

*Ad hoc announcement pursuant to Art. 53 LR*

## 2025 HALF YEAR RESULTS

### Highlights:

- Group transformation underway with renewed focus on advanced digital security solutions for Media, Cybersecurity and IoT
- USD 174.5 million of total Group revenues and other operating income
- Core Digital Security segment reached USD 103.9 million of revenues, 7.0% less than the first half of 2024
- Cybersecurity revenues were at USD 49.5 million, 4.8% less than the first half of 2024
- IoT revenues were USD 19.3 million, with its focus on growing the asset tracking business through new distribution channels
- Launch of Kudelski Labs to secure frontier technologies and connected devices through advanced research and bespoke solutions
- The outlook for the second half of 2025 includes a stronger revenue trajectory with a material improvement in profitability and cashflows compared to the first half

### KEY FIGURES HALF YEAR 2025

(in million USD)	1H 2025	1H 2024*
Revenues & Other Operating Income	174.5	191.6
EBITDA	- 19.1	- 11.7
EBIT	- 24.8	- 30.3
Net income from continuing operations	- 32.9	- 36.9

\* restated

**Cheseaux-sur-Lausanne, Switzerland and Phoenix (AZ), USA – August 26<sup>th</sup>, 2025** – The Kudelski Group (SIX: KUD.S), the world leader in digital security, announced today its results for the first half of 2025.

During the first half of 2025, the Kudelski Group accelerated its transformation, sharpening its focus on advanced digital security solutions. This transformation is supported by a refined go-to-market strategy centered on advanced, value-added solutions and strengthened industry partnerships. As a first visible step, Core Digital Security is launching Kudelski Labs, a dedicated innovation unit leveraging the Group's long-standing expertise to tackle emerging connectivity and security challenges across new verticals through focused research and engineering. Together, the efforts undertaken by the Group lay a foundation aimed at improving operational profitability.

The Group's net revenues and other operating income decreased by 8.9% to USD 174.5 million in the first half of 2025, while EBIT stood at USD -24.8 million compared to USD -30.3 million during the first half of 2024.

First half 2025 EBIT includes USD 6.4 million of restructuring costs. Net of restructuring costs, the Group generated an EBIT of USD -18.4 million.

## **CORE DIGITAL SECURITY: REINFORCEMENT OF NAGRAVISION CUSTOMER TRUST**

Core Digital Security generated revenues of USD 103.9 million, a decrease of 7.0% compared to the first half of 2024, the smallest rate of decline in the past four years. The segment continued the transformation initiated in 2024. Leadership was reshaped to better align marketing, sales, and delivery, while the sales organization transitioned from a geographic structure to product-centric specialist teams.

NAGRAVISION continued to strengthen its customer relationships in the first half of 2025, as evidenced by extensions from key partners such as One Hungary – which extended OpenTV ENTera to bundle 3<sup>rd</sup> party digital services like Netflix - and United Cloud, which extended its use of NAGRA NexGuard Forensic Watermarking in its antipiracy operations across seven European markets. NAGRAVISION also continued to execute on and enhance its strategic relationship with Canal+ by extending services supporting their OTT offering. These strengthened relations demonstrate both the tangible value of NAGRAVISION's offerings and the deep trust and longevity at the heart of its client engagements.

In parallel, NAGRAVISION's streaming security suite, including its AI-driven analytics, global piracy monitoring and real-time disruption capabilities, addresses the pressing challenge of protecting high-value OTT content such as live sports. Recent agreements include DAZN, BeIN SPORTS and the English Football League. With our best-in-class streaming security solutions, we have in the first half entered into partnership agreements to continuously enhance the robustness of DRM implementation in devices. In addition, market dynamics underscore the critical importance of subscriber engagement, anti-piracy defenses, personal cybersecurity and loyalty optimization. OpenTV ENTera is enabling a growing number of operators to enhance monetization through AI-powered dynamic UX and subscription bundling, while also streamlining content delivery. Over the last twelve months, consumers served by the OpenTV OTT platform have grown by 30%. These developments demonstrate our core security capabilities to enable expansion in and diversification from traditional services and markets.

The NAGRA Scout solution is increasingly in demand for consumer-centric cybersecurity services delivered through smart-Wi-Fi partners, notably Airties.

## **CYBERSECURITY: CONTINUED TRANSFORMATION WITH DIFFERENTIATED SERVICES**

During the first half of 2025, Kudelski Security continued its transformation, shifting from tech resale to value-added services in the U.S. and enhancing its Managed Detection and Response offering with improved threat detection and proactive defense. Kudelski Security invested in a state-of-the-art Counter Adversary Unit, expanding MDR capabilities around threat intelligence, threat detection and incident response. Kudelski Security, launched multiple AI-driven initiatives, and extended its strategic partnerships with hyperscalers and global leaders such as CrowdStrike via Next-Gen SIEM support. Leveraging strong expertise in Operational Technology security, Kudelski Security continues to support organizations in assessing and protecting their operations through major assessments and fostering long-term partnerships, particularly in aerospace and critical infrastructure sectors, with recognition from leading market analysts.

The segment reported net revenues of USD 49.5 million, 4.8% lower compared to the first half of 2024. Europe was broadly stable at USD 29.7 million, an increase of 0.4%. Sales in Americas generated USD 19.0 million, a decrease of 14.5%, reflecting the Group's decision to limit lower-margin technology resell deals and focus on larger, multi-year and higher-margin Managed Detection and Response and advisory deals. Sales in Asia and Africa were USD 0.8 million. Overall, cybersecurity market conditions remained challenging in the first half of 2025, with many mid-market organizations deferring discretionary upgrades and refresh cycles in light of macroeconomic and geopolitical uncertainty.

## **INTERNET OF THINGS (IoT): EXPANDING ASSET TRACKING DISTRIBUTION**

In the IoT segment, investments are being directed toward long-term growth through the development of distribution channels with major providers of vehicle financing, leasing, insurance, protection, and extended service warranty products. Asset tracking with theft protection can be bundled with these offerings, creating a seamless value-add for end customers. This bundling model is scalable and benefits from aligned incentives. Partners enhance their customer proposition by offering improved security and potential insurance benefits, while the Group benefits from larger and more predictable sales volumes through institutional channels rather than individual transactions. For example, IoT secured a strategic partnership with Zurich Insurance North America. For the first half of 2025, the segment reported net revenues of USD 19.3 million, 10.6% lower compared to the first half of 2024.

A highlight of the period was the successful launch of RecovR ID Check, an advanced, pay-per-use identity verification solution now live across 11 locations of The Niello Company and its online arm, Niello Go, helping to safeguard dealership transactions with seamless, hardware-free deployment. In Canada, a new alliance with April Marine Insurance broadened Kudelski IoT's portfolio through its Boats & Trailers program, enhancing reach and redefining asset protection across industries. These synergistic moves collectively pave the way for further expansion throughout the remainder of 2025 and beyond.

## **FULL YEAR 2025 OUTLOOK**

For the second half of 2025, management expects a stronger revenue trajectory supported by seasonality in Core Digital Security, continued conversion of Managed Detection and Response and advisory pipelines in Cybersecurity, and increasing sales from third-party channels in IoT.

Core Digital Security operating expenses are expected to improve compared to the first half, benefiting from restructuring effects. Cybersecurity expenses are expected to be stable as the Group will continue to invest in priority initiatives to support longer-term growth and margin expansion. In the second half, IoT operating expenses are projected to be lower than in the first half, resulting in a reduction compared to the restated 2024 costs.

For the full year 2025, management expects positive two-digit-million EBITDA in Core Digital Security consistent with the restated 2024 level. Cybersecurity near-term EBITDA will be affected by ongoing investments, translating in a higher full year loss compared to 2024. IoT's full-year EBITDA loss is expected to be roughly in line with restated 2024 as the segment continues to invest in distribution channels.

Management targets free cash flow for the second half of the year to materially improve compared to the first semester at around break-even, reflecting a material improvement in profitability compared to the first half.

### **Note to the editors:**

The 2025 first half Financial Statements and MD&A are available in PDF format under: [>> Investors >> Publications](http://www.nagra.com)

## **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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