

*Ad hoc announcement pursuant to Art. 53 LR*

## 2025 ANNUAL RESULTS

### Highlights:

- The Group accelerated its transformation in order to generate new revenues and improve its profitability and cash generation.
- USD 371.0 million of total Group revenues and other operating income.
- Core Digital Security generated USD 229.0 million of revenues, with strong second half revenues supported by sustained momentum of new product lines.
- Cybersecurity revenues were USD 98.5 million, with improved gross margin while the business continued to invest in AI-driven MDR and OT security.
- Internet of Things generated revenues of USD 39.1 million, as it continued to invest in new distribution partnerships to expand market reach.
- Cash flow from operating activities turned positive in the second half of the year, and the Group remained debt-free with USD 100.4 million of cash at year-end.
- The outlook for 2026 is for a slight increase in revenues and an improved EBITDA compared to 2025.

### KEY FIGURES 2025

(in million USD)	2025	2024
Revenues & Other Operating Income	371.0	393.0
EBITDA	-15.6	-13.1
EBITDA ex-Restructuring and One-Off Expenses	+0.9	-8.0

**Cheseaux-sur-Lausanne, Switzerland and Phoenix (AZ), USA – February 26<sup>th</sup>, 2026** – The Kudelski Group (SIX: KUD.S), the world leader in digital security, announced today its 2025 annual results.

In 2025, the Group accelerated its strategic transformation in order to generate new revenues and improve its profitability and cash generation. The transformation has impacted all business units and corporate functions with the strategic goal of improving the efficiency of investment in high potential initiatives, while streamlining the operations and reducing costs for legacy businesses. While the net impact of the transformation has reduced the overall cost structure, R&D investments during the year were USD 104 million, as the Group continued to invest in promising new product initiatives. Last year, the Group generated net revenues of USD 366.6 million, a decrease of 4.5% compared to 2024. The Group reported an EBITDA loss of USD 15.6 million, compared to an EBITDA loss of USD 13.1 million in 2024. EBITDA net of restructuring costs was positive at USD 0.9 million, compared to -8 million in 2024. At USD 29.7 million, cash flow from operating activities turned positive in the second half of the year, and the Group remained debt-free with USD 100.4 million of cash and cash equivalents at year-end.

Core Digital Security net revenues marginally declined by 1.9% to USD 229.0 million, as strong revenue growth from new solutions mitigated the erosion of legacy revenues. Cybersecurity net revenues decreased by 9.2% to USD 98.5 million, while IoT revenues declined by 6.2% to USD 39.1 million.

#### **CORE DIGITAL SECURITY: STRENGTHENING LINKS BETWEEN ADVANCED RESEARCH AND MARKET DEPLOYMENTS**

Core Digital Security generated net revenues of USD 229.0 million, supported by strong revenue performance in the second half of the year.

New product lines continued to gain traction, with 23% revenue growth to reach USD 52.6 million in 2025. Growth was primarily driven by Watermarking and Streaming Protection, with revenues increasing by close to 40%. OpenTV portfolio also gained momentum, with 37% growth in 2025. The positive evolution of revenues from new solutions largely offset the 12% decline in revenues from legacy products, which ended the year at USD 167.0 million.

Core Digital Security gross margins increased from 86.6% to 90.1%, as the revenue mix continued to shift away from hardware products, such as set-top boxes, conditional access modules and smart cards, toward software products and services.

In 2025, the Group unified Kudelski Labs and NAGRAVISION into Core Digital Security to better connect advanced research with market deployment. The Group signed strategic partnerships with MediaTek, and the English Football League selected NAGRAVISION for piracy detection and disruption for the 2025/26 season. The company also focused on consumer engagement and reach, with OSN launching a boxless TVkey Cloud service and Entel Chile migrating its streaming platform to OpenTV ENTera.

## **CYBERSECURITY: STRATEGIC SHIFT TO HIGHER-VALUE MDR AND ADVISORY SERVICES AMID INVESTMENT-LED TRANSITION**

In 2025, the Cybersecurity segment continued its transformation, further sharpening its positioning around higher-value Managed Detection and Response (MDR) and advisory services. Net revenues were USD 98.5 million, a decrease of 9.2% compared to 2024, reflecting a selective reduction of smaller, lower-margin transactional activities as well as systematic refocusing of the project portfolio.

Segment gross margin improved from 77.9% to 82.6%, reflecting the continued shift toward higher-margin MDR business and advisory services. At the same time, the segment stepped up investments aimed at positioning the business for renewed growth and profitability, including the modernization of its MDR platform, expanded cybersecurity AI initiatives, and the strengthening of its Operational Technology (OT) security capabilities.

Kudelski Security revamped its MDR platform to better align with customer requirements and to integrate with leading technology ecosystems, including CrowdStrike's next-generation SIEM capabilities and Google SecOps. The segment also reinforced its Counter Adversary Unit and established an OT Security Center of Excellence, enhancing its ability to support customers as IT, OT and cloud environments converge and regulatory requirements intensify.

The cost of the expanded investments described above, partially offset by the positive effects of the Kudelski Security efficiency initiatives, resulted in operating expenses increasing by USD 4.1 million.

## **INTERNET OF THINGS (IoT): CONTINUED INVESTMENT IN DISTRIBUTION PARTNERSHIPS WITH MAJOR PROVIDERS ACROSS INDUSTRIES**

IoT generated revenues of USD 39.1 million, a decrease of 6.2% compared to 2024. This development primarily reflects the longer-than-anticipated transition from a captive sales organization to indirect distribution channels, as well as the selective termination of relationships with dealerships exhibiting low performance. This shift from breadth to quality is expected to improve working capital efficiency and support healthier cash generation over time.

In 2025, IoT incurred one-off product-related costs of approximately USD 4 million related to the replacement of early generations of RecovR devices. As a result, gross margin declined to 35.3%, compared to 46.1% in the prior year.

During the year, the segment continued to invest in scalable distribution partnerships with major providers of car financing, leasing, insurance and extended warranty products, including Ally, Assurant, JM&A, and Zurich Insurance North America. These institutional channels are expected to materially expand market reach once fully deployed, as they complement dealer operations with embedded asset-tracking and protection offerings. In parallel, Kudelski IoT continued to broaden RecovR's applicability across asset-intensive verticals and to enhance its end-to-end value proposition, including the launch of ID Check in partnership with IDEMIA and expanded deployments supporting logistics and fleet operations.

## **2026 OUTLOOK**

For 2026, management expects to continue the positive transformation momentum achieved in 2025. In Core Digital Security, segment revenues are expected to remain broadly in line with 2025, supported by the continued growth of new product lines, while the base effect of cost reduction

measures implemented in 2025 is expected to enable further operating expense reductions. Segment EBITDA is expected to remain broadly in line with 2025.

In Cybersecurity, management expects a return to growth, supported by the revamped MDR platform and continued progress in the IT/OT security offering. Gross margins are expected to increase marginally, and the segment targets a reduction of EBITDA losses compared to 2025.

In IoT, management expects the business to normalize with a return to double-digit revenue growth and a recovery of gross margins toward 2024 levels. The planned introduction of a new generation of RecovR, with a lower cost of materials, is expected to support margin expansion and a material reduction of EBITDA losses.

## **BOARD GOVERNANCE UPDATE**

As our 2026 Annual General Meeting of Shareholders approaches, we would like to warmly thank Mr. Patrick Foetisch for his outstanding service as a member of the Group's Board of Directors, where he has helped to shape the development of the Group for more than 35 years. Mr. Foetisch has elected to retire from the Board and will not stand for reelection.

The Group is pleased to announce that Ms. H el ene B egu in has been nominated to stand for election to its Board of Directors at the upcoming Annual General Meeting on April 14, 2026. Ms. B egu in was previously a partner at KPMG from 2004 to 2025 and served on the board of directors of KPMG Suisse from 2014 to 2024, including most recently as its chairwoman. She holds a Master's degree in Business Administration from HEC Lausanne and is a certified public accountant.

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

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