

## Case Study – WiseKey

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# Case Study - WiseKey



## Overview



**Company:** WIS@key Intl. Holdings  
**Country:** Switzerland  
**Sector:** Technology  
**Subsector :** IoT, Cybersecurity, AI

**WIS@key** is a digital information security, authentication, and identity management company headquartered in Geneva, Switzerland with subsidiaries around the world. WIS@key's network of services provide millions of users with privacy and cybersecurity services. WIS@key also solves advanced e-security issues for organizations in many important sectors including defense, health, education, finance, government and international sports.

**November 19, 2020 :** WIS@key International Holding Ltd and Arago GmbH - a leading German technology company that provides Artificial Intelligence to enterprises globally through Knowledge Automation - announced that they reached a binding agreement for WIS@key to acquire, through conversion of loan commitments and guaranteeing the Arago existing indebtedness, a majority interest of 51% in Arago.

**December 08, 2020 :** WIS@key signed a CHF 15.5 million high growth capital investment agreement with Alpha Blue Ocean to finance the acquisition of Arago and integration of its Artificial Intelligence capabilities on its Cybersecurity platform.

**February 01, 2021 :** WIS@key Acquires 51% of Arago's share capital and signs a binding Term Sheet to acquire the 49% remaining minority interest; the combined Company becomes a leader in the cybersecurity AI-powered knowledge automation market.

## Transaction Highlights

Signing date	08 December 2020
Facility	Convertible Bonds FP
Total Commitment	CHF 15,500,000
Agreement Length	18 months
Tranches	2 x CHF 2,500,000 7 x CHF 1,500,000
Use of Proceeds	M&A and integration work
First Tranche Disbursement	14 December 2020
Last Tranche Disbursement	03 May 2021
Total Capital Deployed	100%

## Market Cap & Share Price



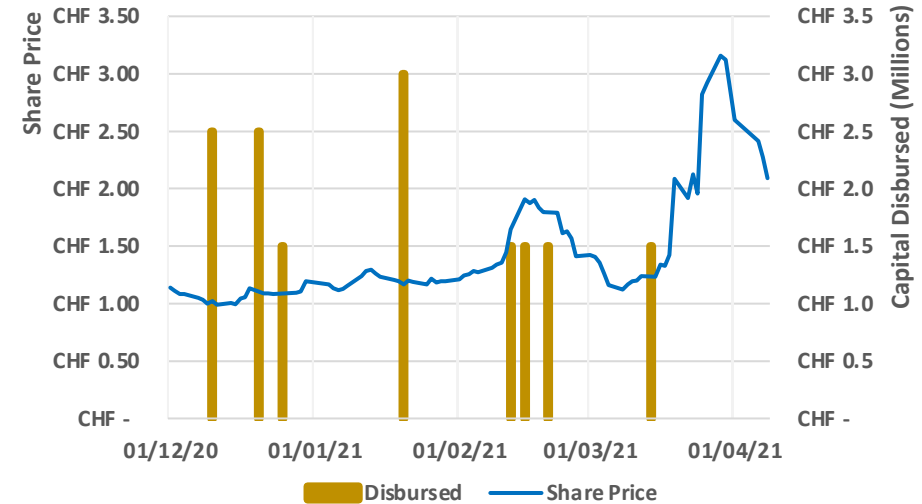
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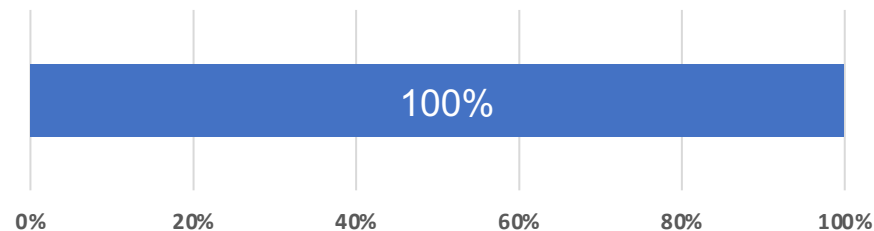
## Execution

- Alpha Blue Ocean and WISeKey entered into a financing agreement on December 8<sup>th</sup>, 2020.
- ABO disbursed a combined total of CHF 15.5 million over 9 tranches to WISeKey, with the first tranche disbursed on December 14<sup>th</sup>, 2020 and the ninth tranche disbursed on May 3<sup>rd</sup>, 2021.
- On February 01, 2021, Wisekey acquired 51% of Arago via the conversion of outstanding loans. On the same date, it announced the signing of a binding term sheet to acquire the remaining 49% interest in Arago, using the proceeds from the Alpha Blue Ocean financing line.
- Alpha Blue Ocean and WISeKey have announce the entering of a term-sheet for a second transaction, worth US\$10 million, to finance the launch of TrustNFT.IO, the Company's new NFT platform.

## Tranche Drawdown



## Total Commitment Disbursed

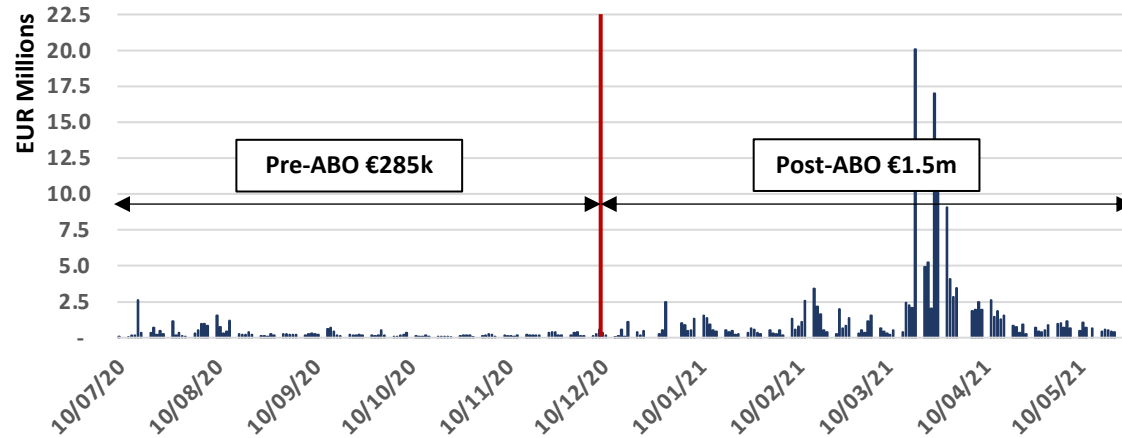


Date	Tranche	Amount (CHF)
14/12/2020	1	2,500,000
30/12/2020	2	2,500,000
08/01/2021	3	1,500,000
15/02/2021	4 & 5	3,000,000
18/03/2021	6	1,500,000
23/03/2021	7	1,500,000
30/03/2021	8	1,500,000
03/05/2021	9	1,500,000

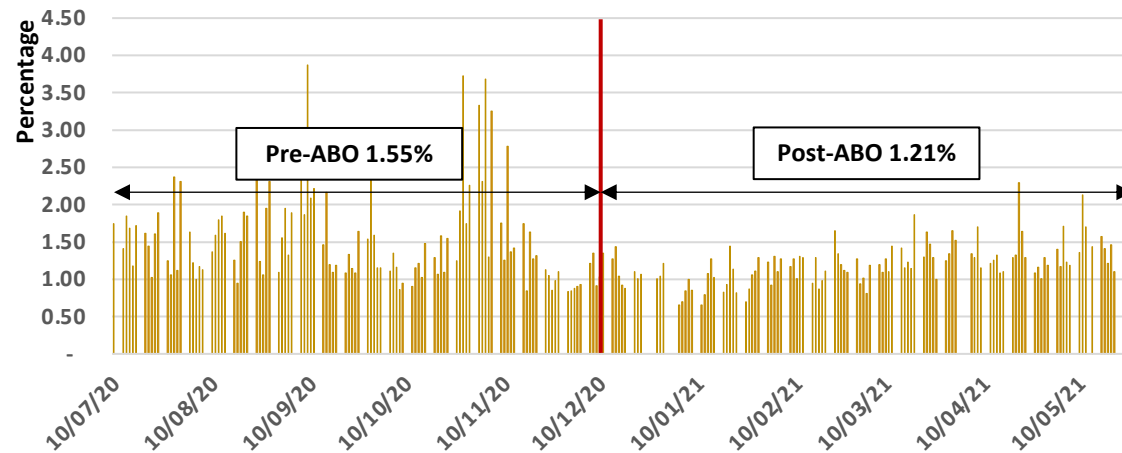
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## Daily Value Traded increased by 3.4x



## Bid-Ask Spread (as % of Closing Price) decreased by 58 bps



## Dilution

- A total of **13,599,271 shares** were issued during the convertible bond financing program, bringing the outstanding shares to a total of 72,720,054.
- The new outstanding shares entitle a total dilution approximately of 18.70% to the shareholders of the company for a total disbursed capital amount of **CHF 15,000,000**.
- A shareholder owning 1% of the total shares of the company prior to the financing program, would now own 0.81%.

Original Outstanding Shares	59,120,783
Issued Shares	13,599,271
New Outstanding Shares	72,720,054
Total Dilution	18.70%

Pre-Ownership (%)	1.00%
Post-Ownership (%)	0.81%
Dilution	0.19%