD 1,534,394 attributable to SEALSQ France SAS, and USD 2,246,680, each translated at the period-end exchange rate.
The credit is deductible from the entity's income tax charge for the year or payable in cash the following year, whichever event occurs first. Refundable R&D tax credits are accounted for as government assistance in accordance with ASC 832 and are recognized in the consolidated financial statements consistent with the accounting policy described in Note 4.
In addition, SEALSQ France SAS and IC'Alps SAS are also entitled to receive other grants, including interest subvention—a government incentive that subsidizes or reduces the interest cost on eligible borrowings (refer to Note 25 for further details)—as well as reimbursements for certain expenses.

Note 13. Other current assets

Other current assets consisted of the following:

USD'000	As at December 31, 2025	As at December 31, 2024
Value-Added Tax receivable	1,536	460
Advanced payment to suppliers	303	61
Deposits, current	5	5
Customer contract assets, current	467	22
Other current assets	42	25
Total other current assets	**2,353**	**573**

Note 14. Deferred tax credits

Most of our deferred tax credits balance relates to Swiss withholding tax charged on financial interest that is recoverable after the end of each tax year.

Note 15. Property, plant and equipment

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

USD'000	As at December 31, 2025	As at December 31, 2024
Buildings and leasehold improvements	224	-
Computer equipment and licenses	1,949	1,878
Machinery & equipment	8,275	7,491
Office equipment and furniture	3,428	3,000
Total property, plant and equipment gross	13,876	12,369
Accumulated depreciation for:		
Buildings and leasehold improvements	(13)	-
Computer equipment and licenses	(1,736)	(1,692)
Machinery & equipment	(5,006)	(4,456)
Office equipment and furniture	(3,317)	(2,946)
Total accumulated depreciation	(10,072)	(9,094)
Total property, plant and equipment, net	**3,804**	**3,275**
Depreciation charge for the year	752	728

The depreciation charge for the year 2023 was USD 623,974.

In the years ended December 31, 2025 and 2024, WISeKey did not identify any events or changes in circumstances indicating that the carrying amount of any asset may not be recoverable. As a result, the Group did not record any impairment charge on property, plant and equipment in the years ended December 31, 2025 and 2024.

The useful economic life of property plant and equipment is as follows:

- Production tools 8 to 10 years
- Office equipment and furniture 2 to 5 years
- Production masks 5 years
- Probe cards 5 years
- Licenses 3 years
- Software 1 year

Note 16. Intangible assets

Intangible assets consisted of the following:

USD'000	As at December 31, 2025	As at December 31, 2024
Crypto assets under the cost-less-impairment model:		
WECAN tokens	500	-
Crypto assets measured at fair value:		
Ethereum (ETH) and Polygon (POL)	121	96
Total crypto assets, net	**621**	**96**
Intangible assets subject to amortization:		
Trademarks	834	139
Patents	2,281	2,281
License agreements	16,535	11,378
Customer Relationships	13,127	-
Other intangibles	11,662	6,499
Total intangible assets gross	44,439	20,297
Accumulated amortization for:		
Trademarks	(190)	(139)
Patents	(2,281)	(2,281)
License agreements	(13,549)	(11,378)
Customer Relationships	(288)	-
Other intangibles	(7,679)	(6,499)
Total accumulated amortization	(23,987)	(20,297)
Total intangible assets subject to amortization, net	**20,452**	**-**
Total intangible assets, net	**21,073**	**-**
Amortization charge for the year	1,523	-

The amortization charge for the year 2023 was USD 1,476.

Crypto assets under the cost-less-impairment model include a balance of 195,788,312 WECAN tokens acquired from the Group's unconsolidated affiliate, Wecan Group AG ("Wecan"), for USD 500,000. The tokens are held as part of the Group's strategic relationship with Wecan and to support participation in its blockchain ecosystem. Management evaluated the applicability of ASC 350-60 (Crypto Assets) and concluded that these tokens are not within the scope of ASC 350-60.
Accordingly, the tokens are accounted for as indefinite-lived intangible assets under ASC 350-30 and are measured at cost less impairment. These tokens do not represent cash and cash equivalents under ASC 305 and are not accounted for as financial instruments. Indefinite-lived intangible assets are not amortized but are subject to impairment testing at least annually and more frequently if events or changes in circumstances indicate that the asset may be impaired. For the year ended December 31, 2025, the Group did not identify any events or changes in circumstances indicating that the carrying amount of these assets may not be recoverable. Accordingly, no impairment charge was recognized, and the carrying amount remained USD 500,000 as of December 31, 2025.

As at December 31, 2025, a balance of USD 3,661,131 of license fees was outstanding in line with agreed payment terms, made up of USD 2,351,152 payable in 2026 recorded in accounts payable and USD 1,309,979 payable in 2027 recorded in other noncurrent liabilities on the consolidated balance sheet.

The Group also holds crypto assets consisting of Ethereum (ETH) and Polygon (POL), which are within the scope of ASC 350-60. These crypto assets are measured at fair value at each reporting date, with changes in fair value recognized in net income.
As at December 31, 2025, the Group held 40.63 ETH and 1,196.71 POL with an aggregate fair value of USD 120,839. For the year ended December 31, 2025, the Group recognized a gain of USD 24,616 in non-operating income related to changes in fair value of these crypto assets.
The following table presents a reconciliation of crypto assets measured at fair value (ETH and POL), which excludes WECAN tokens accounted for as indefinite-lived intangible assets under ASC 350-30.

Crypto assets measured at fair value (ETH and POL) **USD'000**	**For the year ended December 31, 2025**
Beginning balance at fair value	96
Gain from changes in fair value	25
Ending balance	**121**

The useful economic life of intangible assets is as follows:

- Trademarks 5 to 10 years
- Patents 5 to 10 years
- License agreements 1 to 3 years
- Customer relationships 19 years
- Other intangibles 2 to 9 years

Future amortization charges are detailed below:

Future estimated aggregate amortization expense **Year**	**USD'000**
2026	3,625
2027	2,670
2028	1,476
2029	1,223
2030 and beyond	11,458
Total intangible assets subject to amortization, net	**20,452**

Note 17. Leases

The Group has historically entered into a number of lease arrangements under which it is the lessee. As at December 31, 2025, the Group's operating leases relate to premises and office equipment. The Group does not sublease. All of our operating leases include multiple optional renewal periods which are not reasonably certain to be exercised.

During the year ended December 31, 2025, the Group completed few sale and leaseback transactions involving IT equipment. Each transaction met the criteria for a sale under ASC 606, and accordingly, the Group derecognized the assets sold and recognized a right- of-use asset and lease liability in accordance with ASC 842. The leaseback arrangement is classified as a finance lease.

During the years 2025, 2024, and 2023, the Group recognized rent expenses associated with its leases as follows:

	12 months ended December 31,		
USD'000	**2025**	**2024**	**2023**
Finance lease cost:			
Amortization of right-of-use assets	37	-	-
Interest on lease liabilities	2	-	-
Operating lease cost:			
Fixed rent expense	842	665	668
Variable lease cost	72	-	-
Short-term lease cost	-	-	-
Net lease cost	**953**	**665**	**668**
Lease cost - Cost of sales	-	-	-
Lease cost - General & administrative expenses	953	665	668
Net lease cost	**953**	**665**	**668**

In the years 2025 and 2024, the Group had the following cash and non-cash activities associated with our leases:

USD'000	**As at December 31, 2025**	**As at December 31, 2024**
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	919	657
Financing cash flows from finance leases	39	-
Non-cash investing and financing activities:		
Net lease cost	953	665
Additions to ROU assets obtained from:		
New operating lease liabilities	6,312	62
New finance lease liabilities	157	-

The following table provides details of right-of-use assets and lease liabilities as at December 31, 2025 and December 31, 2024:

USD'000	**As at December 31, 2025**	**As at December 31, 2024**
Right-of-use assets:		
Operating leases	6,366	1,502
Finance leases	126	-
Total right-of-use assets	**6,492**	**1,502**
Lease liabilities:		
Operating leases	6,468	1,460
Finance leases	129	-
Total lease liabilities	**6,597**	**1,460**

As of December 31, 2025, future minimum annual lease payments were as follows:

Year	**USD'000 Operating**	**USD'000 Finance**	**USD'000 Total**
2026	1,213	60	1,273
2027	892	45	937
2028	885	29	914
2029	884	1	885
2030 and beyond	3,698	-	3,698
Total future minimum operating and short-term lease payments	**7,572**	**135**	**7,707**
Less effects of discounting	(1,104)	(6)	(1,110)
Lease liabilities recognized	**6,468**	**129**	**6,597**

As of December 31, 2025 the weighted-average remaining lease term was 7.84 years for operating leases and 2.47 years for finance leases.

As leases do not provide an implicit rate, the Group calculated an estimate rate based upon the estimated incremental borrowing rate of the Group. The weighted average discount rate associated with operating lease as of December 31, 2025 was 3.77%. The weighted average discount rate associated with finance lease as of December 31, 2025 was 3.37% .

Note 18. Goodwill

The Group performs its annual goodwill impairment test on October 1 of each year, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. Under the quantitative test, the fair value of each reporting unit is compared with its carrying amount, including goodwill. If the carrying amount exceeds the reporting unit's fair value, an impairment charge is recognized in an amount equal to the excess, limited to the total amount of goodwill allocated to that reporting unit

Impairment reviews have been conducted for the goodwill allocated to the reporting unit ("RU") relating to the acquisition of SEALSQ France SAS (formerly WISeKey Semiconductors SAS) in 2016. Fair value has been primarily determined using the market approach based on the quoted market price of its publicly traded subsidiary, SEALSQ Corp, the main component of which is SEALSQ France SAS. The Company believes that the quoted share price of SEALSQ Corp provides a reliable observable input (Level 1) under ASC 820. Fair value is higher than its carrying value. Based on the analysis performed, the Company concluded that no impairment of goodwill existed for the SEALSQ France SAS reporting unit as of December 31, 2025.

On August 4, 2025, the Group acquired 100% of IC'Alps SAS which was identified as a second reporting unit. In connection with the acquisition, goodwill of EUR 4,815,338 (USD 5,656,395 as of December 31, 2025) was recognized as part of the purchase price allocation in accordance with ASC 805 and allocated to the Group's ASIC reporting segment.

Given the proximity of the acquisition date to the annual testing date and the absence of any events or circumstances indicating potential impairment, management performed a qualitative assessment in accordance with ASC 350 and concluded that it was not more likely than not that the fair value of the reporting unit was less than its carrying amount. After October 1, 2025, there were no impairment indicators identified triggering a new impairment test. Therefore, no impairment loss was recognized in 2025 for the IC'Alps reporting unit. Management also evaluated whether any indicators of impairment existed for the acquired identifiable intangible assets and other long-lived assets in accordance with ASC 360 and concluded that no triggering events requiring a recoverability test were identified.

The assumptions included in the impairment tests require judgment, and changes to these inputs could impact the results of the calculations. Other than management's projections of future cash flows, the primary assumptions used in the impairment tests were the weighted-average cost of capital and long-term growth rates. Although the Group's cash flow forecasts are based on assumptions that are considered reasonable by management and consistent with the plans and estimates management is using to operate the underlying businesses, there are significant judgments in determining the expected future cash flows attributable to a reporting unit.

IC'Alps' functional currency is the Euro (EUR). Accordingly, goodwill recognized in connection with the acquisition of IC'Alps was recorded in euros and is translated into the Group's reporting currency (USD) at each reporting date in accordance with ASC 830. Translation adjustments are recorded in accumulated other comprehensive income and do not impact net income.

USD'000	ASIC Segment	Semiconductor Segment	Total
Goodwill balance as at December 31, 2023	**-**	**8,317**	**8,317**
Goodwill acquired during the year	-	-	-
Impairment losses	-	-	-
As at December 31, 2024			
Goodwill	-	8,317	8,317
Accumulated impairment losses	-	-	-
Goodwill balance as at December 31, 2024	**-**	**8,317**	**8,317**
Goodwill acquired during the year	5,504	-	5,504
Currency translation adjustment	152	-	152
Impairment losses	-	-	-
As at December 31, 2025			
Goodwill	5,504	8,317	13,821
Accumulated currency translation adjustment	152	-	152
Goodwill balance as at December 31, 2025	**5,656**	**8,317**	**13,973**

The assessment of goodwill impairment requires judgment, including the evaluation of qualitative factors such as operating performance, projected cash flows, industry and market conditions, and other relevant events and circumstances. Changes in these factors could result in future impairment charges.

Note 19. Available-for-sale debt securities, noncurrent

The following table summarizes the amortized cost, gross unrealized gains and losses, and fair value of our available-for-sale debt securities:

Type of security	Amortized cost USD'000	Unrealized gains USD'000	Unrealized losses USD'000	Fair value USD'000	Maturity
Convertible corporate bonds	128	1	-	129	1 to 5 years
Total	**128**	**1**	**-**	**129**	

As at December 31,2025, the Group held one convertible corporate bond issued by ColibriTD, a French Quantum-as-a-Service (QaaS) company.

Note 20. Equity securities, at cost

Investment in FOSSA SYSTEMS s.l.

On April 8, 2021, WISeKey E.L.A. s.l. invested EUR 440,000 (USD 475,673 at historical rate) to acquire 15% of the share capital of FOSSA SYSTEMS s.l. ("FOSSA"), a Spanish aerospace company providing picosatellites for Low Earth Orbit (LEO) services as a vertically integrated service from design to launch and operations.
The investment does not have a readily determinable fair value. The Group has elected the measurement alternative in accordance with ASC 321, under which the investment is measured at cost, less impairment, adjusted for observable price changes in orderly transactions for identical or similar investments of the same issuer. Accordingly, the investment was initially recognized at EUR 440,000 (USD 475,673 at historical rate). As at December 31, 2025, the Group performed a qualitative assessment to identify any impairment indicators and considered whether any observable price changes for identical or similar investments of the same issuer had occurred. The Group made reasonable efforts to identify such transactions, including review of available market and shareholder information, and did not identify any relevant observable transactions. In particular, the Group considered the June 2024 capital increase and concluded that the shares issued in that transaction were not identical or similar to the shares held by the Group due to differing rights and preferences. Based on this assessment, no impairment loss or adjustment for observable price changes was recorded for the year ended December 31, 2025. As at December 31, 2025, the carrying value of the investment was EUR 440,000 (USD 516,851 at closing rate).

Note 21. Investment in SAFE

On December 4, 2025, the WISeKey Group entered into a Simple Agreement for Future Equity ("SAFE") with EeroQ Corporation, a privately held company, for a total investment of $1.0 million. The investment does not convey equity ownership, voting rights, or significant influence at inception.
The investment is measured at cost, less impairment, as it does not have a readily determinable fair value. The Group evaluates the investment for impairment and observable price changes in orderly transactions for identical or similar investments at each reporting date.

Note 22. Investments in unconsolidated affiliates

Wecan Group AG

On June 27, 2025, WISeKey, through its subsidiary SEALSQ, acquired a 31.87% equity interest (28.33% on a fully diluted basis) in Wecan Group AG ("Wecan"), a privately held Swiss company operating a blockchain-based digital infrastructure platform, specializing in secure, decentralized data infrastructure, particularly for financial compliance purposes. Wecan's mission is to enable both financial and non-financial institutions to securely manage and exchange sensitive data. In 2023, Wecan launched its own blockchain and WECAN token, which is traded as a cryptocurrency and listed on the Bitstamp exchange since December 20, 2023, as well as on CoinMarketCap and Coinbase. In addition to the equity investment, the Group holds WECAN tokens associated with the Wecan ecosystem, which are accounted for separately as intangible assets and disclosed in Note 16.

The Group evaluated the investment under ASC 323 and concluded that it has significant influence over Wecan through its ownership interest held by SEALSQ but does not control it. Accordingly, the investment is accounted for under the equity method of accounting. The Group's maximum exposure to loss is limited to the carrying amount of the investment. The investment was initially recorded at cost. The total consideration transferred was USD 3,486,557, consisting of a cash consideration of USD 1,424,704, the transfer of 481,110 SEALSQ ordinary shares, with a fair value of USD 1,948,495, and transaction costs of USD 113,358.
For the year ended December 31, 2025, the Group recognized its proportionate share of Wecan's net loss of USD 105,778, which is presented in Equity in earnings of unconsolidated affiliates in the consolidated income statement. The net loss primarily reflects continued investment in platform development, operating costs associated with scaling the business, and limited revenue generation consistent with Wecan's development-stage profile.
The Group translated Wecan's results into U.S. dollars using average exchange rates for the respective reporting periods. Prior to applying the equity method, Wecan's financial information prepared under Swiss Code of Obligations was adjusted to conform to U.S. GAAP in accordance with ASC 323-10-35-6. As of December 31, 2025, the carrying amount of the investment was USD 3,380,779.

In accordance with ASC 323-10-35-13, the Group evaluated the difference between the cost of the investment and its proportionate share of Wecan's net assets as of the acquisition date. The Group identified an excess of the cost of the investment over its proportionate share of Wecan's net identifiable assets at the acquisition date. Based on the information available, no material identifiable amortizable basis differences were identified. As of December 31, 2025, this excess is included in the carrying amount of the investment. Any portion of the excess attributable to identifiable assets or liabilities would be recognized as part of the basis difference and accounted for in accordance with ASC 323. Any remaining excess represents equity method goodwill, which is not amortized but is subject to impairment evaluation.

The Group evaluates its equity method investment for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. As of December 31, 2025, the Group concluded that no impairment was required, as no indicators of an other-than-temporary decline in value were identified.

Management evaluated the significance of Wecan under Rule 1-02(w) of Regulation S-X as of and for the year ended December 31, 2025. None of the applicable significance thresholds exceeded 10%. Accordingly, summarized financial information is not required.

Quantix Edge Security S.L.

On September 11, 2025, WISeKey made a EUR 3.825 million capital contribution to Quantix Edge Security, S.L. ("Quantix"), a Spanish joint venture, and acquired a 25.5% ownership interest. The Group determined that it does not control Quantix but has the ability to exercise significant influence. Accordingly, the investment is accounted for under the equity method of accounting. The investment was initially recorded at cost. No material basis differences requiring amortization were identified at the acquisition date.
Quantix was in a pre-operational stage as of December 31, 2025. No equity method income or loss was recognized for the year ended December 31, 2025. The carrying amount of the investment as of December 31, 2025, was USD 4,476,452. No impairment was identified as of December 31, 2025.
Management evaluated the significance of Quantix under Rule 1-02(w) of Regulation S-X as of and for the year ended December 31, 2025. None of the applicable thresholds exceeded 10%. Accordingly, summarized financial information is not required.

Note 23. Accounts payable

The accounts payable consisted of the following:

USD'000	As at December 31, 2025	As at December 31, 2024
Trade creditors	4,994	3,691
Accounts payable to Board Members	909	2,343
Accounts payable to other related parties	183	83
Accounts payable to underwriters, promoters, and employees	4,575	2,572
Other accounts payable	8,546	4,807
Total accounts payable	**19,207**	**13,496**

As at December 31, 2025, accounts payable to Board Members consisted of payables to members of the Board related to compensation and reimbursement matters totaling USD 909,274. (see Note 40).

As at December 31, 2025, accounts payable to other related parties consisted of USD 182,803 payable to OISTE (see Note 40).

Accounts payable to underwriters, promoters and employees consist primarily of amounts payable to employees for accrued vacation days, bonuses and 13th-month compensation across WISeKey.

Other accounts payable consist primarily of amounts due or accrued for professional services (e.g., legal, accounting and audit services) and related employee social charges.

Note 24. Other current liabilities

Other current liabilities consisted of the following:

USD'000	As at December 31, 2025	As at December 31, 2024
Other tax payable	1,514	583
Stamp duty liability	5,761	-
Customer contract liability, current	1,773	392
Stock-based compensation liability, current	5,084	-
Other current liabilities	-	160
Total other current liabilities	**14,132**	**1,135**

Note 25. Debt

Borrowings as at December 31, 2025, comprise (i) borrowings of IC'Alps, which was acquired on August 4, 2025 and (ii) other debt held by the Group. IC'Alps' borrowings are included in the Group's consolidated financial statements from the Acquisition Date.

Debt is classified as current or noncurrent based on contractual maturities as of the reporting date. Interest expense is recognized using the effective interest method in accordance with ASC 835-30. A portion of the Group's borrowings are denominated in EUR and CHF and are translated into USD at period-end exchange rates.

The Group's borrowing arrangements do not include financial covenants. The agreements contain customary non-financial covenants, including change-of-control provisions. These provisions do not impose material restrictions on the Group's operations or liquidity. No breaches, waivers, or events of default occurred during the period. Borrowings (excluding non-interest-bearing related party balances) bear interest at fixed rates ranging from approximately 0.7% to 4.3% per annum, depending on the underlying instrument.

Debt consisted of the following borrowings:

USD'000	As at December 31, 2025	As at December 31, 2024
Bpifrance Innovation R&D Loan	499	-
Bpifrance Innovation Loan	403	-
PGE loans (CIC, Bpifrance, BNP)	394	-
Recoverable advances – Bpifrance (Innovation and BELICIM)	382	-
COVID-19 loans	117	102
ExWorks loans	-	5,900
Convertible notes	10	9
Indebtedness to related parties	1,408	1,465
Total debt	**3,213**	**7,476**

The aggregate contractual principal maturities of debt as at December 31, 2025, are presented below. Amounts represent contractual principal repayments and exclude interest.

Contractual maturities of debt

Year	USD'000
2026	842
2027	405
2028	360
2029	204
2030 and thereafter	1,402
Total debt	**3,213**

Notes payable and Indebtedness to related parties, current

Notes payable and indebtedness to related parties, current consisted of the following:

USD'000	As at December 31, 2025	As at December 31, 2024
Short-term debt	689	-
Indebtedness to related parties	84	78
Other	69	5,909
Total notes payable and indebtedness to related parties, current	**842**	**5,987**

As at December 31, 2025, the current notes payable balance consisted of:

- EUR 586,379 (USD 688,797) representing the current portion of IC'Alps long-term borrowings,
- a CHF 46,600 (USD 58,847) current portion of the COVID-19 loans with UBS, and
- unconverted notes under the 2024 L1 Facility in an aggregate amount of USD 10,000.

Accordingly, the Group's notes payable balance primarily represents the current portion of longer-term financing arrangements rather than standalone short-term borrowings.

As at December 31, 2025, the indebtedness to related parties, current, consisted of loans from the noncontrolling shareholders of WISeKey SAARC for a total amount of USD 83,502 at closing rate (USD 77,638 as at December 31, 2024). These loans do not bear interest. See Note 40 for details.

In April 2019, WISeKey entered into a credit agreement with ExWorks Capital Fund I, L.P ("ExWorks") to borrow up to USD 4,000,000 loan with the possibility to add up to USD 80,000 accrued interest to the loan principal. The loan bore an interest rate of 10% p.a. payable monthly in arrears. Total debt issue costs of USD 160,000 were recorded as debt discount at inception in April 2019 and amortized over the duration of the loan. As at December 31, 2024, the outstanding borrowings were USD 4,030,000 accrued interest amounted to USD 2,169,417 and the debt discount had been fully amortized. On February 14, 2025, the Group paid USD 2.5 million as full and final settlement of the loan with ExWorks and recorded a gain of USD 3,699,417 in its income statement under non-operating income (see Note 34).

In November 2022, WISeKey entered into a loan agreement with a third-party client to borrow funds for the purpose of increasing production capacity. Under the terms of the agreement, the client lent to WISeKey a total of USD 2 million. The loan did not bear interest and there were no fees or costs attributed to the loan. At inception in November 2022, a debt discount totaling USD 511,128 was recorded in additional paid-in capital. The Group repaid the full balance of the loan and recorded a debt discount amortization expense of USD 181,057 in the year ended December 31, 2025.

Bonds, mortgages, other long-term debt and indebtedness to related parties, noncurrent

Bonds, mortgages, other long-term debt and indebtedness to related parties, noncurrent consisted of the following:

USD'000	As at December 31, 2025	As at December 31, 2024
Long-term debt	989	-
Indebtedness to related parties	1,324	1,387
Other	58	102
Total noncurrent debt	**2,371**	**1,489**

As at December 31, 2025, noncurrent debt consisted of:

- EUR 842,357 (USD 989,484) representing the noncurrent portion of IC'Alps long-term borrowings,
- a CHF 45,561 (USD 57,534) noncurrent portion of the COVID-19 loans with UBS, and

As at December 31, 2025, the indebtedness to related parties, noncurrent, balance consisted of the noncurrent portion of a payable balance to Peter Ward in relation to unused vacation allowance in the amount of USD 1,324,000. The current portion of this payable balance was recorded under accounts payable to other related parties (see Notes 23 and 40).

Bpifrance Innovation – Research & Development Loan Agreement

On June 30, 2022, Bpifrance Financement granted IC'Alps an Innovation – Research & Development Loan in the amount of EUR 500,000 to support an R&D program focused on optimizing the energy consumption of integrated circuits. The loan is repayable over 31 quarters with the final installment scheduled for March 31, 2030, and bears a fixed interest rate of 2.06% per annum. A processing fee was withheld from the proceeds at issuance.
As the loan was granted at market terms and transaction costs were immaterial, interest expense is recognized at the stated contractual rate.
As at December 31, 2025, IC'Alps owed Bpifrance Financement noncurrent debt in an aggregate amount of EUR 325,000 (USD 381,765) and current debt in an aggregate amount of EUR 100,000 (USD 117,466). From August 4, 2025, through December 31, 2025, IC'Alps recorded interest expense of EUR 4,764 (USD 5,555).

Bpifrance Innovation Loan

On June 30, 2022, Bpifrance Financement granted IC'Alps a business loan in the amount of EUR 500,000 to support the financing of intangible expenses related to the industrial and commercial launch of an innovation. The loan is repayable over a seven-year period ending June 30, 2029, and bears a fixed interest rate of 4.29% per annum. A processing fee was withheld from the proceeds at issuance.
The loan was initially measured at fair value, and interest expense is recognized subsequently using the effective interest method at an effective interest rate of 5.25% per annum.
As at December 31, 2025, IC'Alps owed Bpifrance Financement noncurrent debt in an aggregate amount of EUR 271,255 (USD 318,633) and current debt in an aggregate amount of EUR 72,050 (USD 84,635). From August 4, 2025, through December 31, 2025, IC'Alps recorded effective interest expense of EUR 10,618 (USD 12,381).

PGE loan – CIC Lyonnaise de Banque

On May 12, 2020, CIC Lyonnaise de Banque granted IC'Alps a state-guaranteed cash-flow loan ("PGE") in the amount of EUR 600,000 as part of the French government's COVID-19 economic support measures. Following an amendment effective May 15, 2021, IC'Alps rescheduled repayment over a 60-month period and became liable for interest at a fixed rate of 0.70% per annum on the outstanding principal (together with guarantee fees).

As the loan was granted at market terms and transaction costs were immaterial, interest expense is recognized at the stated contractual rate. As at December 31, 2025, IC'Alps owed CIC Lyonnaise de Banque current debt in an aggregate amount of EUR 63,287 (USD 74,340). From August 4, 2025 through December 31, 2025, IC'Alps recorded interest expense of EUR 295 (USD 344).

PGE Soutien Innovation loan – Bpifrance

On June 15, 2020, Bpifrance Financement granted IC'Alps a state-guaranteed cash-flow loan (PGE Soutien Innovation) in the amount of EUR 600,000 as part of the French government's COVID-19 economic support measures. Following an amendment effective June 15, 2021, the repayment of principal and interest was rescheduled over 20 quarterly installments. Under the amended terms, interest accrues at a fixed rate of 3.35% per annum on the outstanding principal.

As the loan was granted at market terms and no transaction costs were incurred, interest expense is recognized at the stated contractual rate. As at December 31, 2025, IC'Alps owed Bpifrance Financement current debt in an aggregate amount of EUR 75,000 (USD 88,100). From August 4, 2025 through December 31, 2025, IC'Alps recorded interest expense of EUR 2,827 (USD 3,296).

PGE loan – BNP Paribas

On June 14, 2022, BNP Paribas granted IC'Alps a state-guaranteed business loan in the amount of EUR 300,000 as part of the French government's COVID-19 economic support measures. Following an amendment effective June 13, 2023, repayment of principal, interest and guarantee fees was rescheduled over a 60-month period. Under the amended terms, interest accrues at a fixed rate of 3.75% per annum on the outstanding principal.

As the loan was granted at market terms and transaction costs were immaterial, interest expense is recognized at the stated contractual rate. As at December 31, 2025, IC'Alps owed BNP Paribas noncurrent debt in an aggregate amount of EUR 76,542 (USD 89,911) and current debt in an aggregate amount of EUR 120,333 (USD 141,339). From August 4, 2025, through December 31, 2025, IC'Alps recorded interest expense of EUR 3,368 (USD 3,927).

Recoverable advance from Bpifrance ("Avance Innovation")

On July 3, 2018, Bpifrance Financement granted IC'Alps an interest-free repayable advance ("Avance Innovation") in the amount of EUR 652,000 to support the development of analog and digital components for ultrasonic solutions. The advance was disbursed in three installments (subject to conditions) and is repayable in 20 equal quarterly installments beginning December 31, 2021, and ending September 30, 2026.

As the advance is interest-free, it was initially measured at fair value. Interest expense is recognized subsequently using the effective interest method at an effective interest rate of 4.18% per annum. The difference between the fair value at initial recognition and the cash proceeds received was recognized as deferred income (grant component) and is recognized in income over the related period.

As at December 31, 2025, IC'Alps owed Bpifrance Financement current debt in an aggregate amount of EUR 94,466 (USD 110,966). The current portion of deferred grant income was EUR 3,334 (USD 3,916); accordingly, the carrying value of the current debt was EUR 91,132 (USD 107,050). From August 4, 2025, through December 31, 2025, IC'Alps recorded effective interest expense of EUR 2,960 (USD 3,451).

BELICIM project – Bpifrance grant and recoverable advance agreement

On February 28, 2020, IC'Alps entered into a multi-party aid agreement with Bpifrance Financement under the PSPC-Régions Call for Projects (BELICIM). The aid available to IC'Alps under the program was structured as (i) a recoverable advance and (ii) a grant component. The recoverable advance is repayable in four annual installments starting December 31, 2024, unless the project is declared a technico-economic failure. The recoverable advance was initially measured at fair value and interest expense is recognized subsequently over the repayment period using the effective interest method at an effective interest rate of 0.94% per annum.

As at December 31, 2025, IC'Alps owed Bpifrance Financement noncurrent debt in an aggregate amount of EUR 167,222 (USD 196,430) and current debt in an aggregate amount of EUR 61,253 (USD 71,952). From August 4, 2025, through December 31, 2025, IC'Alps recorded effective interest expense of EUR 1,296 (USD 1,511).

Loan Agreements with UBS SA

On March 26, 2020, two members of the Group, WISeKey International Holding Ltd and WISeKey SA, entered into the COVID-19 loans to borrow funds under the Swiss Government supported COVID-19 Credit Facility with UBS SA. Under the terms of the Agreement, UBS has lent such Group members a total of CHF 571,500. The loans are repayable in full by March 30, 2028, as amended, being the eighth anniversary of the date of deposit of the funds by UBS. Semi-annual repayments have started since March 31, 2022, and will be spread on a linear basis over the remaining term. Full repayment of the loans is permitted at any time. The interest rate is determined by Swiss COVID-19 Law. At inception, the COVID-19 loans carried an interest rate of 0%, which was updated to an interest rate of 1.5% per annum paid quarterly from April 1, 2023. There were no fees or costs attributed to the Covid loans and as such there is no debt discount of debt premium associated with the loan facility.

Under the terms of the loans, the relevant companies are required to use the funds solely to cover the liquidity requirements of the Group. In particular, the Group cannot use the funds for the distribution of dividends and directors' fees as well as the repayment of capital contributions, the granting of active loans; refinancing of private or shareholder loans; the repayment of intra-group loans; or the transfer of guaranteed loans to a group company not having its registered office in Switzerland, whether directly or indirectly linked to applicant.

The outstanding balance on the loans as at December 31, 2024 was CHF 138,700 (USD 152,940).

During the year ended December 31, 2025, the loans accrued interest in a total amount of CHF 728 (USD 919 at closing rate) and WISeKey repaid CHF 46,600 out of the loans, bringing the total repayment to date to CHF 479,400 (USD 605,387 at closing rate). Therefore, as at December 31, 2025, the outstanding balance on the loans was CHF 92,161 (USD 116,381).

Subscription Agreement with L1 Capital Global Opportunities Master Fund

On October 23, 2024, the Group entered into a Subscription Agreement for the Subscription of up to $15M Convertible Notes (the "2024 L1 Facility") with L1, pursuant to which L1 committed to grant a loan to WISeKey for up to a maximum amount of USD 15 million divided into tranches of variable sizes, during a commitment period of 24 months ending October 22, 2026. The 2024 L1 Facility plans for an initial tranche USD 1.25 million (the "2024 L1 Initial Tranche") and subsequent tranches in an aggregate principal amount or aggregate principal amounts to be agreed upon between WISeKey and L1, at the date and time determined by WISeKey during the commitment period, subject to certain conditions. Each tranche is divided into unsecured convertible notes of USD 100,000 each that bear no interest. Subject to a cash redemption right of WISeKey, the convertible notes are mandatorily convertible into WIHN Class B Shares upon request by L1 within a period of 12 months from issuance and, in any case, no earlier than 40 days after the tranche closing and no later than at the expiry of the 12 months. For each tranche, the conversion price is determined as the lower of (i) a Fixed Conversion Price set at a premium of 100% to the daily VWAP of a WIHN Class B Share as traded on the SIX Swiss Exchange on the trading day prior to the date of completion of each tranche, and (ii) 94% of the lowest daily VWAP of a WIHN Class B Share as traded on the SIX Swiss Exchange during the 10 trading days preceding the relevant conversion date.

Due to L1's option to convert the loan in part or in full at any time before maturity, the 2024 L1 Facility was assessed as a share-settled debt instrument with an embedded put option. In line with ASC 480-10-55-43 and ASC 480-10-55-44, because the value that L1 will predominantly receive at settlement does not vary with the value of the shares, the settlement provision is not considered a conversion option. The Group assessed the put option under ASC 815 and concluded that it is clearly and closely related to its debt host and therefore did not require bifurcation. Per ASC 480-10-25, the 2024 L1 Facility was accounted for as a liability measured at fair value using the discounted cash flow method at inception.

Debt issue costs made up of legal expenses of USD 11,319, a commission of USD 67,500 to the placement agent and an aggregated fee of USD 137,500 to L1 were due upon issuance of the 2024 L1 Initial Tranche on October 25, 2024 and recorded as a debt discount against the 2024 L1 Initial Tranche principal amount. Upon subscription of each subsequent tranche under the 2024 L1 Facility, debt issue costs to L1 representing an aggregate of 11% of the principal value of the subscribed funds will be recorded as a debt discount against each tranche.

During the year ended December 31, 2024, WISeKey made one subscription under the 2024 L1 Facility in an amount of USD 1.25 million, the 2024 L1 Initial Tranche. For each subscription, the fair value of the debt is calculated using the discounted cash flow method creating a debt discount or a debt premium on the debt host with the credit or debit entry booked to APIC. The fair value of the debt for the 2024 L1 Initial Tranche was USD 1,328,458, giving rise to a debt premium of USD 78,458.
For the year ended December 31, 2024, L1 converted a total of USD 1,24 million out of the 2024 L1 Initial Tranche, resulting in the delivery of a total of 344,598 WIHN Class B Shares. A debt discount charge of USD 17,746 was amortized to the income statement and a total debit of USD 119,212 was booked to APIC on conversions as per ASC 470-02-40-4.
As at December 31, 2024, convertible notes in an aggregate amount of USD 10,000 remained unconverted and the unamortized debt discount balance was USD 903, hence a carrying value of USD 9,097. The outstanding 2024 L1 Facility available was USD 13.75 million.

During the year ended December 31, 2025, there were no subscriptions or conversions under the 2024 L1 Facility. A debt discount charge of USD 903 was amortized to the income statement. As at December 31, 2025, convertible notes in an aggregate amount of USD 10,000 remained unconverted and the debt discount was fully amortized, hence a carrying value of USD 10,000. The outstanding 2024 L1 Facility available was USD 13.75 million.

Subscription Agreement with Anson Investments Master Fund LP

On October 23, 2024, the Group entered into a Subscription Agreement for the Subscription of up to $15M Convertible Notes (the "2024 Anson Facility") with Anson, pursuant to which Anson committed to grant a loan to WISeKey for up to a maximum amount of USD 15 million divided into tranches of variable sizes, during a commitment period of 24 months ending October 22, 2026. The 2024 Anson Facility plans for an initial tranche USD 1.25 million (the "2024 Anson Initial Tranche") and subsequent tranches in an aggregate principal amount or aggregate principal amounts to be agreed upon between WISeKey and Anson, at the date and time determined by WISeKey during the commitment period, subject to certain conditions. Each tranche is divided into unsecured convertible notes of USD 100,000 each that bear no interest. Subject to a cash redemption right of WISeKey, the convertible notes are mandatorily convertible into WIHN Class B Shares upon request by Anson within a period of 12 months from issuance and, in any case, no earlier than 40 days after the tranche closing and no later than at the expiry of the 12 months. For each tranche, the conversion price is determined as the lower of (i) a Fixed Conversion Price set at a premium of 100% to the daily VWAP of a WIHN Class B Share as traded on the SIX Swiss Exchange on the trading day prior to the date of completion of each tranche, and (ii) 94% of the lowest daily VWAP of a WIHN Class B Share as traded on the SIX Swiss Exchange during the 10 trading days preceding the relevant conversion date.

Due to Anson's option to convert the loan in part or in full at any time before maturity, the 2024 Anson Facility was assessed as a share-settled debt instrument with an embedded put option. In line with ASC 480-10-55-43 and ASC 480-10-55-44, because the value that Anson will predominantly receive at settlement does not vary with the value of the shares, the settlement provision is not considered a conversion option. The Group assessed the put option under ASC 815 and concluded that it is clearly and closely related to its debt host and therefore did not require bifurcation. Per ASC 480-10-25, the 2024 Anson Facility was accounted for as a liability measured at fair value using the discounted cash flow method at inception.

Debt issue costs made up of legal expenses of USD 11,319, a commission of USD 67,500 to the placement agent and an aggregated fee of USD 137,500 to Anson were due upon issuance of the 2024 Anson Initial Tranche on October 23, 2024 and recorded as a debt discount against the 2024 Anson Initial Tranche principal amount. Upon subscription of each subsequent tranche under the 2024 Anson Facility, debt issue costs to Anson representing an aggregate of 11% of the principal value of the subscribed funds will be recorded as a debt discount against each tranche.

During the year ended December 31, 2024, WISeKey made one subscription under the 2024 Anson Facility in an amount of USD 1.25 million, the 2024 Anson Initial Tranche. For each subscription, the fair value of the debt is calculated using the discounted cash flow method creating a debt discount or a debt premium on the debt host with the credit or debit entry booked to APIC. The fair value of the debt for the 2024 Anson Initial Tranche was USD 1,328,458, giving rise to a debt premium of USD 78,458.
For the year ended December 31, 2024, Anson converted the 2024 Anson Initial Tranche in full, resulting in the delivery of a total of 346,820 WIHN Class B Shares. A debt discount charge of USD 18,774 was amortized to the income statement and a total debit of USD 119,087 was booked to APIC on conversions as per ASC 470-02-40-4.
As at December 31, 2024, there were no unconverted notes, hence a carrying value of USD nil. The outstanding 2024 Anson Facility available was USD 13.75 million.

During the year ended December 31, 2025, there were no subscriptions or conversions under the 2024 Anson Facility. As at December 31, 2025, there were no unconverted notes, hence a carrying value of USD nil. The outstanding 2024 Anson Facility available was USD 13.75 million.

Note 26. Employee benefit plans

Defined benefit post-retirement plan

The Group maintains defined benefit pension plans covering employees in Switzerland and France. These include plans maintained by WISeKey SA, WISeKey International Holding Ltd. and SEALSQ Corp for employees in Switzerland, and plans maintained by SEALSQ France SAS and IC'Alps SAS for employees in France.

All plans are accounted for as defined benefit plans 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.

The Group recorded net service cost as an operating expense and other components of defined benefit plans as a non-operating expense in the statement of comprehensive loss.

The liabilities and periodic pension costs are determined using actuarial valuation methodologies that incorporate various assumptions, including discount rates and, where applicable, the expected long-term rate of return on plan assets. Plan assets are measured at fair value based on prevailing market prices.

The defined benefit plans maintained by the Group's French subsidiaries provide retirement benefits in the form of a lump-sum payment based on each employee's remuneration and length of service. These plans are unfunded and therefore do not hold plan assets.

Personnel costs consisted of the following:

Personnel Costs USD'000	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Wages and Salaries	20,677	13,139	12,507
Social security contributions	7,428	3,977	3,611
Net service costs	778	350	449
Other components of defined benefit plans, net	(123)	29	(45)
Total	**28,760**	**17,495**	**16,522**

Key assumptions used in the fair value measurement of the plan assets were as follows:

	As at December 31,					
Assumptions	**2025**	**2025**	**2024**	**2024**	**2023**	**2023**
	France	**Switzerland**	**France**	**Switzerland**	**France**	**Switzerland**
Discount rate	3.40%	1.16%	3.10%	0.97%	3.05%	1.52%
Expected rate of return on plan assets (1)	n/a	3.33%	n/a	3.05%	n/a	3.04%
Salary increases	3%	2.5%	3%	2%	3%	2%

(1) For WISeKey SA and WISeKey International Holding Ltd's funded plans, the expected long-term rate of return on assets is based on the pension fund's asset allocation.

As of December 31, 2025 and December 31, 2024 the Group's accumulated benefit obligation amounted respectively to USD 17,417,000 and USD 14,604,000.

Reconciliation to Balance Sheet start of year USD'000 Fiscal year	2025	2024	2023
Fair value of plan assets	(11,027)	(11,142)	(10,108)
Projected benefit obligation	14,904	14,143	11,867
Surplus/deficit	**3,877**	**3,001**	**1,759**
Opening balance sheet liability / (asset) (funded status)	**3,877**	**3,001**	**1,759**
Reconciliation of benefit obligation during the year			
Projected benefit obligation at start of year	14,904	14,143	11,867
Net service cost	357	225	237
Interest expense	175	214	279
Plan participant contributions	150	118	98
Net benefits paid to participants	154	177	(100)
Prior service costs	-	-	(19)
Actuarial losses / (gains)	(235)	1,067	606
Acquisitions	138		
Currency translation adjustment	2,217	(1,040)	1,175
Projected benefit obligation at end of year	**17,860**	**14,904**	**14,143**
Reconciliation of plan assets during year			
Fair value of plan assets at start of year	(11,027)	(11,142)	(10,108)
Employer contributions paid over the year	(280)	(218)	(184)
Plan participant contributions	(150)	(118)	(98)
Net benefits paid to participants	(154)	(184)	78
Expected return on plan assets	(370)	(326)	(311)
Actuarial (gain) / loss on assets	255	115	501
Currency translation adjustment	(1,632)	846	(1,020)
Fair value of plan assets at end of year	**(13,358)**	**(11,027)**	**(11,142)**
Reconciliation to balance sheet end of year			
Fair value of plan assets	(13,358)	(11,027)	(11,142)
Defined benefit obligation - funded plans	17,860	14,904	14,143
Surplus/deficit	**4,502**	**3,877**	**3,001**
Closing balance sheet liability / (asset) (funded status)	**4,502**	**3,877**	**3,001**

Movement in Funded Status USD'000 Fiscal year	2025	2024	2023
Opening balance sheet liability (funded status)	**3,877**	**3,001**	**1,759**
Net service cost	357	225	237
Interest cost / (credit) on benefit obligation	175	214	279
Expected return on plan assets	(370)	(326)	(311)
Amortization of net (gain) / loss	70	22	-
Amortization of prior service cost / (credit)	(97)	(48)	(26)
Currency translation adjustment	-	-	(2)
Total net periodic benefit cost / (credit)	**135**	**87**	**177**
Actuarial (gain) / loss on liabilities	(234)	1,067	606
Return in plan assets, excl. amounts included in net interest	255	115	501
Prior service cost / (credit)	-	-	(19)
Amortization of net (gain) / loss	(70)	(22)	-
Amortization of prior service cost / (credit)	97	48	26
Currency translation adjustment	17	-	37
Total (gain) / loss recognized via other comprehensive income	**65**	**1,208**	**1,151**
Employer contributions paid in the year	(280)	(218)	(184)
Cashflow required to pay benefit payments	-	(7)	(22)
Total cashflow	**(280)**	**(225)**	**(206)**

Acquisitions	138	-	-
Currency translation adjustment	567	(194)	120
Closing balance sheet liability (funded status)	**4,502**	**3, 877**	**3,001**
Reconciliation of unrecognized (gain) / loss			
Unrecognized (gain) / loss at beginning of year	1,891	795	(338)
Amortization during the year	(70)	(22)	-
Actuarial (gain) / loss on liabilities	(234)	1,067	606
Actuarial (gain) / loss on assets	255	112	535
Acquisitions	22	-	-
Currency translation adjustment	288	(61)	(8)
Unrecognized (gain) / loss at year-end	**2,152**	**1,891**	**795**
Reconciliation of unrecognized prior service cost / (credit)			
Unrecognized prior service cost / (credit) at beginning of year	(456)	(542)	(503)
Prior service cost for the current period	-	-	(19)
Amortization during the year	101	48	26
Currency translation adjustment	(54)	38	(46)
Unrecognized prior service cost / (credit) at year-end	**(409)**	**(456)**	**(542)**
Amounts recognized in accumulated other comprehensive income			
Net loss / (gain)	2,152	1,891	795
Prior service cost / (credit)	(409)	(456)	(542)
Deficit	1,743	1,435	253
Estimated amount to be amortized from accumulated other comprehensive income into net periodic benefit cost / (credit) over next fiscal year			
Net loss / (gain)	(115)	(94)	-
Prior service cost / (credit)	(104)	(101)	(26)

All plan assets are held in collective insurance contracts with third-party insurance providers. These providers manage the underlying investments in accordance with regulatory requirements and the terms of the insurance agreements. The Group does not have direct control over or visibility into the underlying investment portfolio. The value of the insurance contract is classified within Level 2 of the fair value hierarchy, in accordance with ASC 820.

The table below shows the breakdown of expected future contributions payable to the Plan :

Period USD'000	Switzerland	France
2026	2,632	94
2027	778	59
2028	662	59
2029	1,052	14
2030	649	196
2031 to 2035	3,147	862

There are no plan assets expected to be returned to the employer during the 12-month period following December 31, 2025.

Note 27. Commitments and contingencies

Lease commitments

The future payments due under leases are shown in Note 17.

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 the Group breaches 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, the Group has 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.

Warranties

ASIC Design

The Company provides a standard three to six-month assurance-type warranty from the date of delivery for all contracts to provide prototypes during the development phase or pre-series chips during the industrialization phase. During this six-month period, the customer has the right to request the Group to initiate a diagnostic process in the event the circuit does not function in line with its specification. The cost of the diagnostic process is borne by the customer if the circuit is found to be faultless (excluding all the IPs / sub-blocks coming from third parties, and except if the customer made any modification) or if the customer cancels the diagnostic process midway. The warranty is considered an assurance-type warranty as it only covers the circuit's compliance with agreed-upon specifications. As such, no liability has been recognized for potential warranty claims, as the Group cannot reasonably estimate the likelihood or amount of future payments under this warranty.

ASIC Production:

For ASICs sold as processed, unpackaged semiconductor chips, or processed wafers, the Group provides a standard assurance-type warranty valid for 24 months from the date of delivery. Under the warranty terms, the Group may replace the product or issue a credit note or provide a rebate on the purchase price, for any ASICs that do not conform to the agreed specifications. The warranty excludes damage not attributable to the Group, such as that resulting from improper storage or usage by the customer. During the warranty period, customers may request the Group to initiate a diagnostic defects process to assess potential defects. If the circuit is found to be faultless or if the diagnostic process is cancelled midway, the customer bears the cost of the diagnostic process. The cost of any redesign outside the warranty scope, or support provided outside the warranty period, is chargeable to the customer at cost or based on agreed rates. In accordance with ASC 460, this warranty is classified as an assurance-type warranty, as it solely covers compliance of the delivered ASICs with contractual specifications. No liability has been recognized for potential warranty claims, as the Group cannot reasonably estimate the likelihood or amount of future payments under this warranty.

Note 28. Stockholders' equity

Stockholders' equity consisted of the following:

WISeKey International Holding Ltd	**As at December 31, 2025**		**As at December 31, 2024**	
Share Capital	*Class A Shares*	*Class B Shares*	*Class A Shares*	*Class B Shares*
Par value per share (in CHF)	0.01	0.10	0.01	0.10
Share capital (in USD)	16,007	439,712	16,007	359,485
Per Articles of association and Swiss capital categories				
Conditional Share Capital - Total number of conditional shares(1)	400,000	2,080,317	400,000	1,210,590
Total number of fully paid-in shares	1,600,880	4,080,546	1,600,880	3,365,560
Per US GAAP	-	-	-	-
Total number of authorized shares	2,000,880	8,281,180	2,000,880	6,194,267
Total number of fully paid-in issued shares(1)	1,600,880	4,080,546	1,600,880	3,365,560
Total number of fully paid-in outstanding shares(1)	1,600,880	4,024,038	1,600,880	3,309,052
Par value per share (in CHF)	0.01	0.10	0.01	0.10
Share capital (in USD)	16,007	439,712	16,007	359,485
Total share capital (in USD)	**455,719**		**375,492**	
Treasury Share Capital				
Total number of fully paid-in shares held as treasury shares	-	56,508	-	56,508
Treasury share capital (in USD)	-	501,644	-	501,644
Total treasury share capital (in USD)	**-**	**501,644**	**-**	**501,644**

(1) Conversions of conditional capital that were not registered with the commercial register as of December 31, 2025 and 2024, respectively, are not deducted from the total number of conditional shares, i.e. the number shown is as if the issues had not taken place.

Treasury Shares

In the years to December 31, 2025 and 2024 respectively, WISeKey did not purchase any treasury shares and sold a total of nil and 65,545 treasury shares at an average sale price of USD nil and USD 2.97 per share.

Share buyback program

On July 9, 2019, the Group started a share buyback program on the SIX Swiss Exchange to buy back Class B Shares up to a maximum 10% of the share capital and 5.35% of the voting rights. In compliance with Swiss Law, at no time will the group hold more than 10% of its own registered shares. The share buyback program ended on July 8, 2022.
As at December 31, 2025, WISeKey's treasury share balance included 8,347 Class B Shares purchased through the share buyback program.

Voting rights

The Company has two classes of registered shares outstanding: Class A Shares and Class B Shares. Each Class A Share and each Class B Share entitles the holder to one vote at general meetings of shareholders. The Class A Shares have a nominal value of CHF 0.01 per share and the Class B Shares have a nominal value of CHF 0.10 per share. However, both classes have identical voting rights on a per-share basis, namely one (1) vote per share.

Shareholder resolutions, including the election of members of the board of directors, are generally adopted by the affirmative vote of a majority of the votes represented at a general meeting of shareholders, unless a higher voting threshold is required by Swiss law or the Company's Articles of Association.

Both classes of shares confer equal rights to dividends and to distributions upon liquidation of the Company, proportionate to their respective nominal values. Only shareholders recorded in the Company's share register as of the applicable record date are entitled to vote at a general meeting of shareholders.

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 but will still be entitled to dividends and other rights with financial value with respect to such Shares.

Transfer Restrictions and Conversion Rights

Holders of Class A Shares have entered into shareholder agreements with the Company under which transfers of Class A Shares are restricted. Such holders may not (i) 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 (ii) 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 hereafter. 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, or 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 WISeKey'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.

Note 29. Accumulated other comprehensive income

USD'000		
Accumulated other comprehensive income as at December 31, 2023		**4,041**
Total net foreign currency translation adjustments	315	
Total defined benefit pension adjustment	(1,206)	
Total other comprehensive income / (loss), net		(891)
Accumulated other comprehensive income as at December 31, 2024		**3,150**
Total net foreign currency translation adjustments	323	
Total unrealized gain on available-for-sale debt securities	25	
Total defined benefit pension adjustment	(72)	
Total other comprehensive income / (loss), net		276
Accumulated other comprehensive income as at December 31, 2025		**3,426**

There is no income tax expense or benefit allocated to other comprehensive income.

Note 30. Net loss attributable to WISeKey International Holding Ltd and transfers to/from the noncontrolling interest

The purpose of this schedule is to disclose the effects of the changes in WISeKey's ownership interest in its subsidiaries on WISeKey' equity.

	12 months ended December 31,		
USD'000	**2025**	**2024**	**2023**
Net loss attributable to WISeKey International Holding Ltd	(8,356)	(23,216)	(15,213)
Increase / (decrease) in APIC for the sale of 91,485,610, 84,592,712 and 9,445,607 Ordinary Shares of SEALSQ Corp	1,973	9,812	(147)
Increase in APIC for the sale of 3,333,333, nil and nil shares of SEALCOIN AG	215	-	-
Increase in APIC for the sale of 870, nil and nil shares of WISeSat.Space AG	96	-	-
Decrease in APIC for the sale of nil, 14,286 and nil shares of WISe.ART AG	-	(42)	-
Net transfers (to) from noncontrolling interest	2,284	9,770	(147)
Change from net loss attributable to WISeKey International Holding Ltd's shareholders and transfers (to) from noncontrolling interest	**(6,072)**	**(13,446)**	**(15,360)**

Share Purchase Agreements with Several Institutional Investors

On May 5, 2025, the Group entered into a Securities Purchase Agreement with several institutional investors to sell and issue 10 million ordinary shares of SEALSQ for a total subscription price of USD 20 million.

On July 14, 2025, the Group entered into a Securities Purchase Agreement with several institutional investors to sell and issue 15 million ordinary shares of SEALSQ together with Class A ordinary share purchase warrants to purchase up to 15 million ordinary shares of SEALSQ (the “Class A Warrants”) and Class B ordinary share purchase warrants to purchase up to 15 million ordinary shares of SEALSQ (the “Class B Warrants” and, together with the Class A Warrants, the “Warrants”), for a subscription price of USD 60.0 million, with each ordinary share of SEALSQ sold in the offering accompanied by one Class A Warrant and one Class B Warrant. The Class A Warrants and Class B Warrants are immediately exercisable, have an exercise price of USD 4.60 per ordinary share of SEALSQ, and expire seven years from the date of issuance. Each Warrant is exercisable for one ordinary share of SEALSQ.

On October 15, 2025, the Group entered into a Securities Purchase Agreement with several institutional investors to sell and issue (i) 12,640,000 ordinary shares of SEALSQ and (ii) in the concurrent private placement, pre-funded ordinary share purchase warrants to purchase up to 14,026,666 ordinary shares of SEALSQ (the “Pre-funded Warrants”) together with Class D ordinary share purchase warrants to purchase up to 53,333,332 ordinary shares of SEALSQ (the “Class D Warrants” and, together with the Pre-funded Warrants, the “Private Warrants”), for aggregate gross proceeds of USD 200 million. Each Pre-funded Warrant is exercisable for one ordinary share of SEALSQ at an exercise price of USD 0.0001 per share and is immediately exercisable until exercised in full. The Class D Warrants are immediately exercisable, have an exercise price of USD 9.25 per ordinary share of SEALSQ, and expire seven years from the date of issuance. Each Class D Warrant is exercisable for one ordinary share of SEALSQ.

At-the-Market Facility

On May 19, 2025, the Group entered into an at-the-market (“ATM”) equity offering program for its subsidiary SEALSQ, pursuant to which it may offer and sell ordinary shares of SEALSQ having an aggregate offering price of up to USD 100 million from time to time through a designated sales agent.

For the year ended December 31, 2025, 15,450,000 ordinary shares of SEALSQ were sold under the ATM program generating gross proceeds of USD 71,066,307 and net proceeds of USD 68,591,229 after commissions and offering expenses. As at December 31, 2025, approximately USD 28.9 million of the ATM facility remained available for future sales.

Inducement Offer to Exercise Existing Ordinary Share Purchase Warrants

On October 6, 2025, the Group, through its subsidiaries SEALSQ, entered into a Warrant Inducement Agreement with certain institutional investors under which all outstanding Class A Warrants were exercised or exchanged in full at an exercise price of USD 4.60 per ordinary share of SEALSQ, resulting in gross proceeds of USD 69.0 million.

In consideration for the early exercise of the Class A Warrants, the Group issued Class C ordinary share purchase warrants to purchase up to an aggregate of 26,250,000 ordinary shares of SEALSQ (the “Class C Warrants”). The Class C Warrants are immediately exercisable, have an exercise price of USD 5.10 per ordinary share of SEALSQ, and expire seven years from the date of issuance.

Warrant exercise

During the year ended December 31, 2025, the Group issued a total of 35,496,048 ordinary shares of SEALSQ to certain institutional investors upon the exercise of warrants and pre-funded warrants, resulting in gross proceeds of USD 56,839,132.

Note 31. Revenue

Nature of goods and services

The Group generates revenues from the sale of semiconductors secure chips and from Digital Certificates, Software as a Service, Software license and Post-Contract Customer Support (PCS) for cybersecurity applications, and, with the acquisition of IC’Alps, from the delivery of custom ASIC (Application-Specific Integrated Circuit) design and development services during the pre-production phase, and the supply of manufactured ASIC chips during the production phase. These services and products are typically contracted separately but may also be bundled across multiple phases of the ASIC lifecycle.

For bundled packages, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identified from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices when available or estimated based on the Adjusted Market Assessment approach (e.g. licenses), or the Expected Cost-Plus Margin approach (e.g., PCS).

The following table shows the description of the principal activities from which the Group generates its revenue across all reportable segments:

Product and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Certificates	The Group recognizes revenue on a straight-line basis over the validity period of the certificate, which is usually one to three years. This period starts after the certificate has been issued by the Certificate Authority and may be used by the customer for authentication and signature, by checking the certificate validity against the Root of Trust which is maintained by the Group on its IT infrastructure. Customers pay for certificates when certificates are issued and invoiced. The excess of payments over recognized revenue is shown as deferred revenue.
Semiconductors secure chips	Although they may be sold in connection with other services of the Group, they always represent distinct performance obligations. The Group recognizes revenue when a customer takes possession of the chips, which usually occurs when the goods are delivered. Customers typically pay once goods are delivered.
SaaS	The Group's SaaS arrangement cover the provision of cloud-based certificate life-cycle-management solutions and signing and authentication solutions, as well as cloud-based certificates for authentication purposes such as Device Attestation Certificates (DACs) for MATTER Protocol, IoT Device-to-Cloud Authentication, or Device-to-Device Authentication. The Group recognizes revenue on a straight-line basis over the service period which is usually yearly renewable. Where lifelong certificates are issued, the Group recognizes revenue when the certificate is delivered and usable by the customer. Customers usually pay ahead of quarterly or yearly service periods; the paid amounts which have not yet been recognized as revenue are shown as deferred revenue on the balance sheet.
Software and INeS Certificate Management Platform	The Group provides software for certificates life-cycle management and signing and authentication solutions, including through its INeS Certificate Management Platform. The Group recognizes revenue when the software has been delivered or the platform has been set up, and PCS revenue over the service period which is usually one-year renewable. Customers pay upon delivery of the software or over the PCS.
Implementation, integration and other services	The Group provides services to implement and integrate multi-element cybersecurity solutions. Most of the time the solution elements are off-the-shelve non-customized components which represent distinct performance obligations. Implementation and integration services are payable when rendered, while other revenue elements are payable and recognized as per their specific description in this section.
Space and satellite technology services	The Group provides project-based space and satellite technology services, including technical studies, demonstrators, hardware-related deliverables and associated support services. These services generally represent distinct performance obligations under customer contracts. The Group recognizes revenue at a point in time when the relevant contractual deliverable or service has been performed and accepted by the customer, which generally occurs upon delivery of the technical analysis, report, demonstrator, hardware-related deliverable, or other agreed milestone. Customers typically pay upon invoicing following completion and acceptance of the relevant deliverable or milestone.
ASIC Design	The services provided are structured into Work Packages (WPs), each representing a separate performance obligation. These could include services associated with the specification/ pre-study, design, prototyping or industrialization. Revenue is recognized over time using the cost-incurred method, as customers control the asset during development and the Group has a right to payment for performance to date. Payments are made progressively based on milestones and deliverables.
ASIC Production	Each purchase order for ASIC chips represents a distinct performance obligation to provide the specified quantity and type of chips. Revenue is recognized at a point in time, specifically, when control of the chip transfers to the customer upon delivery. The Company acts as principal, managing the full production process including subcontractor coordination, quality assurance, and logistics. Customers typically pay upon delivery.

Disaggregation of revenue

The following table shows the Group's revenues disaggregated by reportable segment and by product or service type:

Disaggregation of revenue	Typical payment	At one point in time			Over time			Total		
USD'000		**2025**	**2024**	**2023**	**2025**	**2024**	**2023**	**2025**	**2024**	**2023**
Semiconductors segment										
Secure chips	Upon delivery	14,329	10,937	30,044	-	-	-	14,329	10,937	30,044
Certificates	Upon issuance	298	39	-	24	5	14	322	44	14
Total Semiconductors segment		**14,627**	**10,976**	**30,044**	**24**	**5**	**14**	**14.651**	**10,981**	**30,058**
ASIC segment										
ASIC Design	Milestone based	-	-	-	3,522	-	-	3,522	-	-
ASIC Production	Upon delivery	79	-	-	-	-	-	79	-	-
Total ASIC segment		**79**			**3,522**			**3,601**		
Total Non-reportable segments		**126**	**57**	**-**	**911**	**837**	**860**	**1,037**	**894**	**860**
Total Revenue		**14,832**	**11,033**	**30,044**	**4,457**	**842**	**874**	**19,289**	**11,875**	**30,918**

For the years ended December 31, 2025, 2024, and 2023 the Group recorded no revenues related to performance obligations in prior periods.

The following table shows the Group's revenues disaggregated by geography, based on our customers' billing addresses:

Net sales by region	12 months ended December 31,		
USD'000	2025	2024	2023
Semiconductors segment			
Switzerland	518	348	1,436
Europe, Middle East and Africa	1,712	1,491	8,549
North America	9,147	7,500	16,531
Asia Pacific	3,180	1,642	3,466
Latin America	94	-	76
Total Semiconductors segment	**14,651**	**10,981**	**30,058**
ASIC segment			
Switzerland	-	-	-
Europe, Middle East and Africa	2,214	-	-
North America	1,340	-	-
Asia Pacific	47	-	-
Total ASIC segment	**3,601**	**-**	**-**
Total non-reportable segments	**1,037**	**894**	**860**
Total net sales	**19,289**	**11,875**	**30,918**

*EMEA means Europe, Middle East and Africa

Contract assets, deferred revenue and contract liability

Contract assets, deferred revenue and contract liability consisted of the following:

USD'000	As at December 31, 2025	As at December 31, 2024
Trade accounts receivables		
Trade accounts receivable - Semiconductors segment	3,282	3,645
Trade accounts receivable - ASIC segment	986	-
Trade accounts receivable - Non-reportable segments	599	488
Total trade accounts receivables	**4,867**	**4,133**
Contract assets - ASIC segment	451	-
Contract assets – Non-reportable segments	16	-
Total contract assets	**467**	**-**
Customer contract liabilities – Semiconductors segment	4	83
Customer contract liabilities – ASIC segment	1,596	-
Customer contract liabilities – Non-reportable segments	173	312
Total contract liabilities	**1,773**	**395**
Deferred revenue		
Deferred revenue - Semiconductors segment	21	5
Deferred revenue - ASIC segment	4	-
Deferred revenue - Non-reportable segments	81	109
Total deferred revenue	**106**	**114**
Revenue recognized in the period from amounts included in the deferred revenue at the beginning of the year	79	218

Increases or decreases in trade accounts receivable, contract assets, deferred revenue and contract liability were primarily due to normal timing differences between our performance and customer payments.

Remaining performance obligations

As of December 31, 2025, the Group expects to recognize approximately USD 653,000 of revenue from remaining performance obligations related to mPKI, IoT and ASIC contracts. The Group expects to recognize revenue for these remaining performance obligations in 2026 and 2027.

The following table shows the expected recognition over the next few years:

Estimated revenue from remaining performance obligations as at December 31, 2025		USD'000
	2026	641
	2027	12
Total remaining performance obligation		**653**

Note 32. Other operating income

Other operating income related to:

	12 months ended December 31,		
USD'000	**2025**	**2024**	**2023**
Other operating income from related parties	158	181	119
Other operating income - other	66	3	48
Total other operating income	**224**	**184**	**167**

In the years 2025 and 2024, other operating income from related parties was made up of the amounts invoiced by WISeKey to the OISTE Foundation for the use of its premises and equipment (see Note 40).

Note 33. Stock-based compensation

Stock-based compensation in WISeKey International Holding Ltd

Employee stock option plans

The Stock Option Plan ("ESOP 1") was approved on December 31, 2007 by the stockholders of WISeKey SA, 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 of WISeKey SA, representing 16,698,300 options convertible into WISeKey SA shares with an exercise price of CHF 0.01 per share.
At March 22, 2016 as part of the reverse acquisition transaction, both ESOP plans in existence in WISeKey SA were transferred to WISeKey International Holding Ltd at the same terms, with the share exchange term of 5:1 into WIHN Class B Shares.

Grants

Year ended December 31,	Options granted on Class B Shares
2025	22,129
2024	152,090
2023	18,418

Options granted during the periods were primarily issued to Board members, employees, and certain external advisors. Each option entitles the holder to acquire one WIHN Class B Share.

No options on WIHN Class A Shares were granted during the years ended December 31, 2025, 2024 and 2023. Options granted under the plans generally vest immediately upon grant unless otherwise specified.

Stock option charge to the income statement

The Group calculates the fair value of options granted by applying the Black-Scholes option pricing model, using the market price of a WIHN Class B Share. Expected volatility is based on historical volatility of WIHN Class B Shares.

Prior to 2025, all option grants were classified as equity instruments. However, in the second half of 2025, WISeKey management decided to permit the withholding of shares as a means of meeting the grantee's tax obligation in relation to their option exercise, which means that, for jurisdictions that do not have any withholding requirement, the awards are accounted for as liabilities under ASC 718, measured at fair value on the grant date and remeasured at each reporting period until settlement. The reclassification of some options from equity to liability and the related remeasurement at fair value at December 31, 2025 generated a net credit to the income statement of USD 2,914,204 in the year ended December 31, 2025 (USD 1,590,825 for WIHN Class B Shares and USD 1,323,379 for WIHN Class A Shares), in relation to WISeKey options granted to employees and Board members.

The following assumptions were used to estimate the fair value of stock options granted:

Assumption	December 31, 2025	December 31, 2024	December 31, 2023
Dividend yield	None	None	None
Risk-free interest rate used (average)	1.00%	1.00%	1.00%
Expected market price volatility	83.07 – 127.81%	71.29 – 71.60%	69.77 - 70.72%
Average remaining expected life of stock options on WIHN Class B Shares (years)	3.32	4.30	5.23
Average remaining expected life of stock options on WIHN Class A Shares (years)	2.90	3.90	4.90

Unvested options to employees as at December 31, 2025 were recognized prorata temporis over the service period (grant date to vesting date).

The following table summarizes the development of the Group's non-vested options for the years ended December 31, 2025 and 2024.

	Options on WIHN Class B Shares		Options on WIHN Class A Shares	
Non-vested options	Number of shares under options	Weighted-average grant date fair value (USD)	Number of shares under options	Weighted-average grant date fair value (USD)
Non-vested options as at December 31, 2023	**268**	**7.50**	**-**	**-**
Granted	152,090	6.79	-	-
Vested	(152,222)	6.79	-	-
Non-vested forfeited or cancelled	-	-	-	-
Non-vested options as at December 31, 2024	**136**	**7.55**	**-**	**-**
Granted	22,129	11.08	-	-
Vested	(22,265)	11.06	-	-
Non-vested forfeited or cancelled	-	-	-	-
Non-vested options as at December 31, 2025	**-**	**-**	**-**	**-**

As at December 31 2025, there was no unrecognized compensation expense related to non-vested stock option-based compensation arrangements. Non-vested stock options outstanding as at December 31, 2025 were accounted for using the graded-vesting method, as permitted under ASC 718-10-35-8, and we therefore recognized compensation costs calculated using the Black-Scholes model and the market price of WIHN Class B Shares at grant date, over the requisite service period.

The following tables summarize the Group's stock option activity for the years ended December 31, 2025, 2024 and 2023.

Options on WIHN Class B Shares	WIHN Class B Shares under options	Weighted-average exercise price (USD)	Weighted average remaining contractual term (in years)	Aggregate intrinsic value (USD)
Outstanding as at December 31, 2023	**148,039**	3.11	**5.23**	**111,306**
Of which vested	147,771	3.11	5.23	111,104
Of which non-vested	268	-		-
Granted	152,090	1.35	-	-
Exercised or converted	(23,570)	0.11	-	496,406
Forfeited or cancelled	-	-	-	-
Expired	(300)	-	-	-
Outstanding as at December 31, 2024	**276,259**	2.40	**5.25**	**5,235,260**
Of which vested	276,123	2.40	5.24	5,226,771
Of which non-vested	136	-	-	-
Granted	22,129	0.97	-	-
Exercised or converted	(7,741)	0.13	-	127,275
Forfeited or cancelled	(1,200)	3.16	-	-
Expired	(200)	-	-	-
Outstanding as at December 31, 2025	**289,247**	2.47	**4.31**	**4,073,566**
Of which vested	289,247	2.47	4.31	4,073,566
Of which non-vested	-	-	-	-

Options on WIHN Class A Shares	WIHN Class A Shares under options	Weighted-average exercise price (USD)	Weighted average remaining contractual term (in years)	Aggregate intrinsic value (USD)
Outstanding as at December 31, 2023	**392,720**	**0.25**	**4.90**	**23,339**
Of which vested	392,720	0.25	4.90	23,339
Granted	**-**	**-**	**-**	**-**
Outstanding as at December 31, 2024	**392,720**	**0.25**	**3.90**	**723,175**
Of which vested	392,720	0.25	3.90	723,175
Granted	**-**	**-**	**-**	**-**
Outstanding as at December 31, 2025	**392,720**	**0.25**	**2.90**	**526,675**
Of which vested	392,720	0.25	2.90	526,675

Stock-based compensation in SEALSQ Corp

Employee stock option plans

The F Share Option Plan ("**FSOP**") and the Ordinary Share Option Plan ("**OSOP**") were approved respectively on January 19, 2023, and September 15, 2023, by the Board of directors of SEALSQ.

Grants

During the years ended December 31, 2025, 2024 and 2023, the Group granted options exercisable into ordinary and F shares of SEALSQ as follows:

Year ended December 31,	Options granted on Ordinary Shares of SEALSQ	Options granted on F Shares of SEALSQ
2025	3,042,652	-
2024	245,165	23
2023	-	77

Options granted during the periods were primarily issued to Board members, employees, and certain external advisors. Each option entitles the holder to acquire one share.

Stock option charge to the income statement

The Group calculates the fair value of options granted by applying the Black-Scholes option pricing model. Expected volatility was based on historical volatility of SEALSQ's ordinary shares in 2025 and 2024, and on historical share price volatility of other companies in the same industry and of a similar size for prior periods.

In the year ended December 31, 2025, a total charge of USD 11,260,701 for options granted to Board members, employees and advisors was recognized in the consolidated income statement calculated by applying the Black-Scholes model at grant, in relation to options.

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

Assumption	December 31, 2025	December 31, 2024	December 31, 2023
Dividend yield	None	None	None
Risk-free interest rate used (average)	1.00%	1.00%	1.00%
Expected market price volatility	175.40 - 183.25%	65.31 - 140.47%	73.19%
Average remaining expected life of stock options on F shares (years)	-	-	6.19
Average remaining expected life of stock options on ordinary shares (years)	5.33	6.53	n/a

The following tables illustrate the development of the Group's non-vested options for the years ended December 31, 2025 and 2024.

	Options on ordinary shares	
Non-vested options	**Number of shares under options**	**Weighted-average grant date fair value (USD)**
Non-vested options as at December 31, 2023	**-**	**-**
Granted	245,165	0.61
Vested	245,165	0.61
Non-vested forfeited or cancelled	-	-
Non-vested options as at December 31, 2024	**-**	**-**
Granted	3,042,652	2.94
Vested	3,041,452	2.93
Non-vested forfeited or cancelled	-	-
Non-vested options as at December 31, 2025	**1,200**	**4.29**

	Options on F shares	
Non-vested options	**Number of shares under options**	**Weighted-average grant date fair value (USD)**
Non-vested options as at December 31, 2023	**-**	**-**
Granted	23	2.35
Vested	23	2.35
Non-vested forfeited or cancelled	-	-
Non-vested options as at December 31, 2024	**-**	**-**
Granted	-	-
Vested	-	-
Non-vested forfeited or cancelled	-	-
Non-vested options as at December 31, 2025	**-**	**-**

The following tables summarize the Group's stock option activity for the years ended December 31, 2025 and 2024.

Options on ordinary shares	**Ordinary shares under options**	**Weighted-average exercise price (USD)**	**Weighted average remaining contractual term (in years)**	**Aggregate intrinsic value (USD)**
Outstanding as at December 31, 2023	**-**	**-**	**-**	**-**
Of which vested	-	-	-	-
Granted	245,165	0.01	**-**	**-**
Outstanding as at December 31, 2024	**245,165**	**0.01**	**6.65**	**1,505,313**
Of which vested	245,165	0.01	**6.65**	1,505,313
Granted	3,042,652	0.01	**-**	**-**
Exercised or converted	(2,647,019)	0.01	**-**	**9,471,366**
Forfeited or cancelled	(65,774)	0.01	**-**	**-**
Outstanding as at December 31, 2025	**575,024**	**0.04**	**6.14**	**2,152,900**
Of which vested	573,824	0.04	**6.14**	2,148,376

Options on F shares	**F shares under options**	**Weighted-average exercise price (USD)**	**Weighted average remaining contractual term (in years)**	**Aggregate intrinsic value (USD)**
Outstanding as at December 31, 2023	**77**	**0.05**	**6.19**	**19**
Of which vested	77	0.05	**6.19**	19
Granted	23	0.05	**-**	**-**
Exercised or converted	(100)	0.05	**-**	**118**
Outstanding as at December 31, 2024	**-**	**-**	**-**	**-**
Of which vested	-	-	**-**	-
Granted	-	-	**-**	**-**
Exercised or converted	-	-	**-**	**-**
Outstanding as at December 31, 2025	**-**	**-**	**-**	**-**
Of which vested	-	**-**	**-**	-

Summary of stock-based compensation expenses

Stock-based compensation expenses USD'000	12 months ended December 31, 2025	2024	2023
In relation to Employee Stock Option Plans (ESOP)	(2,950)	1,034	178
In relation to non-ESOP Option Agreements	36	-	-
In relation to SEALSQ Corp's OSOP	11,261	148	-
Total	**8,347**	**1,182**	**178**

Stock-based compensation expenses are recorded under the following expense categories in the income statement.

Stock-based compensation expenses USD'000	12 months ended December 31, 2025	2024	2023
Research & development expenses	2,062	-	-
Selling & marketing expenses	3,069	-	67
General & administrative expenses	3,216	1,182	111
Total	**8,347**	**1,182**	**178**

The following table reconciles the total stock-based compensation expense to the amounts recognized in stockholders' equity:

Stock-based compensation expenses USD'000	12 months ended December 31, 2025	2024	2023
Total stock-based compensation for the period	8,347	1,182	178
Less: stock-based compensation classified as liability	(5,084)	-	-
Stock-based compensation recognized in APIC	**3,263**	**1,182**	**178**

Note 34. Non-operating income

Non-operating income consisted of the following:

USD'000	12 months ended December 31, 2025	2024	2023
Foreign exchange gain	3,483	686	1,315
Gains from the remeasurement of crypto assets	27	-	-
Unrealized gains on investment	32	-	-
Sale of arago intellectual property	-	-	900
Financial income	44	684	36
Interest income	6,107	174	90
Gain on repayment of ExWorks Loan	3,699	-	-
Other	31	85	33
Total non-operating income	**13,423**	**1,629**	**2,374**

Note 35. Non-operating expenses

Non-operating expenses consisted of the following:

USD'000	12 months ended December 31, 2025	2024	2023
Foreign exchange losses	3,479	775	2,134
Financial charges	368	317	261
Interest expense	(21)	884	702
Other components of defined benefit plans, net	(123)	29	(45)
Other	13	13	55
Total non-operating expenses	**3,716**	**2,018**	**3,107**

The credit balance in interest expense is due to the reversal of an accrued interest balance for a total amount of USD 66,500.

Note 36. Income taxes

The following table summarizes income / (loss) before income taxes by jurisdiction:

Income / (loss)	12 months ended December 31,		
USD'000	2025	2024	2023
Switzerland	(23,248)	(18,571)	(18,766)
Foreign	(14,963)	(10,286)	3,547
Loss before income tax	**(38,211)**	**(28,857)**	**(15,219)**

The following table summarizes income tax income/ (expense) before income taxes by jurisdiction:

	12 months ended December 31,		
USD'000	2025	2024	2023
Current			
Switzerland	-	-	-
Foreign	163	(3,086)	(230)
Deferred			
Switzerland	-	-	-
Foreign	-	-	-
Income tax (expense) / income	**163**	**(3,086)**	**(230)**

The difference between the income tax recovery / (expense) at the Swiss Federal statutory income tax rate of 8.5% compared to the Group's income tax recovery / (expense) as reported is reconciled below. In line with ASU 2023-09, the Group has elected not to restate prior periods.

USD'000	12 months ended December 31, 2025
Net loss before income tax	(38,211)
Swiss Federal statutory tax rate	3,248
State and local income taxes (Geneva), net of federal income tax effect	-
Foreign tax effects	
France	
State income taxes, net of federal income tax effect	(1,087)
Changes in tax loss carryforwards from acquisition	3,531
Change in loss carryforwards in relation to the debt remission	105
Changes in tax loss carryforwards	4,161
Permanent Difference in relation to stock-based compensation	37
Changes in valuation allowances	(7,883)
Amortization of deferred tax liabilities from acquisition	171
Other	(22)
Effect of changes in tax laws or rates enacted in the current period	-
Effect of cross-border tax laws	-
Tax credits	
Changes in tax loss carryforwards	1,630
State income taxes, net of federal income tax effect	(1,976)
Changes in valuation allowances	(1,671)
Nontaxable or nondeductible items	
Permanent Difference in relation to stock-based compensation	257
Changes in unrecognized tax benefits	-
Other	(337)
Income tax (expense) / recovery	**163**

USD'000	12 months ended December 31, 2024	2023
Net income / (loss) before income tax	(28,857)	(15,219)
Statutory tax rate	14.7%	14%
Expected income tax (expense) / recovery	4,242	2,131
Change in tax loss carryforwards	5,469	2,778
Change in loss carryforwards in relation to the debt remission of SEALSQ France SAS	(52)	(514)
Change in valuation allowance	(8,656)	(2,682)
Permanent difference in relation to stock-based compensation	(21)	2
Foreign tax effects	(1,521)	509
Nontaxable or nondeductible items	(2,730)	(2,759)
Other	183	305
Income tax (expense) / recovery	**(3,086)**	**(230)**

The Group assesses the recoverability of its deferred tax assets and, to the extent recoverability does not satisfy the “more likely than not” recognition criterion under ASC 740, records a valuation allowance against its deferred tax assets. The Group considered its recent operating results and anticipated future taxable income in assessing the need for its valuation allowance.

In view of the Group’s continued loss before income tax in the year ended December 31, 2025, and of the anticipated future taxable income per management’s forecast, the Group assessed that the recoverability of its deferred tax assets remains below the “more likely than not” recognition criterion under ASC 740 as at December 31, 2025. Consequently, the Group maintained a full valuation allowance against its gross deferred tax assets.

The following table summarizes deferred income tax assets/ (liabilities) by jurisdiction.

USD'000	12 months ended December 31, 2025	2024
Switzerland	-	-
Foreign	(4,367)	-
Deferred income tax assets / (liabilities)	**(4,367)**	**-**

Deferred income tax assets/ (liabilities) consisted of the following:

USD'000	As at December 31, 2025	As at December 31, 2024
Defined benefit accrual	745	502
Tax loss carryforwards	38,481	29,006
Add back loss carryforwards used for the debt remission by SEALSQ France SAS	881	776
Valuation allowance	(40,107)	(30,284)
Deferred tax liability from acquisition	(4,367)	-
Deferred income tax assets / (liabilities)	**(4,367)**	**-**

In connection with the acquisition of IC’Alps, the Group recognized a net deferred tax liability of USD 4,366,726 as at December 31, 2025, related to intangible assets identified during the Purchase Price Allocation (PPA).

As of December 31, 2025, the Group's operating loss carryforwards in the following jurisdictions for its operations are as follows:

Operating loss-carryforward as of December 31, 2025

USD'000	USA	Switzerland	Spain	France	UK	Germany	India	Vietnam	Japan	Total
2026	-	5,873	-	-	-	-	-	-	-	5,873
2027	-	24,422	-	-	-	-	-	3	-	24,425
2028	-	30,089	-	-	-	-	-	4	-	30,093
2029	-	67,613	-	-	-	-	-	3	-	67,616
2030	-	24,868	-	-	-	-	-	4	-	24,872
2031	-	22,654	-	-	-	-	9	-	-	22,663
2032	-	22,596	-	-	-	-	77	-	-	22,673
2033	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-
2035	89	-	-	-	-	-	-	-	-	89
2036	-	-	-	-	-	-	-	-	-	-
2037	159	-	-	-	-	-	-	-	-	159
2038	-	-	-	-	-	-	-	-	-	-
2039	220	-	-	-	-	-	-	-	-	220
2040	90	-	-	-	-	-	-	-	-	90
2041	1	-	-	-	-	-	-	-	-	1
2042	45	-	-	-	-	-	-	-	-	45
2043	-	-	-	-	-	-	-	-	-	-
2044	18	-	-	-	-	-	-	-	-	18
2045	59	-	-	-	-	-	-	-	-	59
No expiry	n/a	n/a	4,170	54,521	10	7	n/a	n/a	9	58,717
Total operating loss carry-forwards / Year of expiration if applicable to jurisdiction										
	681	**198,115**	**4,170**	**54,521**	**10**	**7**	**86**	**14**	**9**	**257,613**

The following tax years remain subject to examination by tax authorities:

Significant jurisdictions	**Open years**
Switzerland	2024 - 2025
USA	2025
France	2022 – 2025
Spain	2022 – 2025
Japan	2025
Taiwan	2025
India	2025
Germany	2025
UK	2021 - 2025
Vietnam	2025

The Group has no unrecognized tax benefits.

Note 37. Segment information and geographic data

The Group has two operating segments that meet the criteria set in ASC 280-10-50: Semiconductors and ASIC.
During 2025, the Group revised its reportable segments to reflect changes in internal management reporting. The Company now reports two reportable segments: Semiconductors and ASIC. Corporate activities are now included within "Other profit or loss." Prior period segment information has been recast to conform to the current year presentation.

Both the Semiconductors and ASIC reportable segments are strategic business units that offer specific products and are managed separately because they require dedicated resources and a targeted marketing strategy. The Semiconductors segment encompasses the design, manufacturing, sales and distribution of high-end, Common Criteria EAL5+ & FIPS 140-3-certified secure microprocessors. The ASIC segment's operations include a complete offering for Application Specific Integrated Circuits (ASIC) and Systems on Chip (SoC) development from circuit specification, mastering design in-house, up to qualification and the management of the entire production supply chain. The ASIC reportable segment did not exist prior to August 4, 2025, when the Group acquired IC'Alps.

The Semiconductors segment is subject to export controls and government procurement regulations. The ASIC segment may also be subject to customer-specific regulatory and qualification requirements depending on end-market applications.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Group's chief operating decision maker, who is its Chief Executive Officer, evaluates performance for its reportable segments based on segment net sales and gross profit where applicable, and on operating income or loss for purposes of allocating resources (including employees, property, plant and equipment, and financial resources) and assessing budgets and performance. The chief operating decision maker considers budget-to-actual variances on a quarterly basis.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current market prices.

12 months ended December 31,	**2025**			**2024**		
USD'000	**Semiconductors**	**ASIC**	**Total**	**Semiconductors**	**ASIC**	**Total**
Revenue from external customers	14,651	3,601	18,252	10,981	-	10,981
Intersegment revenue		444	444		-	-
	14,651	4,045	18,696	10,981	-	10,981
Reconciliation of revenue						
Elimination of intersegment revenue		(444)	(444)			-
Other revenue[2]			1,037			894
Total consolidated revenue			19,289			11,875
Less:[1]						
Cost of revenue	9,203	419	9,622	7,253	-	7,253
Segment gross profit	5,448	3,182	8,630	3,728	-	3,728
Less:[1]						
Total operating expenses	17,737	5,022	22,759	12,845	-	12,845
Other segment items	1,269)	(240)	1,029	(109)	-	(109)
Segment profit /(loss) before income taxes	(13,558)	(1,600)	(15,158)	(9,008)	-	(9,008)
Reconciliation of profit or loss (segment profit / (loss))						
Other profit or loss[2]			(23,053)			(19,849)
Elimination of intersegment profits			-			-
Loss before income tax expense			(38,211)			(28,857)
Other segment disclosures						
Interest revenue	7	-	7	160	-	160
Interest expense	370	51	421	95	-	95
Depreciation and amortization	678	1,525	2,203	628	-	628
Profit / (loss) from intersegment sales	-	21	21	-	-	-
Income tax recovery / (expense)	-	(171)	(171)	(3,077)	-	(3,077)
Segment assets	17,171	30,721	47,892	13,564	-	13,564

12 months ended December 31,	**2023**		
USD'000	**Semiconductors**	**ASIC**	**Total**
Revenue from external customers	30,058	-	30,058
Intersegment revenue	-	-	-
	30,058	-	30,058
Reconciliation of revenue			
Other revenue[2]			-
Elimination of intersegment revenue			860
Total consolidated revenue			30,918
Less:[1]			
Cost of revenue	16,009	-	16,009
Segment gross profit	14,049	-	14,049
Less:[1]			
Total operating expenses	12,300	-	12,300
Other segment items	(1,706)	-	(1,706)
Segment profit / (loss) before income taxes	3,455	-	3,455
Reconciliation of profit or loss (segment profit / (loss))			
Other profit or loss[2]			(18,674)
Elimination of intersegment profits			-
Loss before income tax expense			(15,219)

12 months ended December 31,	2023		
USD'000	Semiconductors	ASIC	Total
Other segment disclosures			
Interest revenue	88	-	88
Interest expense	109	-	109
Depreciation and amortization	571	-	571
Profit / (loss) from intersegment sales	-	-	-
Income tax recovery / (expense)	(218)	-	(218)
Segment assets	23,736	-	23,736

(1) The significant expense categories and amounts align with the segment-level information that is regularly provided to the chief operating decision maker. Intersegment expenses are included within the amounts shown.
(2) Other revenue and Other profit or loss are attributable to subsidiaries that do not meet the definition of an operating segment and the activities of which include sales, support and distribution of our products, R&D, financing and anon-operating investment company.

Other segment items for each reportable segment are made up of non-operating expenses, including management expenses, foreign exchanges gains and losses, debt discount amortization and financing costs.

	As at December 31,	
USD'000	2025	2024
Asset reconciliation		
Total assets from reportable segments	47,892	13,564
Other assets[1]	534,943	127,624
Elimination of intersegment receivables	(29,736)	(7,168)
Elimination of intersegment investment and goodwill	(38,512)	(19,332)
Consolidated total assets	**514,587**	**114,688**

(1) Other assets are attributable to subsidiaries that do not meet the definition of an operating segment and the activities of which include sales, support and distribution of our products, R&D, financing and non-operating investment company. Most of Other assets refers to SEALSQ Corp, as the company is currently excluded from the reportable segments. Most of Other assets consists of cash.

Revenue and property, plant and equipment by geography

The following tables summarize geographic information for net sales based on the billing address of the customer, and for property, plant and equipment.

Net sales by region	12 months ended December 31,		
USD'000	2025	2024	2023
Switzerland	1,057	571	1,752
Rest of EMEA*	4,266	1,964	8,943
North America	10,619	7,642	16,646
Asia Pacific	3,227	1,642	3,466
Latin America	120	56	111
Total net sales	**19,289**	**11,875**	**30,918**

*EMEA means Europe, Middle East and Africa

Property, plant and equipment, net of depreciation, by region USD'000	As at December 31, 2025	As at December 31, 2024
Switzerland	49	74
Rest of EMEA	3,755	3,201
Total Property, plant and equipment, net of depreciation	**3,804**	**3,275**

Note 38. Earnings / (Loss) per share

The following table shows the computation of basic and diluted net earnings / (loss) per share for the Group.

Earnings / (loss) per share	12 months ended December 31, 2025	2024	2023
Net earnings / (loss) attributable to WISeKey International Holding Ltd (USD'000)	(6,072)	(13,446)	(15,360)
Effect of potentially dilutive instruments on net gain (USD'000)	n/a	n/a	n/a
Net earnings / (loss) attributable to WISeKey International Holding Ltd after effect of potentially dilutive instruments (USD'000)	n/a	n/a	n/a
Class A Shares, par value CHF 0.01, CHF 0.01 and CHF 0.25			
Shares used in net earnings / (loss) per Class A Share computation:			
Weighted average Class A Shares outstanding - basic	1,600,880	1,600,880	1,600,880
Effect of potentially dilutive equivalent shares	n/a	n/a	n/a
Weighted average Class A Shares outstanding - diluted	1,600,880	1,600,880	1,600,880
Net earnings / (loss) per Class A Share			
Basic weighted average loss per Class A Share attributable to WISeKey International Holding Ltd (USD)	(0.15)	(0.39)	(0.51)
Diluted weighted average loss per Class A Share attributable to WISeKey International Holding Ltd (USD)	(0.15)	(0.39)	(0.51)
Class B Shares, par value CHF 0.10, CHF 0.10 and CHF 2.50			
Shares used in net earnings / (loss) per Class B Share computation:			
Weighted average Class B Shares outstanding - basic	4,024,078	3,323,581	2,878,136
Effect of potentially dilutive equivalent shares	n/a	n/a	n/a
Weighted average Class B Shares outstanding - diluted	4,024,078	3,323,581	2,878,136
Net earnings / (loss) per Class B Share			
Basic weighted average loss per Class B Share attributable to WISeKey International Holding Ltd (USD)	(1.45)	(3.86)	(5.06)
Diluted weighted average loss per Class B Share attributable to WISeKey International Holding Ltd (USD)	(1.45)	(3.86)	(5.06)

For purposes of the diluted net loss per share calculation, stock options, convertible instruments and warrants are considered potentially dilutive securities and are excluded from the calculation of diluted net loss per share, because their effect would be anti-dilutive. Therefore, basic and diluted net loss per share was the same for the years ended December 31, 2025, 2024 and 2023, due to the Group's net loss position.

The following table shows the number of potentially dilutive securities that were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

Dilutive vehicles with anti-dilutive effect	2025	2024	2023
Class B Shares			
Total stock options on Class B Shares	378,711	275,791	147,371
Total convertible instruments on Class B Shares	685	3,086	62,324
Total number of Class B Shares from dilutive vehicles with anti-dilutive effect	**379,396**	**278,877**	**209,695**
Class A Shares			
Total stock options on Class A Shares	392,720	392,720	392,720
Total number of Class A Shares from dilutive vehicles with anti-dilutive effect	**392,270**	**392,270**	**392,720**

Note 39. Legal proceedings

The Group is not currently a party to any legal proceedings or claims for which a provision has not been recognized in the consolidated financial statements.

Note 40. Related parties disclosure

Subsidiaries

The following table presents the entities incorporated within the Group's consolidated financial statements.

Group Company Name	Country of incorporation	Year of incorporation	Share Capital	% ownership as at December 31, 2025	% ownership as at December 31, 2024	Nature of business
WISeKey SA	Switzerland	1999	CHF 933,436	95.75%	95.75%	Main operating company. Sales and R&D services
SEALSQ France SAS*	France	2010	EUR 1,473,162	6.78%	12.55%	Chip manufacturing, sales & distribution
WiseTrust SA	Switzerland	1999	CHF 680,000	100%	100%	Non-operating investment company
WISeKey ELA SL	Spain	2006	EUR 4,000,000	95.75%	95.75%	Sales & support
WISeKey SAARC Ltd	U.K.	2016	GBP 100,000	51%	51%	Non trading
WISeKey USA Inc[1]	U.S.A.	2006	USD 6,500	95.75%	95.75%	Sales & support
WISeKey India Private Ltd[2]	India	2016	INR 1,000,000	45.9%	45.9%	Sales & support
SEALSQ Japan KK[3*]	Japan	2017	JPY 1,000,000	6.78%	12.55%	Sales & distribution
SEALSQ France, Taiwan Branch[4*]	Taiwan	2017	TWD 100,000	6.78%	12.55%	Sales & distribution branch
WISeCoin AG	Switzerland	2018	CHF 100,000	90%	90%	Sales & distribution
WISeKey Equities AG	Switzerland	2018	CHF 100,000	100%	100%	Financing, Sales & distribution
WISeKey Semiconductors GmbH	Germany	2019	EUR 25,000	100%	100%	Sales & distribution
WISeKey Arabia - Information Technology Ltd	Saudi Arabia	2019	SAR 200,000	51%	51%	Sales & distribution
WISe.ART AG	Switzerland	2020	CHF 114,286	87.5%	87.5%	Sales & distribution
WISeKey Vietnam Ltd	Vietnam	2021	VND 689,400,000	95.75%	95.75%	R&D
SEALSQ Corp*	British Virgin Islands	2022	USD 229,453	6.78%	12.55%	Sales & support
WISeKey (Gibraltar) Limited	Gibraltar	2022	GBP 100	100%	100%	Sales & support
WISeSat.Space AG	Switzerland	2023	CHF 100,000	92.47%	100%	Sales & distribution
SEALSQ USA Ltd*	U.S.A.	2024	USD -	6.78%	100%	Sales & support
SEALCOIN AG	Switzerland	2024	CHF 133,333	75%	100%	Sales & distribution
WISeKey International Corp.	British Virgin Islands	2025	USD -	100%	-	Non trading
WISeSat.Space Corp.	British Virgin Islands	2025	USD -	92.47%	-	Non trading
IC'Alps SAS*	France	2025	EUR 1,100,000	6.78%	-	Custom ASIC design services
QAIT Corp.	British Virgin Islands	2025	USD -	100%	-	Non trading
Trust Protocol Association	Switzerland	2019	CHF -	100%	100%	Association cofounded by WISeKey Equities AG involved in Internet security

[1] 50% owned by WISeKey SA and 50% owned by WiseTrust SA
[2] 88% owned by WISeKey SAARC which is controlled by WISeKey International Holding Ltd
[3] Formerly WISeKey IoT Japan KK
[4] Formerly WISeKey IoT Taiwan.
*The WISeKey Group holds over 50% of the voting rights of SEALSQ Corp and management has assessed that the Group controls SEALSQ Corp. As a result, SEALSQ Corp and its subsidiaries have been consolidated into the WISeKey Group's condensed consolidated financial statements.

Unconsolidated affiliates

As per the table below, as at December 31, 2025, the Group holds two equity investments in unconsolidated affiliates over which it exercises significant influence, but which are not consolidated because the Group does not control the entities. As detailed in Note 22, these investments are accounted for under the equity method of accounting in accordance with ASC 323.

Company Name	% ownership as at December 31, 2025	% ownership as at December 31, 2024	Nature of relationship
Wecan Group AG	31.87%	n/a	Equity method investment
Quantix Edge Security, S.L.	25.50%	n/a	Equity method investment

Related party transactions and balances

The following table presents the related parties incorporated within the Group's consolidated financial statements.

	Related Parties	Receivables as at December 31,		Payables as at December 31,		Net expenses to in the year ended December 31,			Net income from in the year ended December 31,		
	(in USD'000)	2025	2024	2025	2024	2025	2024	2023	2025	2024	2023
1	Carlos Moreira	-	-	614	1,441	-	-	-	-	-	-
2	John O'Hara	-	-	4	529	-	-	-	-	-	-
3	María Pía Aqueveque Jabbaz	-	-	-	14	98	78	116	-	-	-
4	Philippe Doubre	7	-	-	18	247	109	39	-	-	-
5	David Fergusson	-	49	26	-	299	429	61	-	-	-
6	Jean-Philippe Ladisa	-	-	-	19	489	179	116	-	-	-
7	Philippe Monnier	-	-	-	19	145	106	-	-	-	-
8	Peter Ward	-	-	1,589	1,638	1,478	272	-	2,353	-	-
9	Ruma Bose	-	-	-	13	162	97	33	-	-	-
10	Cristina Dolan	-	-	-	13	222	163	76	-	-	-
11	Danil Kerimi	-	-	-	13	27	105	8	-	-	-
12	Eric Pellaton	-	-	-	13	161	165	76	-	-	-
13	Hossein Rahnama	-	-	-	-	85	-	-	-	-	-
14	OISTE	143	158	183	83	376	309	321	146	184	119
15	Terra Ventures Inc	-	-	33	31	-	-	-	-	-	-
16	GSP Holdings Ltd	-	-	17	16	-	-	-	-	-	-
17	SAI LLC (SBT Ventures)	-	-	34	31	-	-	-	-	-	-
18	Related parties of Carlos Moreira	-	-	-	-	643	372	298	-	-	-
	Total	**150**	**207**	**2,500**	**3,891**	**4,432**	**2,384**	**1,144**	**2,499**	**184**	**119**

1. Carlos Moreira is the Chairman of the Board and CEO of WISeKey. Mr. Moreira is also the Chairman of the board of directors of SEALSQ Corp. A short-term payable to Carlos Moreira in an amount of USD 614,335 was outstanding as at December 31, 2025, made up of accrued bonuses and social charges thereon.

2. John O'Hara is a member of the Board and CFO of WISeKey. Mr. O'Hara is also a member of the board of directors of SEALSQ Corp. A short-term payable to John O'Hara in an amount of USD 3,848 was outstanding as at December 31, 2025, in relation to a tax refund.

3. María Pía Aqueveque Jabbaz is a Board member of the Group. The expenses recorded in the income statement in the year to December 31, 2025 relate to her Board fee.

4. Philippe Doubre is a Board member of the Group, member of the Group's nomination & compensation committee, and a former advisor to the Group. The expenses recorded in the income statement in the year to, and the receivable balance as at, December 31, 2025 relate to his Board fee.

5. David Fergusson is a Board member of the Group, chairman of the Group's nomination & compensation committee and member of the Group's audit committee. Mr. Fergusson is also a member of the board of directors of SEALSQ Corp, chairman of the SEALSQ Corp's nomination & compensation committee and member of the audit committee of SEALSQ Corp. The expenses recorded in the income statement in the year to December 31, 2025 relate to his Board fee. The payable balance as at December 31, 2025 consists of a USD 26,262 refund of social charges that were erroneously deducted from his director's fee.

6. Jean-Philippe Ladisa is a Board member of the Group, chairman of the Group's audit committee and member of the Group's nomination & compensation committee. The expenses recorded in the income statement in the year to December 31, 2025 relate to his Board fee.

7. Philippe Monnier is a Board member of the Group. The expenses recorded in the income statement in the year to December 31, 2025 relate to his Board fee.

8. Peter Ward is a Board member of the Group and was the CFO of WISeKey up until June 30, 2024. Mr. Ward is also a member of the board of directors of SEALSQ Corp and was SEALSQ Corp's CFO up until January 24, 2024. A payable balance of USD 1,588,975 is owing to Mr. Ward as at, December 31, 2025 in relation to accumulated unused vacation allowance while he was employed by the Group; it is disclosed in the balance sheet under accounts payable to Board Members for its current portion of USD 264,829 (see Note 23) and as indebtedness to related parties, noncurrent for its noncurrent portion of USD 1,324,146 (see Note 25). The remaining payable balance to Mr. Ward as at, December 31, 2025 relates to his Board fee. The expenses recorded in the income statement in the year to December 31, 2025 relate to his Board fee. In line with ASC 850, the expenses incurred in the year to December 31, 2025 related to his compensation while he was employed by the Group do not require specific disclosure.

9. Ruma Bose is a member of the board of directors of SEALSQ Corp. The expenses recorded in the income statement in the year to December 31, 2025.

10. Cristina Dolan is a member of the Board of Directors of SEALSQ Corp and the Chairwoman of the audit committee of SEALSQ Corp. Ms. Dolan is also a former Board member of the Group, a former member of the Group's audit committee and a former member of the Group's nomination & compensation committee. The expenses recorded in the income statement in the year to December 31, 2025 relate to her Board fee.

11. Danil Kerimi is a member of the board of directors of SEALSQ Corp. The expenses recorded in the income statement in the year to December 31, 2025 relate to his Board fee.

12. Eric Pellaton is a member of the Board of Directors of SEALSQ Corp, member of the SEALSQ Corp's nomination & compensation committee and member of the audit committee of SEALSQ Corp. Mr. Pellaton is also a former Board member of the WISeKey Group and a former member of the Group's nomination & compensation committee. The expenses recorded in the income statement in the year to December 31, 2025 relate to his Board fee.

13. Hossein Rahnama is a former member of the board of directors of SEALSQ Corp. The expenses recorded in the income statement in the year to December 31, 2025 relate to his Board fee.

14. The Organisation Internationale pour la Sécurité des Transactions Electroniques ("**OISTE**") is a Swiss non-profit making foundation that owns a cryptographic rootkey. In 2001 WISeKey SA entered into a contract with OISTE to operate and maintain the global trust infrastructures of OISTE. In line with the contract, WISeKey pays a regular fee to OISTE for the use of its cryptographic rootkey. Two members of the Board of Directors of WISeKey are also members of the Counsel of the Foundation which gives rise to the related party situation.
OISTE is also the minority shareholder in WISeCoin AG with a 10% ownership.
The receivable from OISTE as at December 31, 2025 and income recorded in the income statement for the year ended December 31, 2025 relate to the facilities and personnel hosted by WISeKey SA and WISeKey International Holding Ltd on behalf of OISTE. In the year 2025, the Group invoiced OISTE a total of CHF 121,258 (USD 146,219). The payable to OISTE as at December 31, 2025 and expenses relating to OISTE recognized in 2025 are made up of license and royalty fees for the year 2025 under the contract agreement with WISeKey SA.

15. Terra Ventures Inc has a 49% shareholding in WISeKey SAARC Ltd. Terra Ventures granted a GBP 24,507 loan to WISeKey SAARC Ltd on January 24, 2017. The loan is non-interest bearing and has no set repayment date.

16. GSP Holdings Ltd is a former shareholder in WISeKey SAARC Ltd. GSP Holdings Ltd granted a GBP 12,500 loan to WISeKey SAARC Ltd on February 2, 2017. The loan is non-interest bearing and has no set repayment date.

17. SAI LLC, doing business as SBT Ventures, is a former shareholder in WISeKey SAARC Ltd. SAI LLC granted a GBP 25,000 loan to WISeKey SAARC Ltd on January 25, 2017. The loan is non-interest bearing and has no set repayment date.

18. Three immediate family members of Carlos Moreira were employed by WISeKey SA in 2025. In line with ASC 850-10-50-5, transactions involving related parties cannot be presumed to be carried out on an arm's length basis. The aggregate employment remuneration of these three immediate family members amounted to CHF 532,983 (USD 642,696) recorded in the income statement in 2025.

Entities under common control

During 2025, WISeSat.Space Holdings Corp (British Virgin Islands) and its wholly owned subsidiary, WISeSat Merger Sub Corp (Cayman Islands), were established and are ultimately owned by the Group's CEO, Carlos Moreira. These entities were formed to facilitate a potential business combination transaction involving WISeSat. The Group does not hold any ownership interest in these entities and no transactions occurred between the Group and these entities during the year ended December 31, 2025. These entities are considered related parties due to common control through key management.

Note 41. Subsequent events

Investment in EeroQ

On February 16, 2026, the Group, through its subsidiary SEALSQ, entered into a second Simple Agreement for Future Equity ("SAFE") with EeroQ Corporation for a total investment of USD 1 million. The investment does not convey equity ownership, voting rights, or significant influence at inception.

Share Purchase Agreement with Several Institutional Investors signed in March 2026

On March 16, 2026, the Group entered into a Securities Purchase Agreement with several institutional investors to sell and issue (i) 22,913,630 ordinary shares of SEALSQ and (ii) pre-funded ordinary share purchase warrants to purchase up to 7,500,000 ordinary shares of SEALSQ (the "Pre-funded Warrants") together with Class D ordinary share purchase warrants to purchase up to 60,827,260 ordinary shares of SEALSQ (the "Class E Warrants" and, together with the Pre-funded Warrants, the "Private Warrants"), for aggregate gross proceeds of USD 125 million. Each Pre-funded Warrant is exercisable for one ordinary share of SEALSQ at an exercise price of USD 0.0001 per share and is immediately exercisable until exercised in full. The Class E Warrants are immediately exercisable, have an exercise price of USD 5.50 per ordinary share of SEALSQ, and expire seven years from the date of issuance. Each Class E Warrant is exercisable for one ordinary share of SEALSQ.

Proposed Acquisition of Miraex SA

On March 24, 2026, the Group entered into a Letter of Intent (the "LOI") to acquire 100% of the issued and outstanding share capital of Miraex SA, a company incorporated in Switzerland, for an aggregate cash purchase price of CHF 4,000,000, exclusive of the repayment of Miraex SA's outstanding convertible loans estimated at CHF 565,178.74. Immediately following completion of the proposed transaction, the Group intends to subscribe to a capital increase of up to CHF 1,000,000 to support Miraex SA's operations through fiscal years 2026 and 2027.

Concurrently with the execution of the LOI, the Group and Miraex SA entered into a convertible loan agreement in the principal amount of CHF 500,000 to provide interim bridge financing to preserve Miraex SA's operations pending completion of the proposed transaction, with the amount disbursed to be credited against the Group's obligation under the aforementioned capital increase. The LOI includes a 60-day exclusivity period during which Miraex SA may not solicit or enter into discussions with third parties regarding any competing transaction. Completion of the proposed acquisition remains subject to customary conditions, including satisfactory completion of due diligence, shareholder approval, and the absence of any material adverse change affecting Miraex SA.

Note 42. Impacts of ongoing conflicts

Impacts of the war in Ukraine

Following the outbreak of the war in Ukraine in late February 2022, several countries imposed sanctions on Russia, Belarus and certain regions in Ukraine. There has been an abrupt change in the geopolitical situation, with significant uncertainty about the duration of the conflict, changing scope of sanctions and retaliation actions including new laws.

The Group does not have any operation or customer in Russia, Belarus or Ukraine, and, as such, does not foresee any direct impact of the war on its operations. However, the war has also contributed to an increase in volatility in currency markets, energy prices, raw material and other input costs, which may impact the Group's supply chain in the future.

As of December 31, 2025, the Group assessed the consequences of the war for its financial disclosures and considered the impacts on key judgments and significant estimates and concluded that no changes were required. The Group will continue to monitor these areas of increased risk for material changes.

Impacts of the Israel–Hamas and U.S./Israel–Iran conflicts

Israel's declaration of war on Hamas in October 2023 has degraded the geopolitical environment in the region and created uncertainty. On February 28, 2026, the U.S. and Israel launched coordinated strikes against Iran: Iran's retaliation attacks expanded the conflict beyond just Iran and Israel and has threatened some commercial routes, especially traffic through the Strait of Hormuz.

The Group does not have any operation or customer in that region, and, as such, does not foresee any direct impact of these conflicts on its operations. The Group's supply chain is not dependent on commercial route through and around the Strait of Hormuz. However, depending on their duration and intensity, these conflicts may adversely affect the global economy, financial markets and the Group's supply chain in the future.

As of December 31, 2025 and as of the filing date, the Group assessed the consequences of the war for its financial disclosures and considered the impacts on key judgments and significant estimates and concluded that no changes were required. The Group will continue to monitor these areas of increased risk for material changes.

Our business could suffer as a result of tariffs and trade sanctions or similar actions

The imposition by the United States of tariffs, sanctions or other restrictions on goods exported from the United States or imported into the United States, or countermeasures imposed in response to such government actions, could adversely affect our operations or our ability to sell our products globally, which could adversely affect our operating results and financial condition. Recently, U.S. government leaders have increased their frequency of discussion of the imposition of stronger tariffs, sanctions, and other restrictions on goods exported from the United States or imported into the United States, and non-U.S. government leaders have increased their discussion of countermeasures. For example, in February 2025, the United States announced a proposed 25% tariff on imports of all semiconductor chips into the United

States. As of March 2025, the U.S. President has reserved for further increases in the scope and amount of tariffs in the event of retaliatory countermeasures, and the future of existing tariffs, and as a result, the possibility for new tariffs and countermeasures, remains very uncertain. Although a large amount of our supply chain does not currently directly import products to the United States as we supply to contract manufacturers outside the United States, there is a possibility that any future tariffs may still impact upon our ability to sell our product and to remain competitive in the market. Such escalations in these trade measures may directly impair our business by increasing trade-related costs or disrupting established supply chains and may indirectly impair our business by causing a negative effect on global economic conditions and financial markets. The ultimate impact of these trade measures is uncertain and may be affected by various factors, including whether and when such trade measures are implemented, the timing when such measures may become effective, and the amount, scope, or nature of such trade measures.

As at December 31, 2025, SEALSQ assessed the impact of these uncertainties for its financial disclosures and considered the impacts on key judgments and significant estimates, and concluded that no changes were required. WISeKey will continue to monitor these areas of increased risk for material changes.