



INSIDE Secure to sell its semiconductor business to Swiss cybersecurity expert WISEKey

- **Exit from semiconductor to complete repositioning of INSIDE Secure as a software security and technology licensing company for mobile and IoT applications**
- **Continued support for existing products and development projects to ensure a smooth customer transition**
- **Transaction value of CHF 13 million, includes 2 million in cash and 11 million in loan note convertible into WISEKey unrestricted shares (listed on the SIX Swiss Exchange market)**
- **Expected to close in the third quarter 2016**

Aix-en-Provence, France, May 19, 2016 – INSIDE Secure (Euronext Paris: INSD), a leader in embedded security solutions for mobile and connected devices, today announced it is about to reach an agreement to sell its semiconductor business to WISEKey International Holding Ltd, a Swiss cybersecurity company listed in Zurich (SIX Swiss Exchange market: WIHN), for an enterprise value of CHF 13 million (\$13.2 million), net of transferred cash.

The completion of the contemplated transaction would mark the final step in the repositioning of INSIDE Secure as a software security and technology licensing company, as announced on February 25, 2016. The company's entire focus will be on software security serving primarily the expanding payment and mobile banking markets, and licensing embedded security technologies that serve the IoT markets

WISEKey is an existing customer of INSIDE Secure in the field of anti-counterfeiting solutions. The combination of WISEKey and INSIDE Secure's semiconductor business would enable the creation of a comprehensive cybersecurity vertical trusted platform combining hardware, crypto and software and will reinforce the positioning of WISEKey as a cybersecurity IoT player. Ongoing support and solutions would be provided to existing INSIDE Secure semiconductor customers for existing products and development projects to ensure a smooth transition.

The scope of the transaction would include the transfer of products, technology, customer agreements, and certain patents. More generally, it would also include the transfer of assets related to the development and sale of secure integrated circuits as well as a complete team (R&D, sales, marketing, and support). This largely comprises the semiconductor activities of INSIDE Secure for the Internet of Things (IoT), anti-counterfeiting and brand protection, EMV payment card and secure access, which generated pro forma revenue (unaudited) of \$33.6 million in 2015.

At closing, INSIDE Secure would receive a cash consideration of CHF 2 million (net of transferred cash) together with a loan note redeemable into WISEKey International Holding Ltd Class B listed shares for an amount of CHF 11 million. The convertible loan note would have a 9-month maturity, bear a 2% coupon and could be converted at the option of INSIDE Secure, after a 2-month lock-up period, into freely tradeable Class B shares with a minimum 10% discount on the volume-weighted average quoted price during the 15 trading days prior to the conversion date. WISEKey would have a right to redeem the convertible loan note in cash, and INSIDE Secure may request, 20 days prior to maturity, redemption in cash for up to 30% of the principal amount of the convertible loan note.

The execution of the share and asset purchase agreement is expected to take place upon the completion of an information and consultation process with INSIDE Secure's works councils in France. The closing of the transaction, which is expected in the third quarter of 2016, is subject to customary signing and closing conditions.

About INSIDE Secure

INSIDE Secure (Euronext Paris FR0010291245 – INSD) provides comprehensive embedded security solutions. World-leading companies rely on INSIDE Secure's mobile security and secure transaction

offerings to protect critical assets including connected devices, content, services, identity and transactions. Unmatched security expertise combined with a comprehensive range of IP, semiconductors, software and associated services gives INSIDE Secure customers a single source for advanced solutions and superior investment protection. For more information, visit www.insidesecond.com.

About WISEKey

WISEKey is a leading cybersecurity company and selected as a World Economic Forum Global Growth Company. WISEKey is currently deploying large scale Internet of Things ("IoT") digital identity ecosystems and has become a pioneer of the 4th Industrial Revolution movement launched this year at the World Economic Forum in Davos. WISEKey's Swiss based Cryptographic Root of Trust (RoT) integrates wearable technology with secure authentication and identification, in both physical and virtual environments, and empowers IoT and wearable devices to become secure transactional devices. WISEKey has patented this process in the USA as it is currently used by many IoT providers.

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Forward-Looking Statements

This press release contains certain forward-looking statements relating to the business of INSIDE Secure, which shall not be considered per se as historical facts, including the ability to manufacture, market, commercialize and achieve market acceptance for specific projects developed by INSIDE Secure, estimates for future performance and estimates regarding anticipated operating losses, future revenues, capital requirements, needs for additional financing. In addition, even if the actual results or development of INSIDE Secure are consistent with the forward-looking statements contained in this press release, those results or developments of INSIDE Secure may not be indicative of their in the future.

In some cases, you can identify forward-looking statements by words such as "could," "should," "may," "expects," "anticipates," "believes," "intends," "estimates," "aims," "targets," or similar words. Although the management of INSIDE Secure believes that these forward-looking statements are reasonably made, they are based largely on the current expectations of INSIDE Secure as of the date of this press release and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the expectations of INSIDE Secure could be affected by, among other things, uncertainties involved in unexpected regulatory actions or delays related notably to building and operating permits and renewable support policies, competition in general or any other risk and uncertainties developed or identified in any public documents filed by INSIDE Secure with the AMF, included those listed in chapter 4 "Risk factors" of the 2015 "document de référence" approved by the French financial market authority (the Autorité des marchés financiers – the "AMF") on March 30, 2016 under number R. 16-014. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made in this press release will in fact be realized. Notwithstanding the compliance with article 223-1 of the General Regulation of the AMF (the information disclosed must be "accurate, precise and fairly

presented“), INSIDE Secure is providing the information in these materials as of this press release, and disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.