

KUDELSKI GROUP TRANSFERS SMARDTV'S BUSINESSES TO NEOTION AFFILIATE

Cheseaux-sur-Lausanne, Switzerland, and Phoenix (AZ), USA, August 14, 2018 – The Kudelski Group (SIX: KUD.S), the world leader in digital security, and Neotion, a leading provider of secure solutions for the pay-TV industry, have announced today that they have reached an agreement whereby SmarDTV's Conditional Access Module (CAM) and Set-Top Box businesses are transferred to SmarDTV Global, a newly set up entity affiliated with Neotion.

Upfront cash consideration for the transaction amounts to USD 20 million, subject to customary closing adjustments, with the potential for additional earn-out payments that are primarily based on CAM and set-top box sales volumes in the period up to the end of 2021.

Kudelski retained certain assets, including in particular its buildings in La Ciotat, France and Steeton, United Kingdom, and all patents, which are licensed to SmarDTV Global. The transaction will close by the end of the month.

André Kudelski, Chairman and CEO, stated: *"This transfer of assets to a well established player is part of the Kudelski Group's strategy to focus on core activities in which it has or will reach critical mass and profitability to fund on-going growth initiatives. In this transaction, we are placing a lot of attention on preserving our customers' interests and ensuring their full satisfaction over time."*

Lionel Boissier, CEO of Neotion, said: *"Neotion is strongly committed to ensuring the continuity and the further development of SmarDTV Global's CAM and Set-Top Box businesses, convinced that this rapprochement into one group will stimulate the development of an innovative product portfolio for the benefit of our customers. I'm pleased to say that this transaction has been successfully completed thanks to the professionalism and strong commitment of the Kudelski Group to establishing a strategic partnership between our groups that will enable us to successfully drive the current businesses whilst remaining focused on new technologies that are about to become mainstream."*

Kudelski's operating entities, NAGRA and Conax, will continue to manage the commercial relationships with their customers for CAMs and will market and sell SmarDTV Global's CAMs in their respective markets. Kudelski and Neotion will also work closely together during a transition period to ensure a smooth handover of the relevant business activities.

About the Kudelski Group

The Kudelski Group (SIX: KUD.S) is a world leader in digital security and a provider of end-to-end convergent media solutions to the digital entertainment industry, including services and applications requiring access control and rights management to secure the revenue in digital television, internet, mobile and interactive applications. The Group also offers cybersecurity solutions and services focused on helping companies assess risks and vulnerabilities and protect their data and systems. It also supplies integrated solutions to manage access control of people and vehicles to sites and events. The Kudelski Group is headquartered in Cheseaux-sur-

Lausanne, Switzerland and Phoenix (AZ), USA. For more information, please visit www.nagra.com

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About NEOTION

NEOTION is a French high-tech company providing innovative solutions for the international Digital Television market since 2000. NEOTION develops and distributes a wide range of DVB Conditional Access Modules (CAM) embedding the main Conditional Access Systems to Pay-Tv operators across the globe.

NEOTION is fully involved in delivering new and innovative solutions for the Pay-Tv industry in response to the booming OTT adoption by the market in recent years, offering in its portfolio secure OTT services on its CAM range combined with the appropriate new generation HbbTV compliant TVs or its headless OTT gateways for a fully satellite based OTT Solution.

For more information, please contact, press@neotion.com, visit www.neotion.com and follow Neotion on Twitter [@Neotion](https://twitter.com/Neotion) or on [LinkedIn](https://www.linkedin.com/company/neotion).