

Ad hoc announcement pursuant to Art. 53 LR

2024 ANNUAL RESULTS

Highlights:

- Transformative sale of SKIDATA at an enterprise value of EUR 340 million, generating net cash proceeds exceeding EUR 300 million.
- Strengthened balance sheet after repayment of outstanding CHF 145.9 million bond and all bank debt, with a cash position of USD 126.3 million.
- USD 393.0 million of total Group revenues and other operating income and USD 10.6 million of net profit.
- Digital Television initiated a new transformation with revenues reaching USD 227.8 million, a decline of 11.6%, while achieving 47% revenue growth from its Advanced Security Platform.
- Cybersecurity reached USD 108.5 million of revenues, an increase of 1.8% compared with 2023, with European operations growing by 9.1% and Managed Security Services revenue by 11%.
- Internet of Things maintained stable revenues at USD 47.4 million, with recurring revenues from the RecovR asset tracking solution continuing to grow and new distribution channels with leading financial service providers expected to drive further expansion.
- The outlook for 2025 is stable revenues and EBITDA compared to 2024 after restructuring costs.

KEY FIGURES 2024

(in million USD)	2024	2023*
Revenues & Other Operating Income	393.0	419.3
Operating income before depreciation, amortization and impairment	-13.1	-3.4
Net income	10.6	-24.5

*Restated

Cheseaux-sur-Lausanne, Switzerland and Phoenix (AZ), USA – February 27th, 2025 – The Kudelski Group (SIX: KUD.S), the world leader in digital security, announced today its 2024 annual results.

In 2024, the Group underwent a major transformation with the sale of SKIDATA, redefining its operational scope. The transaction, at an enterprise value of EUR 340 million, generated over EUR 300 million in net cash after settling SKIDATA's EUR 30 million debt and covering transaction costs. Part of the proceeds was used to fully repay its CHF 145.9 million bond and all remaining bank debt, leaving it with a cash position of USD 126.3 million. In 2024, the Group operated through three business segments, Digital Television, Cybersecurity and Internet of Things, while SKIDATA was reported as discontinued operations.

During 2024, the Digital Television business navigated a phase of transformation, with a decline of 11.6%, leading to reduced profitability. Growth rates in the Cybersecurity segment were in the low single digits as management prioritized gross margin improvement to minimize segment losses and approach EBITDA break-even. The Internet of Things segment maintained revenue levels following two years of strong growth, though EBITDA losses increased due to accelerated investments to support future growth.

The Group's net revenues and other operating income decreased by 6.3% to USD 393.0 million in 2024, while the EBITDA loss for the year was at USD 13.1 million. The Group recognized an impairment change of USD 82.1 million on Digital Television goodwill in 2024. On the other hand, the sale of SKIDATA resulted in a net gain of USD 147.2 million. Consequently, the Group reported a net income of USD 10.6 million in 2024, representing a USD 35.1 million improvement compared to the previous year.

DIGITAL TELEVISION: ADAPTING TO CHANGE WHILE DRIVING INNOVATION

Digital Television segment revenues declined by 11.6% to USD 227.8 million, primarily attributable to the ongoing contraction of the traditional Conditional Access System business. Notwithstanding the current revenue trajectory of the segment, several product lines demonstrated strong performance and potential. Notably, the Advanced Security Platform product line achieved revenue growth of 47%. This suite of anti-piracy solutions secured multiple strategic contracts, including agreements with France Télévisions to replay sports content securely across devices and FanCode for Active Streaming Protection implementation. Additional contract wins include Telefonica, RAI, Sun NXT, and HBBTV. TVkey Cloud, a direct-to-TV solution jointly created with Samsung, secured several wins during 2024 including GTPL and DishTV India after a change in regulation in the Indian market. The OpenTV Video Platform exhibited robust growth of 15%, and further securing new contract with ERT in Greece.

A significant milestone was achieved with Canal+, which entered into a 10-year strategic partnership with the Group to strengthen its fight against streaming piracy. Through this long-term collaboration, Canal+ will leverage the Group's comprehensive 360° streaming security solution, Active Streaming Protection, to combat content theft, prevent service fraud, and significantly reduce piracy across its consumer offerings.

CYBERSECURITY: ACCELERATING TRANSFORMATION WITH EVOLVING PRIORITIES

During 2024, the Group executed a strategic transformation of its Cybersecurity business, concentrating operational focus on areas demonstrating sustained value creation potential. This included the overhaul of the U.S. business, which was reorganized under new U.S. leadership. The segment reported net revenues of USD 108.5 million, representing an increase of USD 1.9 million compared to 2023, while margin after cost of material improved by USD 2.3 million to USD 84.5 million. Revenue performance exhibited regional variability. European operations achieved growth of 9.1%, with revenues reaching USD 60 million, while the Americas region experienced a revenue decline of 6.5%, attributable to reduced technology reselling activity and the strategic consolidation of service offerings aimed at margin enhancement. The Cybersecurity segment maintained strong cost discipline, achieving operating cost reductions of USD 2.8 million through effective expense management initiatives. As a result, the segment's loss before depreciation and amortization improved by USD 5.0 million to USD 4.8 million.

Managed Security Services revenue demonstrated growth of 11%, reaching USD 59.0 million, primarily driven by strong market adoption of MDR ONE Resolute, the next-generation managed detection and response service launched in December 2023. This service, which delivers AI-augmented, risk-based detection and response capabilities, has achieved market adoption by more than 60 clients, reinforcing Kudelski's leadership position in the MDR market. Managed Security Services now constitute more than 50% of segment revenues, evidencing successful execution of the strategic initiative to develop high-value, recurring revenue streams.

INTERNET OF THINGS (IoT): EXPANDING ASSET TRACKING AND SEMICONDUCTOR BUSINESS

The IoT segment demonstrated strong market positioning in 2024, while implementing operational enhancements to support sustainable growth. Revenue remained stable with a marginal increase of 0.1% to USD 47.4 million compared to 2023, representing a substantial 2.8-fold increase from 2022 levels. The asset tracking business maintained positive momentum throughout 2024. However, the strategic IoT division focus on developing and scaling this business resulted in revenue declines for Lab and IoT Security activities.

Excluding the impact of a landmark agreement with Carmax in 2023, RecovR's dealership business expanded by 50% in 2024 compared to the prior year. This growth will be supported by new partnerships with leading financial service providers to the dealership industry, which are set to drive the expansion in 2025 and beyond. In addition, the RecovR solution was launched in Canada, becoming the official theft recovery partner for the Canadian Automotive Dealers Association, and RecovR for Keys, the newest addition to the RecovR portfolio, continued its deployment ramp-up in the U.S. While Kudelski IoT explored new markets in 2024, the strategic focus for new initiatives will shift to the agricultural sector in 2025, prioritizing core areas of expertise and long-term growth.

2025 OUTLOOK

Following the transformation of its operational structure and the cost-reduction program announced earlier this year, the Group has reorganized its business segments. Digital Television becomes Core Digital Security as it merges with core security activities from Kudelski IoT division, which now focuses on asset tracking solutions and new IoT initiatives. Kudelski Security will further expand into

the market for Operational Technology (OT) security by leveraging the Group's expertise in digital security. The purpose of the transformation is to enable Kudelski Security and Kudelski IoT to accelerate their path to profitable growth, while providing a new foundation for Core Digital Security to expand beyond the digital video market.

As a result of these measures, management expects to stabilize revenues from Digital Television customers in 2025, with the newly constituted Core Digital Security segment generating revenues in 2025 that are expected to be lower by an amount in the single digit millions as compared to Digital Television's 2024 revenues. At the same time, management will continue operating expense reduction initiatives. A restructuring program implemented in early 2025 will reduce headcount by 160 positions, primarily affecting Core Digital Security and corporate functions. Consequently, while the Core Digital Security segment will incorporate the transferred activities, management expects to maintain positive EBITDA, albeit below Digital Television's 2024 EBITDA levels.

The Cybersecurity segment's strategic growth plan for 2025 and beyond encompasses three primary initiatives: expansion of managed security operations, implementation of a structured services recovery program, and strategic entry into the operational technology market. Management projects accelerated growth in 2025, targeting high single-digit growth in both revenues and gross profit. Operating expenses are expected to increase moderately to support operational scaling while maintaining focus on profitability enhancement. The segment is expected to approach EBITDA break-even in 2025.

The IoT segment's 2025 strategic focus centers on asset tracking expansion, targeting growth through the development of indirect sales channels in the car dealership market and market entry into new verticals. Consistent with this focused approach, management is transferring Lab and IoT Security activities to the Core Digital Security segment, which will enable that segment to leverage established semiconductor industry relationships and capitalize on core security team synergies. Notwithstanding the reduced operational scope, management projects moderate revenue growth for this segment. The strategic realignment is expected to significantly reduce the segment's EBITDA loss, with the projected full-year loss in the low single-digit millions.

The 2025 outlook for the Group is stable revenues and EBITDA compared to 2024, after restructuring costs.

Note to the editors:

The 2024 Financial Statements and MD&A are available in PDF format under: www.nagra.com >> [Investors](#) >> [Publications](#)

About the Kudelski Group

The [Kudelski Group](#) (SIX: KUD.S) is a world leader in core digital security technologies and solutions for media, cybersecurity and IoT.

The Group is headquartered in Cheseaux-sur-Lausanne, Switzerland and Phoenix, Arizona, USA with a presence in over 20 countries around the world.

For more information, please [visit www.nagra.com](http://www.nagra.com)

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