

KUDELSKI GROUP

2025

ANNUAL
REPORT

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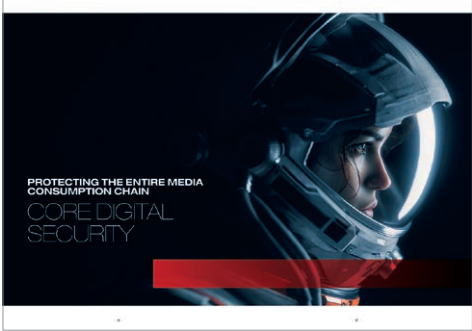
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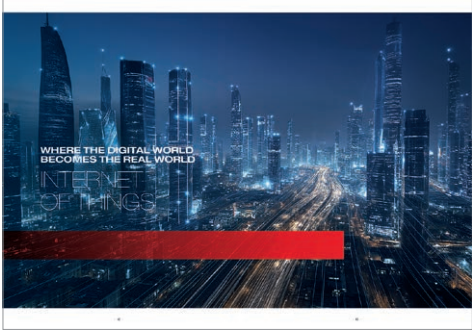
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As a world leader in core digital security technologies and solutions, the Kudelski Group is focused on innovation in everything we do.

Building on our legacy of pioneering the first portable audio recorder, an innovation that transformed the media industry, the Group has consistently shaped what comes next.

Through ongoing advances in artificial intelligence, data science, chipset security, and quantum-resistant solutions, the Kudelski Group has consistently delivered forward-looking, intelligent technologies to the market.

By investing in innovation that connects the real and virtual worlds, the Kudelski Group remains steadfastly committed to addressing today's and tomorrow's critical digital security challenges.

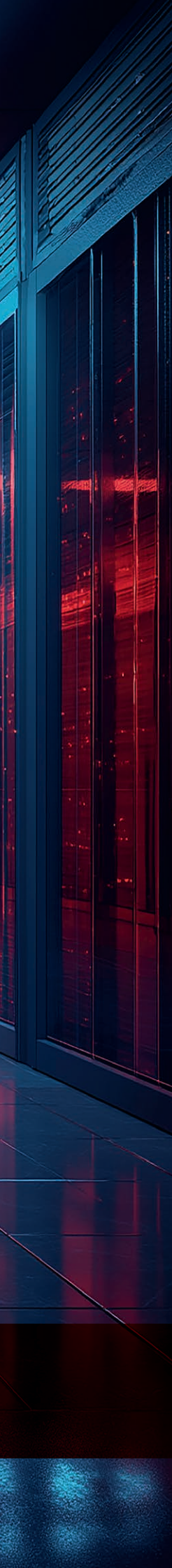




**PIONEERING
DIGITAL
SECURITY
EXCELLENCE**



**WHAT
WE DO
AND
WHY WE
DO IT**



In the Core Digital Security domain, we help creators and content owners combat piracy while delivering personalized, high-quality experiences across platforms.

By combining secure content distribution with the protection of connected devices and data for manufacturers, our solutions enable effective monetization, seamless global access, and a unified, end-to-end approach built on trust, resilience, and scalability across the entire value chain. Through our cybersecurity services, we help provide end-to-end protection by identifying, detecting, and responding to threats in real time, safeguarding sensitive data and reinforcing trust in every digital interaction.

In the Internet of Things, we develop smart asset-tracking solutions that improve efficiency, visibility, and operational resilience. Across industries worldwide, our comprehensive solutions ensure secure access to critical applications, systems, and data.

With over 70 years of expertise, the Kudelski Group continues to push technological boundaries, evolve its offerings, and shape the future of digital security.



**“THE IMPORTANT STRUCTURAL
AND LEADERSHIP CHANGES
WE HAVE MADE IN THE PAST
FEW YEARS DELIVERED
SOME POSITIVE RESULTS
IN 2025.”**

INTERVIEW WITH ANDRÉ KUDELSKI

Chairman and Chief Executive Officer of the Kudelski Group

2025 has been a transformational year for the Group. Could you share your perspectives on what made this particular year so significant?

In 2025, we redesigned how our Group, and more specifically the newly constituted Core Digital Security business unit, operates. We took steps to fundamentally redefine the way in which the business innovates, designs, sells and services its clients and partners. Our progress thus far has been encouraging, with initial positive impacts that can be seen in the 2025 financial results of Core Digital Security. Looking to 2026, we expect that same spirit of transformation to further enhance Kudelski Security and Kudelski IoT activities.

What are your views on the overall performance of the Group during this year of transformation and repositioning?

2025 was a challenging year due to the overall lack of growth and profitability of the Group. However, the important structural and leadership changes we have made in the past few years delivered some positive results in 2025, namely the improved performance of the Core Digital Security business. This includes the 2.1% growth in absolute gross margin driven by the positive momentum of revenues from new solutions and the success in stabilizing revenues from legacy product lines. Kudelski Security and Kudelski IoT have also undertaken significant transformation efforts in order to better position themselves for the future. In the short-term, the combination of new investments and restructuring activities undertaken by these two business units in 2025 negatively impacted their financial performance, but we believe these actions were necessary to deliver growth and profitability over the long-term.

With the transition of the Digital Television segment to Core Digital Security, merging NAGRAVISION with activities previously managed by Kudelski IoT, could you share your review of this year's performance?

Core Digital Security represents an exciting new dynamic for the Group, combining the proven performance and market leadership of the Group's Digital TV business with the leading security technology and innovation team from Kudelski Labs. Not only will this benefit our existing client base with new innovation capabilities and initiatives, but with Kudelski Labs, the Group is well-positioned as a center of excellence to address the growing need for advanced digital security solutions. Overall, in 2025, Core Digital Security was able to improve its performance, enhance its competitiveness and enter promising new markets, which will help build the foundation for future growth.

And in this new context, how do you see the future evolution of Core Digital Security?

The current momentum of the Core Digital Security business is encouraging. The revenues generated by new initiatives are growing at a double-digit rate and are becoming material for the business. At the same time, we have been able to stabilize the slowdown in revenues from legacy product lines. We still have work to do, particularly to enhance profitability while thoughtfully optimizing our cost base to support sustainable long-term performance, but the combination of growing new product lines with the stability provided by our more mature product lines creates a strong foundation for the future.

**“WE TOOK STEPS
TO FUNDAMENTALLY
REDEFINE THE WAY
IN WHICH
THE BUSINESS
INNOVATES,
DESIGNS, SELLS
AND SERVICES
ITS CLIENTS
AND PARTNERS.”**

“OUR TRANSFORMATION EFFORTS OVER THE LAST YEAR PUT THE GROUP IN A GOOD POSITION TO CONTINUE INVESTING SO THAT WE MAY CONTINUE DEVELOPING AND DELIVERING INNOVATIVE PRODUCTS AND SOLUTIONS TO THE MARKET.”

What is the competitive advantage of the Group's Core Digital Security business?

Often, the quality of a solution is defined by its weakest link. This is especially true when we consider data and digital security. Our deep expertise in security – from chip technology up to the cloud – is our key competitive advantage. This is particularly important when a digital ecosystem is challenged on a daily basis by hackers and pirates who are not bound by borders, laws or regulations and are able to leverage new technologies like AI. Our goal is to be smarter, faster and more agile than the “dark side” by delivering to the industry adaptive solutions that are secure-by-design with no single point of weakness and future-proof.

Kudelski Security also undertook significant transformation in 2025. Could you share your thoughts on how Kudelski Security is evolving?

Kudelski Security made some significant changes last year, though the impacts are not yet fully visible. The organization has sharpened its focus on high-potential growth areas, including OT security and AI-based security solutions, in order to address rapidly evolving market needs and emerging threats. At the same time, efforts have been made to streamline the existing organizational structure, improve operational efficiency, and realize stronger synergies between European and American activities. Together, these initiatives are designed to strengthen capabilities, enhance scalability, and create a more integrated and resilient business platform for future growth.

With the accelerating market pressures to adopt AI, how is the Group positioned to face and challenge the competitive landscape?

Globally, AI is seemingly everywhere, or at least it seems everyone is trying to adopt AI. For the Kudelski Group, our initial focus has been to embed AI in our solutions at a technological level. For example, AI is now part of how we dynamically manage digital security, simulating the reactions of a digital subscriber twin, analyzing digital media for piracy or monitoring cybersecurity risks. Our goal is to leverage AI capabilities to enhance our products and solutions in order to more quickly and accurately anticipate next steps in a fast-evolving landscape.

How has the Kudelski IoT business evolved in the face of recent volatility in the automotive sector?

Over the last few years, Kudelski IoT revenues have positively developed, but we have also been impacted by significant volatility in the market. In order to improve the resilience and scalability of the Kudelski IoT business, we have undertaken important structural changes to our market approach and developed important new distribution channels with key financial partners that serve the automotive dealer market. This transformation will take time to fully develop, which negatively impacts revenues and profitability of this business in the short term, but these changes are critical over the longer term to improve the working capital needs and profitability of this business.

What do you identify as the key market trends that will shape 2026?

Intensification of geopolitics has been a major driver of fragmentation in the world. The resulting impacts on society, business and technology have been significant. Technology is also rapidly evolving, with AI and quantum computing in the driver's seat. The influence of these two technologies on the market is profound, including within the security landscape. Although they deliver meaningful advantages, these technologies also give rise to increased risks when in the hands of hackers and other threat actors pursuing unfriendly objectives. The Group is actively investing in AI to enhance its anti-piracy and anti-hacking solutions. In the field of quantum computing, Kudelski Labs has developed an innovative proprietary technology for quantum safe encryption algorithms, including implementation in chipsets. These are examples of the innovation we are bringing to market in 2026 and beyond in order to address the significant opportunities that we see in today's rapidly evolving world.

Do you have any closing thoughts you would like to share?

As a technology company, it is often a challenge to balance short-term and long-term investment plans. The Group has always been committed to investing for the future by privileging the long-term over the short-term with 28% of our annual revenues invested in R&D and fully expensed. Through this approach, we have been able to deliver advanced solutions earlier than our competitors, sometimes at the cost of waiting for the market to materialize. Our transformation efforts over the last year put the Group in a good position to continue investing so that we may continue developing and delivering innovative products and solutions to the market, but this requires patience and perseverance. On behalf of the Board of Directors, I would like to thank our clients, employees, shareholders and partners for their trust and support as we navigate the challenges and opportunities of our journey together.

Given the current geopolitical and economic environments, how do you anticipate the international context will influence the Group's activities?

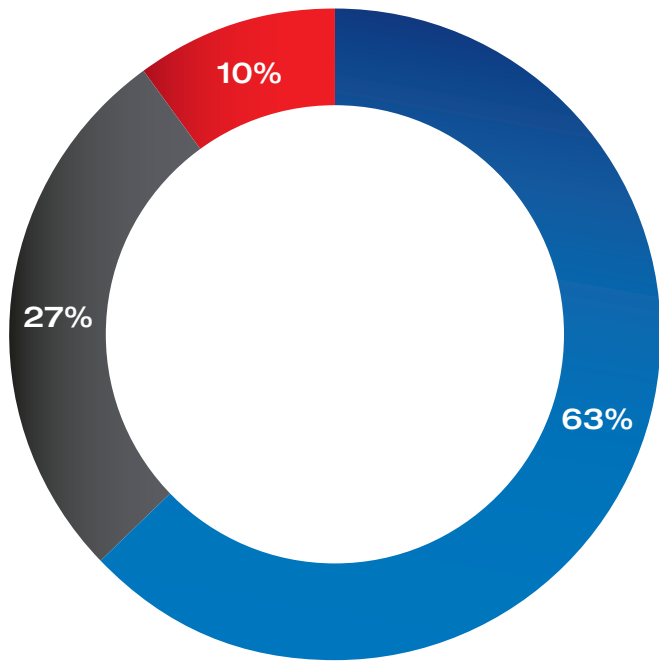
In 2016, we anticipated the advent of a more fragmented world, which was a key reason for our establishment of a second headquarters in Phoenix, Arizona. We have since witnessed the continuing rise of geopolitical tensions, which accelerated during the pandemic. Today, continental drift is an increasing reality in the world, which requires multinational companies to operate and manage different technology ecosystems in different jurisdictions. This may make life more complicated for many, but it also represents an opportunity for the Group to secure new ecosystems and the interactions between these different ecosystems.



KEY FIGURES AND HIGHLIGHTS 2025

\$ 371M

Revenues



NET REVENUE BREAKDOWN

AMERICAS
44%

EUROPE
46%

ASIA / AFRICA
11%



\$ 229M

Core Digital Security



450 operators

400 million
users

\$ 98.5M

Cybersecurity



520+ customers

60 billion
data records processed per day

\$ 39.1M

Internet of Things



500 customers

- Accelerated transformation of the Group to generate new revenues and improve its profitability and cash generation.
- Core Digital Security had a strong second half supported by sustained momentum of new product lines.
- Cybersecurity and IoT invest to accelerate growth and profitability.

GROSS MARGIN

82.3%



R&D INVESTMENT

\$ 104M

28% of Core Digital Security's revenue invested in AI, post-quantum cryptography, and next-generation streaming platforms.

PATENTS AND PATENTS PENDING

2,980

as of 31 december 2025

Supporting continued innovation across products and services.



EMPLOYEES

1,600+

Across 24 countries worldwide.



EBITDA

\$ -15.6M

Improving, with adjusted EBITDA at 0.9 million excluding restructuring costs.



CASH AND CASH EQUIVALENTS

\$ 100.4M

The Group remains debt-free.



**A WORLDWIDE LEADER
OF ADVANCED AND NEXT-GEN
DIGITAL SECURITY SOLUTIONS**

THE KUDELSKI
GROUP



INNOVATION IS OUR DNA

› THE KUDELSKI GROUP

Exceptional talent

Across more than 20 countries worldwide, the Kudelski Group benefits from a diverse and highly qualified workforce, united by a shared ambition to innovate, excel, and deliver lasting impact.

Consumer focus

Every day, the Kudelski Group empowers more than 400 million consumers worldwide with digital experiences that are intuitive, seamless, and secure. Through advanced technologies, the Group delivers solutions that enhance convenience, build trust, and provide lasting confidence in an increasingly connected world.

Technology pioneer

For decades, the Kudelski Group has shaped technological progress. Driven by expertise and creativity, our teams continuously develop state-of-the-art solutions that expand the Group's intellectual property portfolio and address emerging global challenges with security and ease of use at their core.

Engineering excellence

The Kudelski Group combines deep engineering expertise with proven execution to secure data, content, and assets worldwide. Our reliable solutions enable customers to grow and transform their businesses with confidence and long-term peace of mind.



**EVERY DAY,
WE SECURE
DIGITAL LIVES
OF MILLIONS
WORLDWIDE**

COMPANY PORTFOLIO

› THE KUDELSKI GROUP

Core Digital Security

NAGRAVISION AND KUDELSKI LABS

The Group's Core Digital Security segment, now uniting NAGRAVISION and Kudelski Labs, is a powerhouse of advanced security technologies.

This business delivers end-to-end protection for leading customers in content production, content streaming, critical infrastructure, such as space and defense, driving innovation, strengthening ecosystems, and solidifying the Group's position at the forefront of digital security.

Cybersecurity

KUDELSKI SECURITY

Leveraging its long-standing expertise in securing digital content and fighting piracy, the Group is an industry-recognized provider of cybersecurity solutions and services focused on protecting data, processes, blockchains and systems for companies and organizations around the world, safeguarding their assets at a time of rapidly increasing cyber threats.

Internet of Things (IoT)

KUDELSKI IOT

The Group designs and provides asset tracking solutions for automotive retail and other industries, monitoring the location, utilization and condition of goods and equipment.



75 YEARS
of innovation and evolution

400+
MILLION
users across all categories

1,600+
employees worldwide

HISTORICAL MILESTONES

› THE KUDELSKI GROUP

1951

Stefan Kudelski founds the company.

Launch of the first professional portable recorder, NAGRA I, the start of a series of world-famous recorders that revolutionized sound recording.

1960

First NAGRA SN recorder, a miniature device that will be used secretly by public agencies.

1989

First encryption systems for television and entry into the pay-TV sector.

1991

André Kudelski appointed Chairman and Chief Executive Officer.

1995

First digital TV access solutions.

2001

Entering the Public Access sector with the acquisition of SKIDATA.

2009

Acquisition of 100% of OpenTV: the Group's solutions manage the entire pay-TV ecosystem.

2012

Entering the cybersecurity sector with the creation of Kudelski Security.

2016

Opening of a second headquarters in Phoenix, Arizona.

Launch of Insight, the Group's artificial intelligence and big data business performance platform.

2017

Launch of the Group's Internet of Things (IoT) Security Center of Excellence to address demand for increased protection of connected devices.

2020

Development of highly secure remote communications and contactless access solutions to address the challenges of the Covid-19 pandemic.

2024

New focus on the Group's core business of digital security with the divestment of the Public Access division.

2025

Formation of the Core Digital Security unit, bringing together NAGRAVISION and Kudelski Labs to establish a flagship innovation hub with advanced technologies expertise up to delivering end-to-end security solutions.



The Group now focuses on the development of its end-to-end technologies, providing solutions for media, cybersecurity, and IoT.

THREE RESILIENT BUSINESS PILLARS WITH STRONG SYNERGIES

› THE KUDELSKI GROUP



Core Digital Security

<p>DESCRIPTION</p> <p>How the Group delivers its expertise and innovation to the market</p>	<p>Enabling media and telecoms clients to power business transformation through a broad, innovative solution portfolio.</p> <p>Solving the world's most complex cyber threat challenges at the intersection of connectivity and security.</p>
<p>MAIN FOCUS</p> <p>Solutions developed by the Group to apply its expertise</p>	<p>Data-driven content security delivering business insight.</p> <p>Video platform enabling personalized viewing experiences.</p> <p>Secure lifecycle technologies and services for semiconductor and device manufacturers.</p> <p>Protect consumers from cyber threats in and out of the home.</p> <p>Secure by design</p>
<p>MARKET</p>	<p>Worldwide</p>
<p>SINCE</p>	<p>1951 (audio) 1995 (digital)</p>
<p>MATURITY</p>	<p>High, with growth development initiative</p>



Cybersecurity

Leading pure-play cybersecurity business supporting enterprises to accelerate secure, AI-driven transformation, protect IT and OT environments, innovate responsibly, and reduce risk.

Comprehensive solutions to address the growing business and cyber risk convergence and build board-level confidence.

Highly differentiated 24/7 managed detection and response services to effectively reduce risk and build cyber resilience.

R&D capacity provides actionable early insight to both emerging trends & client needs.

Switzerland / USA / Europe

2012

In development



Internet of Things

Scalable and proven IoT solutions that protect high-value assets and trusted data, improving efficiency, reducing costs, and increasing revenue.

Training, design, assessment, and certification services to ensure product security, combined with end-to-end IoT asset tracking and sensing solutions.

Securing high-value mobile assets through resilient IoT solutions that mitigate theft and fraud and enhance operational continuity.

Secure by design

USA / Europe

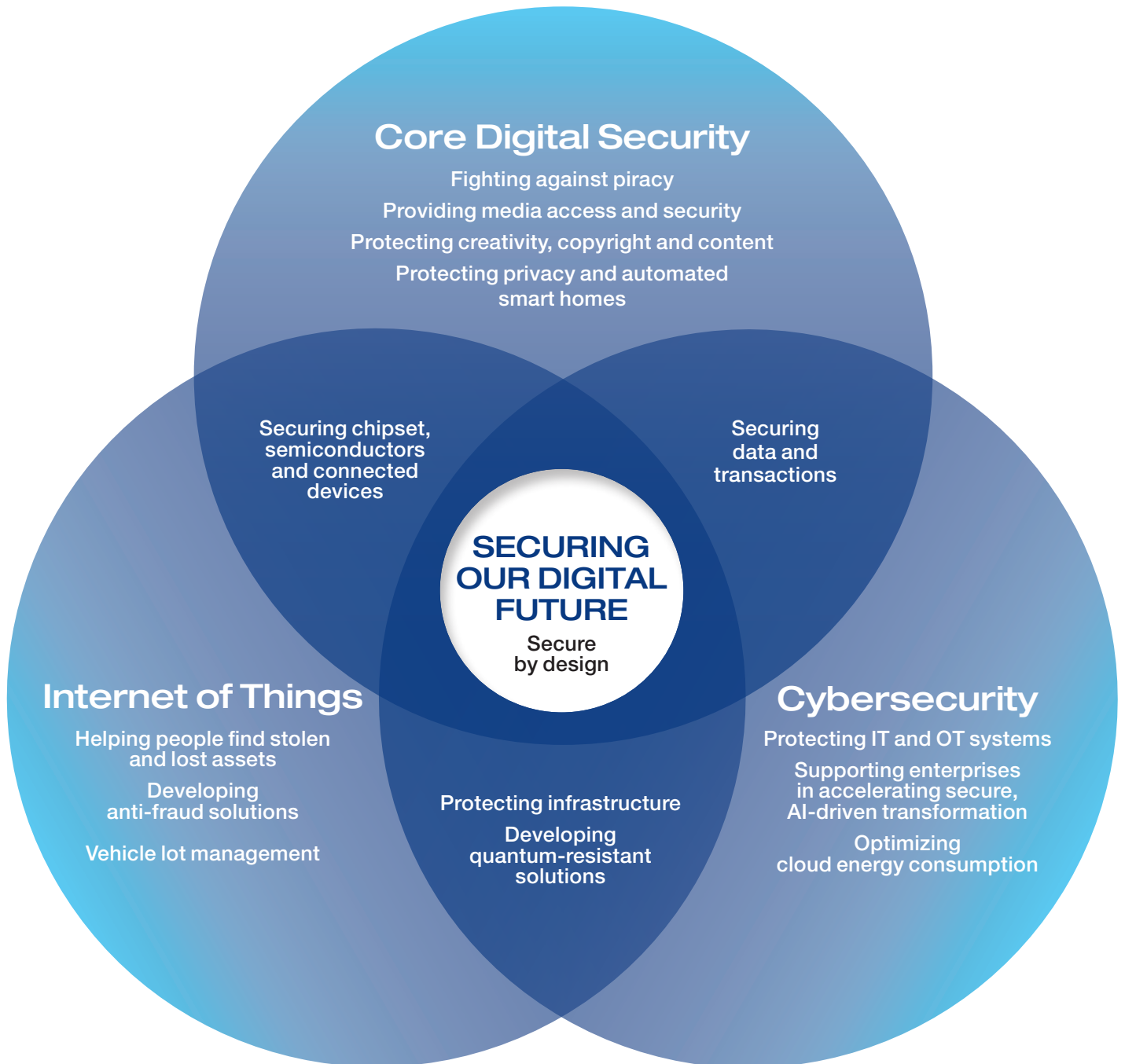
2017

In development

NEW STRATEGIC FOCUS

› THE KUDELSKI GROUP

Ecosystem



Principles

Long-term portfolio management
Establish leadership in growing markets
Taking care of our business ecosystem
Innovation for our customers



Cloud security

Comprehensive protection for data and applications



Edge AI and autonomous robotics

Post-quantum cryptography and device security



Chipset security

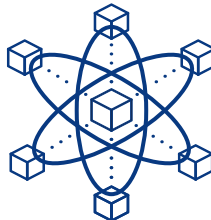
Embedded protection ensuring secure operations at hardware level

Security by design from chips to the cloud in a quantum leap

Targeted technology categories



Digitization



Blockchain and quantum



Artificial intelligence

Asset tracking devices

Decentralized finance (DeFi)

Business and security optimization

Transition to mobile

Quantum-resistant solutions

Edge devices robotics

WORLD-CLASS INTELLECTUAL PROPERTY PORTFOLIO

› THE KUDELSKI GROUP

The Kudelski Group has a long tradition of building a strong global intellectual property (IP) portfolio, spanning 75 years of innovative and award-winning products and services. With annual research and development investments exceeding USD 100 million, this IP portfolio represents a critical asset for the company.

The Kudelski Group's IP organization defines and executes the overall IP strategy, focusing on protecting, developing, managing, and licensing the worldwide patent portfolio while supporting continued innovation across its products and services.

Creating valuable patent assets

The Kudelski Group and its subsidiaries hold a substantial worldwide portfolio comprised of thousands of patent assets in a variety of technology areas, including cybersecurity, chipset security, encryption, internet-of-things, asset protection, watermarking, digital television and rights management, digital content distribution, user interface, and secure communication management, among other areas. Many of these patents relate to fundamental and valuable technologies with significant impact across many businesses and markets.

The Group's IP strategy, like the strategies of its core business units, continues to adapt to evolving technology trends, new product opportunities and the changing market and IP landscape. The Group regularly reviews its IP portfolio and pipeline with the goal of optimizing the strategic value of its IP assets to better align with the Group's core businesses and provide the best return on the Group's R&D and IP investment.

Realizing impactful value from intellectual property

In 2025, the Kudelski Group continued to pursue initiatives to license and enforce its IP in business segments related to over-the-top video distribution services, social media platforms and online gaming and betting providers. As it has effectively done in the past, the Kudelski Group remains willing and able to make its IP available to a broad group of licensees as well as to enforce its IP rights when necessary to preserve and protect its intellectual property portfolio.

The Kudelski Group also seeks to leverage its IP in business relationships beyond IP licensing. When appropriate, the Group's IP-related agreements will incorporate product relationships, technology transfers and cross-licenses. The Group's IP portfolio will also continue to serve strategic defensive needs deterring competitive threats.

Supporting the Group's emerging businesses

In 2025, the IP organization continued to support the Group's growing Cybersecurity, Internet of Things (IoT) and Kudelski Labs divisions by filing new patent applications covering promising technologies being developed by the Group in these areas: including asset tracking, anti-theft, product authentication, threat hunting and detection, and quantum-resistant encryption. It also supported continuing innovation in areas that apply across the entire Group, such as artificial intelligence, augmented and virtual reality and secure content delivery. Going forward, the Group will continue to execute its plans to strategically invest in innovation as well as to protect and license its IP portfolio.

World-class licensing program

By having established cross-licenses with the most advanced players in the digital space, the Kudelski Group has not only demonstrated the quality of its R&D-generated IP but has gained access to valuable third-party IP needed for the future of its business and freedom to operate in worldwide markets. The Group's licensing program is recognized among its peers as providing significant value to its base of licensees.

**PROTECTING THE ENTIRE MEDIA
CONSUMPTION CHAIN**

CORE DIGITAL
SECURITY



LEADING THE FUTURE OF TRUSTED DIGITAL EXPERIENCES

› CORE DIGITAL SECURITY

For over 35 years, NAGRAVISION has been operating at the intersection of security, business, and technology, driving purposeful innovation in the media and entertainment industry.

In 2025, the Kudelski Group brought together NAGRAVISION and Kudelski Labs under Core Digital Security, creating a flagship, fully integrated unit that combines market-proven solutions with advanced research capabilities to protect digital value, anticipate emerging threats, and drive AI-powered transformation in an increasingly connected world.

Our vision

The formation of Core Digital Security reflects the Group's renewed commitment to enabling customers to secure an increasingly complex digital future. Kudelski Labs is embedded at the core of this organization, contributing deep expertise in cryptography, cybersecurity and frontier technologies such as post-quantum cryptography (PQC), secure device lifecycle management and Edge AI. These capabilities strengthen NAGRAVISION's ability to deliver trusted, future-ready digital experiences while opening new verticals in high-assurance markets. The close integration of research with a global customer base accelerates validation, supports efficient scaling and creates new revenue opportunities through advanced solutions and IP licensing. This synergy positions the Group for sustained, long-term growth as digital ecosystems expand and regulatory expectations intensify.

Translating innovation into customer value

Frontier technologies such as AI, quantum computing, next-generation cryptography and intelligent connectivity are reshaping global security requirements, with investments in these domains expected to grow significantly. Within Core Digital Security, Kudelski Labs and NAGRAVISION teams work in close alignment across research, engineering and go-to-market functions to translate advanced innovation into deployable, customer-ready solutions. In 2025, joint advances in post-quantum cryptography (PQC), Edge AI and secure device lifecycle management were integrated into offerings for sectors

ranging from automotive and critical infrastructure to space and defense. By embedding Kudelski Labs' frontier research into its product and delivery model, NAGRAVISION enhances its ability to lead in next-generation security and digital experience innovation.

An ecosystem of strategic partners

Core Digital Security is supported by a global ecosystem of hyperscalers, semiconductor innovators and technology partners. Kudelski Labs plays a central role in shaping these collaborations, working alongside NAGRAVISION to extend secure Edge and enterprise AI, quantum-resilient architectures and next-generation media security. Strategic collaborations with AWS, Axelera AI and others extend secure Edge and enterprise AI, quantum-resilient architectures and next-generation media security, while addressing data protection, model integrity, secure communications, device authentication and AI licensing enforcement. These partnerships enhance the Group's solution portfolio, accelerate market access and support the adoption of emerging technologies through validated, real-world use cases.

In 2025, Kudelski Labs demonstrated secure autonomous robotics by integrating its accelerated AI security stack with Axelera AI hardware and AWS cloud services, illustrating end-to-end, chip-to-cloud protection and reinforcing the Group's position as a trusted partner for secure and compliant AI deployments.

Protecting content investments and service revenues

THE FUTURE OF STREAMING SECURITY

The rapid growth of digital content creation, production, and distribution has transformed the streaming industry, but it has also introduced unprecedented security challenges. In 2025, several leading European streaming and telecom operators expanded their anti-piracy platforms across multiple markets, leveraging NAGRA NexGuard forensic watermarking and AI-powered analytics to protect premium content and fight against piracy in real time.

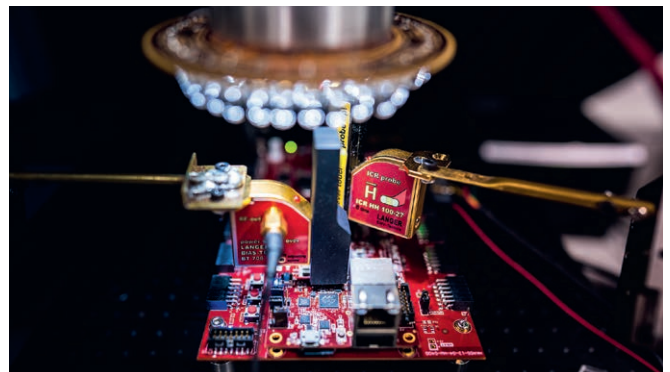
These deployments not only safeguarded revenue for content providers but also ensured compliance with contractual obligations, reinforcing trust across the content ecosystem and strengthening commercial partnerships with rights holders and service providers. Mobile and multi-device streaming services were similarly enhanced using NAGRAVISION's SaaS-based OpenTV and Security Services platforms, enabling subscribers to securely access content anytime, on any device, and through integrated service bundles that simplify subscription management and enhance personalization.

These examples demonstrate how NAGRAVISION's end-to-end streaming security has evolved from a traditional back-office function into a strategic business enabler, directly supporting service growth, subscriber retention, and monetization of high-value content.

By consolidating intelligence from multiple sources, including DRM license requests, CDN traffic, and platform usage data, operators can accurately quantify revenue losses, detect illicit access, and take immediate remedial action. This proactive, AI-powered monitoring not only mitigates piracy risks such as CDN leeching and credential sharing but also informs strategic business decisions, helps optimize pricing and packaging strategies, and allows operators to anticipate emerging threats before they impact the consumer experience, turning advanced security into a measurable, revenue-preserving advantage.



By securing robotics lifecycle management and Edge AI, Kudelski Labs contributes deep expertise in post-quantum cryptography.



Core Digital Security focuses on advanced research capabilities in an increasingly connected world.



Kudelski Labs demonstrates secure autonomous devices that integrate accelerated AI security.

Personalized and immersive multi-service offers

THE FUTURE OF CONSUMER ENGAGEMENT

Consumers today face overwhelming choices as streaming services proliferate, leaving many households juggling multiple subscriptions and struggling to find content.

A Deloitte survey found 52% of respondents have difficulty accessing content across services, while 53% are frustrated by subscribing to multiple platforms to watch what they want. The average U.S. household now pays for four streaming services, up from three pre-pandemic. This fragmentation fuels subscription fatigue and churn, with consumers repeatedly adding, canceling, or switching services in response to a poor and frustrating user experience.

Driving growth through seamless entertainment

Recognizing these challenges, the company responded in 2025 with a unified, flexible solution: the OpenTV ENTera platform, a SaaS-based offering that consolidates multiple subscriptions, bundles diverse content services, and streamlines access with strong security and personalization. This reduces friction for users by delivering seamless access across content types and devices, simplifying subscription management, and eliminating the need to juggle multiple logins or excessively high monthly bills.

Early adopters of OpenTV ENTera reported a dramatic shift in customer satisfaction: operators saw their Net Promoter Scores (NPS) rise significantly from 8 to 30 in a sample of deployments, validating the platform's ability to enhance user engagement, loyalty, and perceived value.

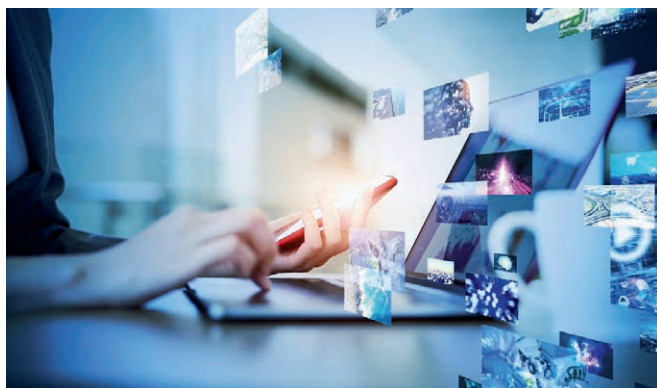
In doing so, OpenTV ENTera transforms the streaming experience not only by offering more content, but by making access easier, more coherent, and more

user-friendly. The platform helps operators tackle the industry's most persistent barriers of fragmentation, slow time-to-market, costly integrations, and lack of differentiated consumer experiences while reducing subscription fatigue, lowering churn, and building long-term relationships with customers. By delivering an integrated, personalized, and hassle-free entertainment experience, OpenTV ENTera also drives growth and expands market share for NAGRAVISION and its partners.

Transforming entertainment delivery for consumers

In a competitive digital entertainment market, operators must deliver secure, seamless, and personalized experiences while protecting content and engaging users. NAGRAVISION's integrated platforms allow operators to simplify content access, safeguard high-value assets, and provide immersive entertainment experiences.

By combining content security, personalized multi-service platforms, sports engagement, and cybersecurity, operators can enhance consumer loyalty, unlock new monetization opportunities, and thrive in a rapidly evolving digital landscape.



Delivering consumer value with Open TV ENTera by providing a whole streaming experience.



Protecting from smart home cyber threats with NAGRA Scout both inside and out of the home.

Protecting the connected consumer

DRIVING LOYALTY THROUGH ADVANCED SECURITY

Through digitalization, households are increasingly vulnerable to cyber threats, from identity theft to ransomware. The NAGRA Scout solution provides proactive, AI-driven cybersecurity for connected devices and home networks, delivering real-time monitoring, threat detection, and mitigation. Consumers gain peace of mind while operators benefit from intelligence on device behavior and anomalies, improving network resilience, reducing support calls, and enabling proactive service. By embedding advanced security into everyday experiences, NAGRA Scout transforms cybersecurity into a trusted, value-added service that drives customer loyalty and recurring revenue.

Empowering semiconductor manufacturers

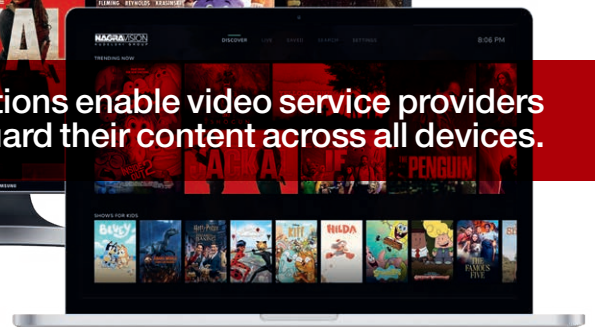
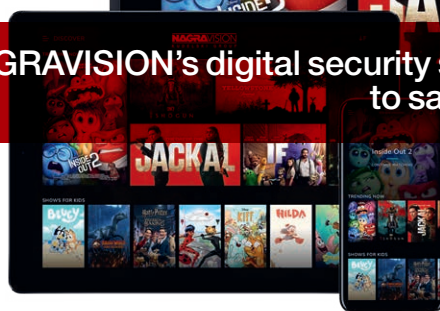
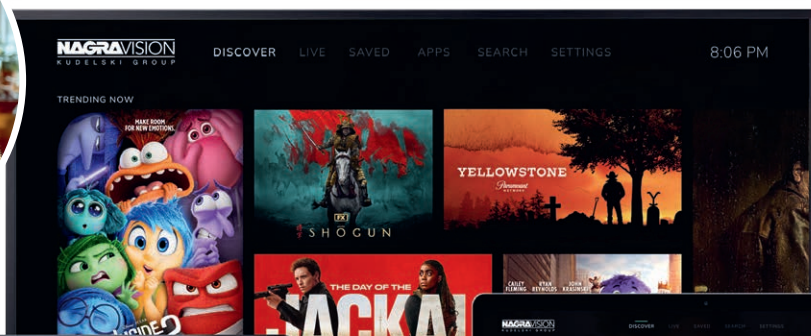
The KeySTREAM platform, which includes Kudelski Security IP (KSE), empowers semiconductor manufacturers to embed robust security into chipsets and manage them throughout their lifecycle. By partnering with STMicroelectronics, Microchip, and Infineon, Kudelski Labs has enabled secure onboarding, over-the-air updates, and streamlined Matter device certification, including factory provisioning for faster market readiness. Within Core Digital Security, KSE is closely integrated with NAGRAVISION's solutions, ensuring that device-level security, content protection, and service delivery work seamlessly together. Building on these successes, KSE now incorporates post-quantum cryptography, reinforcing Kudelski Labs' leadership in

next-generation semiconductor security and enhancing NAGRAVISION's ability to deliver trusted, end-to-end digital experiences across connected devices and platforms. These capabilities not only strengthen product security but also position customers to meet increasing expectations for regulatory compliance and secure innovation.

The evolution of the regulatory landscape

As governments place growing accountability on manufacturers for the security and resilience of connected and AI-enabled products, the global regulatory landscape is evolving rapidly to address cyber risks, data protection, and trust in digital systems. Standards such as ISO/IEC 27001, ISO/SAE 21434, and IEC 62443 provide structured frameworks for securing products throughout their lifecycle, while regulatory initiatives like the EU Cyber Resilience Act and the U.S. IoT Cybersecurity Improvement Act underscore the importance of embedding security from the start.

These developments make security, compliance, and lifecycle risk management fundamental to technology adoption. For the Kudelski Group, they reinforce the strategic value of our end-to-end security solutions. By embedding robust protections from chip to cloud and aligning with emerging regulatory expectations, we enable customers to deploy innovative technologies with confidence, accelerate market access, and sustain long-term trust in regulated environments.



NAGRAVISION's digital security solutions enable video service providers to safeguard their content across all devices.

SECURING INTELLIGENT AND CONNECTED FUTURES

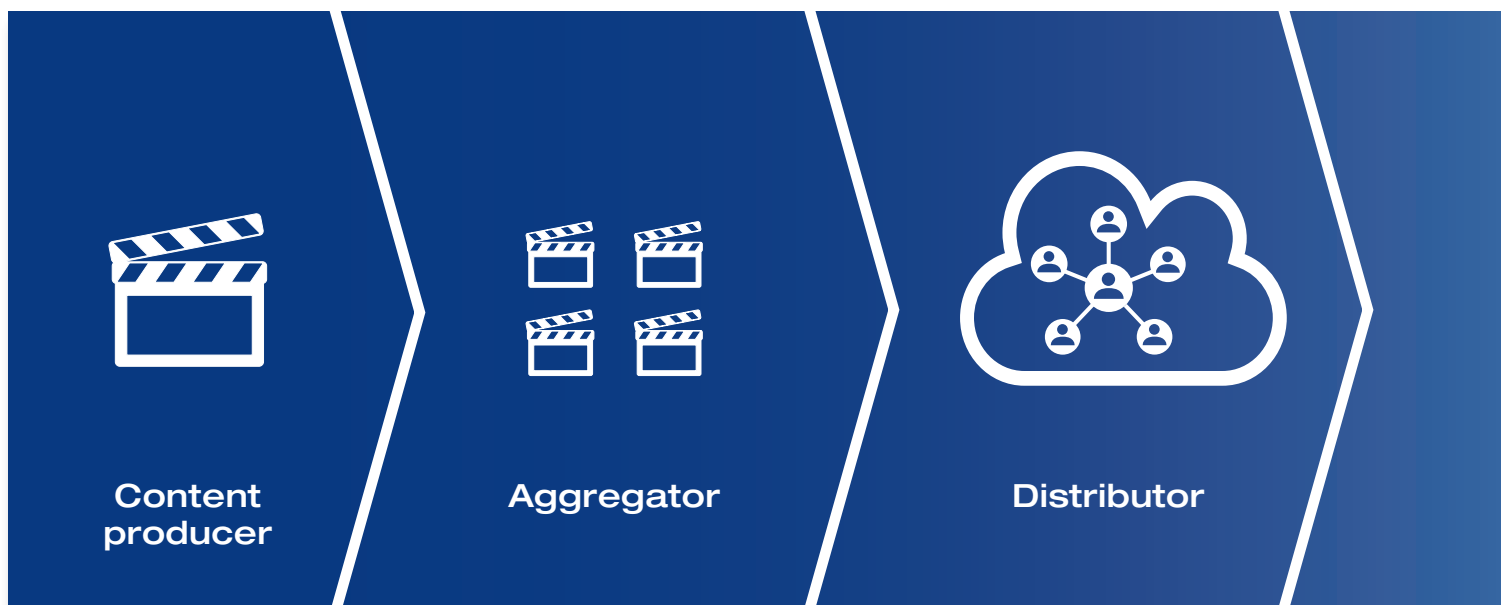
› CORE DIGITAL SECURITY

NAGRAVISION and Kudelski Labs provides resilient digital futures, leveraging Kudelski Group synergies to secure consumption and device lifecycles.

Anti-piracy intelligence services
NexGuard forensic watermarking

Active Streaming Protection Hybrid and streaming platforms
Insight, consumer behavior and loyalty

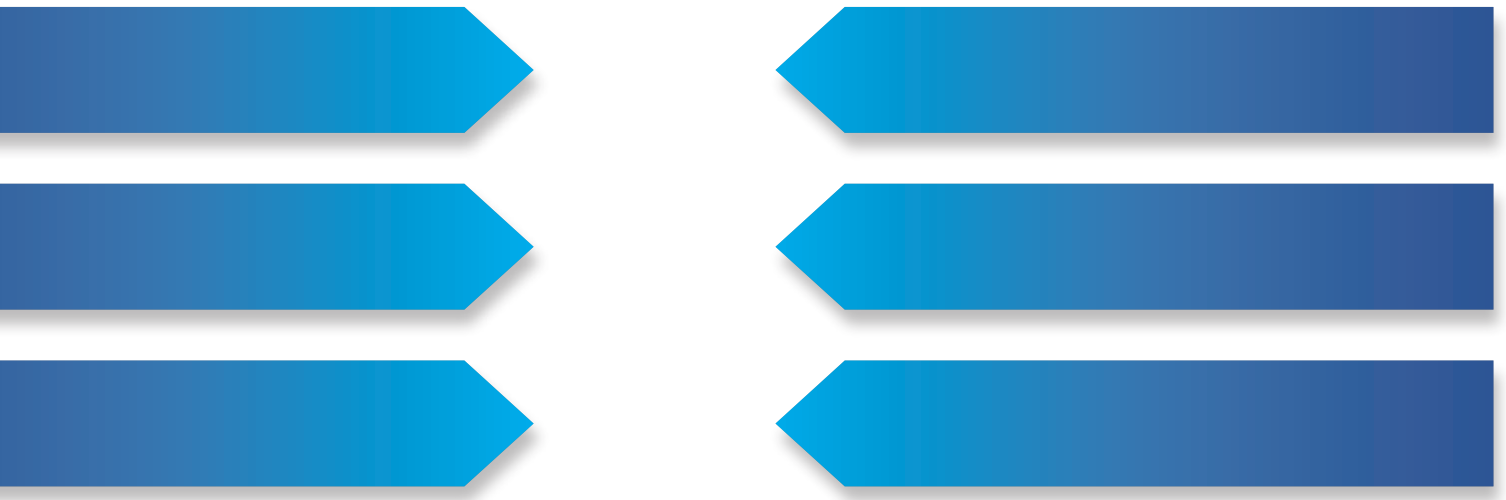
Broadcast security



Protecting infrastructure

Kudelski Security

A comprehensive portfolio designed to secure the entire content consumption chain.



Securing device lifecycle management

Kudelski Labs

Privacy and protecting from cyber threats

NAGRA Scout for home

2025 MARKET HIGHLIGHTS

› CORE DIGITAL SECURITY

Europe

[Sport league] — NAGRAVISION Teams Up with the English Football League to Tackle Live Sports Piracy to help detect, disrupt and deter live sports piracy across all matches of the 2025/6 football season.

Protecting live sports content is increasingly critical for leagues and broadcasters in the digital age. Fighting live sports piracy is a top priority for the English Football League (EFL) and the wider industry to safeguard the value of live content, support member clubs, and deliver the best possible fan experience. By leveraging NAGRA Streaming Security's dynamic piracy monitoring, the EFL can accurately quantify piracy threats against its live sports content. The solution's anti-piracy intelligence further enables the EFL to assess the impact of take-down and enforcement actions and gain a comprehensive view of pirate activities targeting their broadcasts, ensuring robust protection for premium live sports.

NAGRAVISION's dynamic, real-time monitoring is an effective and important part of our work to protect our content, clubs and their supporters. The level of information available to us means we can better monitor, identify and take down illegal streams as they appear across various platforms, and ensure that we are providing the best possible experience to those that pay for legitimate services.

Russell Byrne

*Head of Broadcast Operations
English Football League
United Kingdom*

[Operator] — Tele Columbus Extends PÿUR TV Entertainment Service to Include Mobile Device Apps Powered by NAGRAVISION and 3SS.

Tele Columbus, one of Germany's leading broadband and TV providers, is expanding PÿUR TV to mobile devices with support from NAGRAVISION and 3SS. Building on the successful migration of subscribers to its new platform, the company leverages NAGRAVISION's SaaS-based OpenTV and Security Services platforms, integrated with 3SS' 3Ready app platform, XRoad-Media, and SimplyTV, to deliver a secure, scalable, and immersive viewing experience.

We're excited to now complement our existing PÿUR TV service with app support for mobile devices as we continue to deliver on our vision of providing an outstanding entertainment experience for our subscribers, ensuring our subscribers have access to personalized entertainment at any time and on the device of their choice is central to our vision of enhancing traditional linear television, driving service growth and subscriber loyalty.

Lars Lanske

*Head of TV & On Demand Products
Tele Columbus
Germany*

[Operator] — NAGRAVISION Partners with Bango to Bring Over 100 Subscription Services to OpenTV ENTer, Driving Multi-Service Engagement for Telco Service Providers.

NAGRAVISION Partners with Bango to Bring Over 100 Subscription Services to OpenTV ENTer. By leveraging the Digital Vending Machine® (DVM™) from Bango through the OpenTV management console, service providers can enable greater consumer retention and more efficient audience segmentation.

Our vision is to be the place where people subscribe, enabling operators to bring subscriptions together in one place delivers consistency, choice and control for consumers. Through our partnership with NAGRAVISION, telco service providers have powerful new bundling opportunities at their fingertips, creating additional revenue opportunities and a broader understanding of consumer preferences and behavior.

Anil Malhotra

*CMO
Bango
United Kingdom*

[Operator] — United Cloud Strengthens Streaming Security Through NAGRAVISION Collaboration.

United Cloud, an end-to-end solutions provider for telecoms and media, is extending its anti-piracy partnership with NAGRAVISION to further reinforce streaming security for its clients across seven European markets. By continuing to rely on NAGRA NexGuard forensic watermarking as a core component of its anti-piracy platform, United Cloud benefits from NAGRAVISION's proven, industry-leading technology to protect premium content, identify and shut down leaks at the source, and combat piracy in real time across all key operating geographies. The deployment reflects the ongoing expansion of NAGRAVISION's forensic watermarking capabilities, including server-side watermarking designed to counter advanced pirate activity such as CDN leeching.

The integration of NAGRAVISION's solution into United Cloud's technology ecosystem in 2022 enabled the creation of our unique platform, recently further enhanced by our award-winning AI tools. Its performance in protecting content providers and rights holders across cable, satellite, and streaming

services has translated directly into strong revenue protection for all our clients. Today, we can detect and shut down piracy with unmatched precision, and we're pleased to extend our collaboration with NAGRAVISION to further strengthen our defense capabilities.

Srdjan Djurdjevic
CEO
United Cloud
Serbia / Slovenia

[Operator] — NAGRAVISION Extends OneTV Solution at ONE Hungary, powered by OpenTV® ENTerA to enable Third-Party Service Bundling with the Digital Vending Machine® from Bango.

ONE Hungary, the leading Hungarian broadband and TV service provider, is extending its OpenTV ENTerA-powered offer to include third-party service bundling through the integration of Bango's Digital Vending Machine® (DVM™). As part of its ICT transformation strategy, ONE Hungary partnered with NAGRAVISION as system integrator and solution partner to migrate its in-house and legacy platforms to a new, dynamic streaming service powered by OpenTV ENTerA and secured by NAGRA Streaming Security. Building on this foundation, the project has now reached its next planned phase, enabling seamless access to more than 100 subscription services through the Bango DVM™, further enhancing service flexibility and customer choice.

We're excited to continue our partnership with NAGRAVISION and further extend our consumer offer to include third party service bundling. We're excited by our consumers reaction to our new OneTV service and are looking forward to providing them with the capability to make OneTV their one-stop-shop for all their entertainment needs.

Tamás Bányai
CEO
ONE Hungary
Hungary

[Technology partner] — NAGRAVISION and Broadpeak Unite to Combat Live Sports Piracy with Real-Time Disruption Technology.

As sports streaming grows in popularity, providers face increasing pressure to protect live content and ensure seamless delivery. The integrated solution addresses the unique challenges facing today's sports streaming providers, where millions of viewers demand flawless real-time delivery during high-stakes events.

The platform delivers comprehensive end-to-end protection against evolving piracy threats including illegal re-streaming, credential sharing, unauthorized access, and CDN leeching. Its AI-powered analytics engine continuously monitors CDN traffic and DRM license requests to detect suspicious activity patterns, enabling immediate disruption of pirate streams without impacting legitimate viewers.

We're excited to be partnering with NAGRAVISION to address live sports piracy, one of the biggest threats facing our industry today. Our new solution approach offers a robust, scalable and secure streaming capability that ensures legitimate delivery and viewer satisfaction remain the core focus throughout the streaming workflow.

Damien Sterkers
VP of Products & Solutions Marketing
Broadpeak
France

Asia-Pacific

[Technology partner] — NAGRAVISION and MediaTek Reinvent Streaming Security with Next-Gen DRM Protection.

As digital entertainment consumption grows, device-level security becomes essential to protect premium content. NAGRAVISION and MediaTek Reinvent Streaming Security with Next-Gen DRM Protection. The collaboration will deliver an on-device security solution that enables renewable content protection and eliminates the risks of credential management applied at the factory level, ushering in a new era of trust, DRM robustness, and protection for digital entertainment.

Pirates are constantly probing for weaknesses at the DRM level. Our partnership with NAGRAVISION enables a renewable, resilient security model that adapts to evolving threats and protects content long after a device has left the factory.

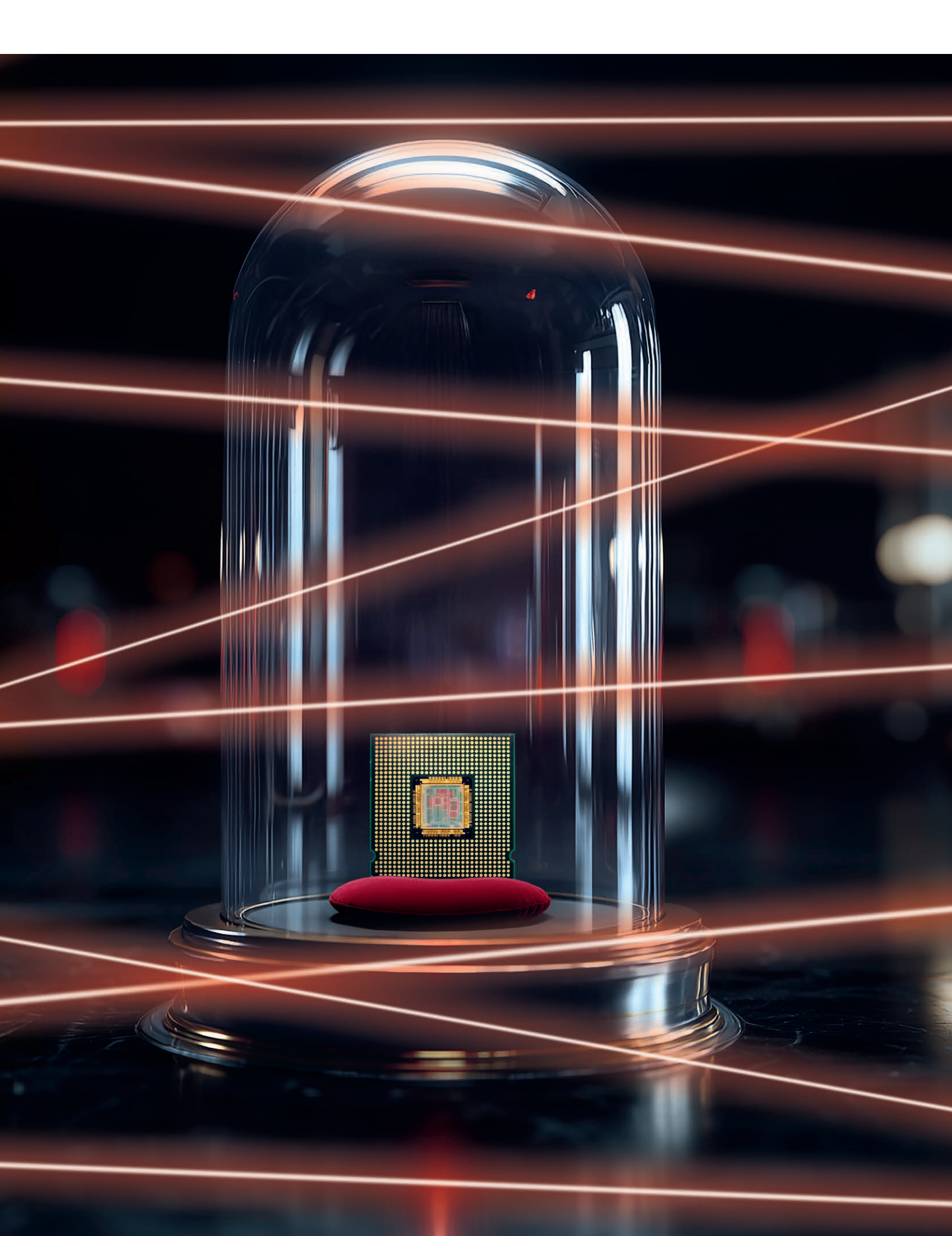
Sam Lee
Deputy General Manager
Smart Home BU at MediaTek
Taiwan



**BUILDING RESILIENCE
OF BUSINESS TRANSFORMATION
IN A CHANGING WORLD**

CYBERSECURITY





PROACTIVE AND REACTIVE SOLUTIONS FOR A CYBER LANDSCAPE ACCELERATED BY AI

) CYBERSECURITY

Kudelski Security provides AI-powered Managed Detection and Response (MDR) solutions as well as expert services to identify and mitigate cyber threats in real-time, bolstering clients' overall cybersecurity resilience.

In 2025, Kudelski Security reaffirmed its commitment to safeguarding organizational growth by strategically enhancing its solutions and services to anticipate and counter an ever-evolving, AI-intensified threat landscape.

Decisive and unified cyber defense

Organizations are facing a rapidly expanding attack surface driven by accelerated cloud adoption, pervasive remote connectivity, growing IoT deployments, and deeply interconnected supply chains—all multiplying the potential entry points for threat actors.

In 2025, identity-centric attacks surged as adversaries exploited compromised credentials and abused authentication paths to gain persistent access. At the same time, the rise of generative AI introduced a new class of risks: prompt-injection techniques that manipulated models and bypassed safeguards, along with vulnerabilities in large language models that exposed weaknesses in logic, training data integrity, and automated decision-making.

These escalating pressures make one thing clear: only unified defenses, faster detection, rapid response, and complete visibility across digital and AI-driven environments can keep organizations ahead of both conventional and AI-enabled threats. Strong, proactive, and reactive measures are now non-negotiable for maintaining resilience.

Kudelski Security Managed Detection and Response (MDR) services deliver 24/7 threat monitoring and real-time risk mitigation to protect endpoints, cloud environments, identity systems, and supply chains, while its Incident Response Retainers ensure rapid expert support during breaches. Together, these offerings deliver a unified approach that helps organizations strengthen resilience and respond effectively to modern cyber threats.

AI is transforming the battlefield for both attackers and defenders

Artificial intelligence (AI) is reshaping cyber operations, creating new opportunities for defenders while enabling more sophisticated attacks. Security teams use AI to accelerate threat detection, streamline alert triage, and automate incident response, improving efficiency and speed. Meanwhile, adversaries leverage generative AI to amplify phishing, social engineering, and intrusion campaigns at unprecedented scale. Kudelski Security has strengthened its MDR services, threat intelligence, and AI-driven detection to protect endpoints, identities, cloud workloads, and SaaS environments, enabling proactive, intelligence-driven defense and enhanced operational resilience.

Staying ahead of rapidly evolving cyber risks

Cyber threats are evolving faster and more aggressively than ever. Ransomware attacks surged worldwide, with adversaries executing encryption and data-theft campaigns at unprecedented speed. Social engineering, increasingly amplified by AI, has become more convincing and harder to detect, making identity compromises a primary vector for intrusions.

At the same time, threat actors are exploiting newly disclosed vulnerabilities almost immediately, often targeting internet-facing devices such as firewalls and VPNs. These developments highlight a shift toward highly organized, financially motivated operations that exploit both technical and human weaknesses.



The human element remains a key vulnerability in cyber defense. With our solutions in place, millions of people confidently enjoy their daily lives — at work, at home or among friends.

This rapidly changing threat landscape demands proactive, intelligence-driven defense strategies. Kudelski Security has been at the forefront, partnering with organizations globally to address these risks through a growing portfolio of proactive and reactive services.

Our offerings include continuous threat exposure management, offensive security testing, cloud and application security assessments, and tabletop exercises — each designed to help organizations anticipate threats, strengthen resilience, and reduce overall risk.

Taking charge of OT security to safeguard operations

In 2025, protecting Operational Technology (OT) environments has become more critical and complex than ever, as threat actors intensify attacks on critical infrastructure and industrial systems. Geopolitical tensions, supply chain compromises, and the convergence of IT, OT, and cloud environments have expanded the attack surface, putting remote monitoring and control systems at heightened risk. Adversaries are increasingly repurposing IT-based malware for OT intrusions, launching ransomware campaigns, and deploying destructive payloads capable of disrupting physical operations and impacting business continuity.

Legacy systems and unpatched IoT devices remain prime entry points, while the shortage of skilled OT security professionals limits rapid response and recovery. Regulatory requirements are also tightening, with frameworks such as NIS2, TSA Security Directives, the EU Cyber Resilience Act (CRA), and sector-specific resilience mandates shaping compliance priorities.

These pressures are driving organizations to advance visibility, risk-based monitoring, and incident response across OT environments to safeguard operational resilience. Kudelski Security empowered organizations to take decisive action by integrating IT and OT security strategies, enhancing detection and response across converged environments, and aligning operations with emerging regulatory standards.

Through proactive assessments, continuous monitoring, and tailored resilience programs, Kudelski Security helps clients reduce exposure, anticipate threats, and protect critical operations in today's increasingly complex cyber landscape.

2025 MARKET HIGHLIGHTS

) CYBERSECURITY

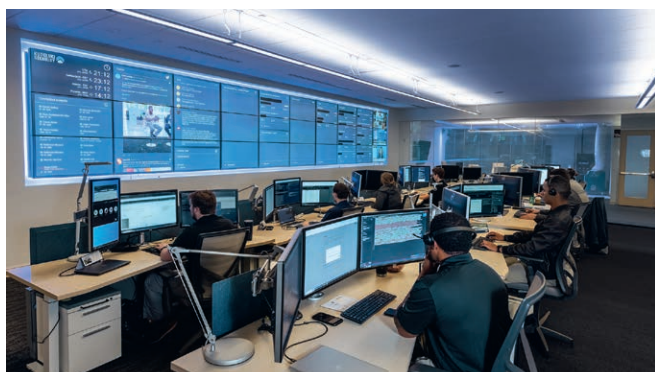
In 2025, Kudelski Security advanced its transformation by delivering differentiated services, enhancing its Managed Detection and Response (MDR) capabilities through improved threat detection, proactive defense measures, and the integration of AI at the core of its operations.

Additionally, Kudelski Security strengthened its MDR platform to support leading technologies and expanded its Operational Technology (OT) security expertise with the creation of an OT Security Center of Excellence.

Stay ahead of evolving threats

Kudelski Security continued its transformation by expanding differentiated Managed Detection and Response (MDR) services and integrating new platform capabilities. Investments in a state-of-the-art Counter Adversary Unit enhanced threat intelligence, detection, and incident response, reinforcing the company's commitment to proactive protection. Strategic partnerships with leading hyperscalers and cybersecurity providers, including support for CrowdStrike Next-Gen SIEM and Google SecOps, strengthened integrated, scalable, intelligence-driven operations. Key service enhancements introduced during the year included:

- **Continuous Asset & Threat Visibility** enables organizations to identify coverage gaps, optimize security posture, and align defenses with business risk;
- **Credential Leak Monitoring** continuously detects exposed corporate credentials across open, deep, and dark web sources, integrating with identity and access management systems to automate containment and reduce response time;



Kudelski Security's cyber fusion center integrates automation and AI to detect new threats and respond to the most sophisticated attacks.

- **External Attack Surface Management (EASM)** provides continuous, real-time visibility into internet-facing assets, helping clients discover unknown exposures and prioritize remediation before attackers can exploit them.

This approach shifts enterprise security from reactive defense to proactive, risk-driven strategies, helping organizations safeguard operations, maintain customer trust, and stay ahead of evolving threats.

Enhancing MDR operations

Kudelski Security has advanced the integration of artificial intelligence (AI) across its Managed Detection and Response (MDR) operations to boost efficiency, strengthen threat detection, and improve client outcomes. AI-assisted investigations, intelligent alert correlation, behavioral analytics, and automation of key processes allow security analysts to detect and respond to threats faster while maintaining accuracy, consistency, and scalability across global operations. By progressively embedding AI throughout its MDR services, Kudelski Security optimizes resource utilization, reduces analyst fatigue, shortens mean time to detect and respond, and drives continuous improvement across triage, investigation, and escalation workflows, delivering measurable and repeatable results. The use of AI also enables better threat prioritization, greater visibility across complex environments, and faster adaptation to emerging attack techniques. These innovations reinforce the company's leadership in MDR and its commitment to delivering proactive, adaptive, and resilient cybersecurity solutions in an increasingly complex and evolving threat landscape.



Kudelski Security's expansion into essential infrastructure such as hospitals has been a key factor in its sustained growth.

Continued recognition

Kudelski Security strengthened its position as a leader in cybersecurity in 2025 by delivering innovative MDR capabilities, advisory services, OT security, and incident response to clients across multiple industries:

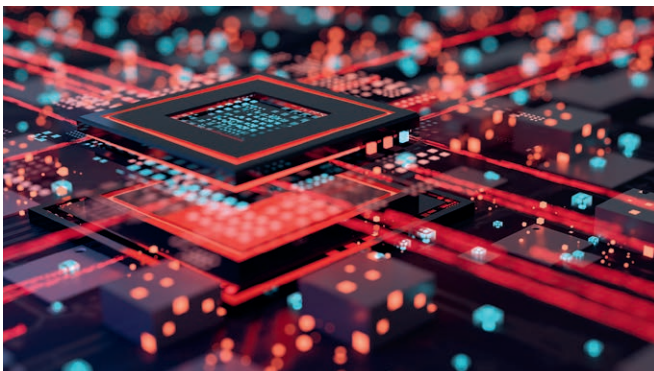
- **Gartner** named Kudelski Security a top MDR vendor for the eighth consecutive time in the Market Guide for Managed Detection and Response (MDR) Services. In addition, Gartner recognized the company for the sixth consecutive year in the Market Guide for Digital Forensics and Incident Response Retainer Services;
- **Gartner** also named Kudelski Security a notable vendor in the Hype Cycle for Cyber Physical Security, highlighting the company's capabilities and relevance in this emerging security domain;
- **ISG** recognized Kudelski Security as a Leader for Next Gen SOC/MDR Services in the US and Switzerland;
- **Exaegis** identified Kudelski Security as a Visionary MDR provider in its 2025-2026 Blueprint for Managed SOC;
- **Forrester** recognized Kudelski Security as a Contender and one of the top 10 vendors in the Forrester Wave MDR Service in Europe, and as a notable vendor in the Cybersecurity Consulting Services Landscape reports.

Accelerating innovation through OT Security Center

Rising cyber threats, stricter regulations, and the convergence of IT and OT environments continued to drive strong market demand for Kudelski Security's services. In response, the company expanded its OT security portfolio and, in 2025, established an OT Security Center of Excellence to accelerate innovation, share best practices, and provide specialized expertise in industrial cybersecurity.

Through high-value advisory engagements, proactive assessments, continuous monitoring, and tailored resilience programs, Kudelski Security empowers organizations to unify IT and OT security strategies, anticipate and respond to emerging threats, and navigate an increasingly complex digital landscape with confidence. By combining advanced technologies, deep industry insight, and a forward-looking approach, the Kudelski OT Security Center helps clients to not only protect critical assets and ensure operational continuity, but also to unlock new opportunities for innovation and growth.

By transforming digital operations, fostering trust across ecosystems, and building a resilient foundation, we enable organizations to go beyond risk mitigation and achieve sustainable business success in an era of rapid technological change, convergence, and evolving threats.



Kudelski Security's AI Security portfolio helps businesses to adopt AI securely.



Kudelski Security's expansion into critical infrastructure such as energy has been a key factor in its sustained growth.



**WHERE THE DIGITAL WORLD
BECOMES THE REAL WORLD**

INTERNET
OF THINGS



PROTECTING HIGH-VALUE ASSETS ACROSS INDUSTRIES

) INTERNET OF THINGS

For years, Kudelski Internet of Things (IoT) has stood at the intersection of intelligent security, operational efficiency, and asset protection, drawing on the Kudelski Group's expertise to innovate for sectors with high-value physical assets.

In 2025, Kudelski IoT continued to focus on resilience and risk management with its core mission of securing mobile assets, partnering with customers to confront new risks, curb theft and fraud, and strengthen operational continuity across industries.

Safeguarding assets in an era of rising costs and risk

The automotive industry confronted significant volatility in 2025 as U.S. tariffs reshaped pricing and operational dynamics. A 25% tariff on imported vehicles in April, followed by a 25% tariff on automotive parts in May, heightened cost pressures and underscored the importance of efficiency, inventory control, and risk mitigation at the dealership level. With vehicle stock representing major capital commitments, protecting assets became a top priority. The urgency of asset protection is further highlighted by persistent vehicle-theft risks. Rising vehicle prices and the continuing scale of theft risks prompted both dealers and consumers to prioritize security and investment protection. Sustained demand reinforces the industry's ongoing need for strong asset-protection and operational-efficiency strategies.

Providing new technology to prevent from theft and loss

In 2025, demand for asset-tracking and security technology expanded beyond automotive dealerships, reaching agriculture, marine, construction, and golf-course operations as businesses sought to address rising theft risk, equipment misplacement, and operational inefficiencies. The solution extended its value beyond dealerships to protect vehicles, keys, machinery, and other high-value assets through a unified architecture that integrates Asset Tracking, Theft Recovery, and Operational Intelligence. By combining advanced IoT technology with actionable analytics and seamless system integration, Kudelski IoT RecovR delivered measurable operational benefits and reinforced its role as a trusted partner for businesses seeking to safeguard critical assets and maintain financial resilience.

OEM GPS solutions leave dealerships and consumers wanting

Despite the availability of OEM solutions for lot management and theft recovery, strong demand persists for RecovR's GPS technology. Both dealerships and consumers face significant limitations with factory-installed systems that RecovR is uniquely positioned to address.

For dealerships, OEM solutions create a fundamental fragmentation problem. Multi-brand dealers require a unified lot management system that works seamlessly across all vehicle makes, which OEM solutions cannot provide. Moreover, because OEM systems are bundled into vehicle pricing, they generate no additional F&I revenue, a missed opportunity that RecovR captures by offering a standalone, revenue-generating product.

For consumers, OEM solutions fall short on the features that matter most. Factory systems provide no theft protection or insurance benefits, and their predictable mounting locations make them easy for thieves to locate and disable, effectively neutralizing any recovery capabilities. Even when functional, OEM recovery processes are cumbersome and slow, leaving both consumers and dealerships frustrated during the critical hours following a theft. RecovR addresses these gaps with professional-grade tracking technology, insurance partnerships, and rapid recovery protocols that deliver real results when seconds count.



Get your lost keys back fast with RecovR for keys, the new, simple and reliable asset tracking solution.

Protecting ID fraud in the dealership

Dealerships now face growing identity-fraud pressure during the vehicle-purchase process. In 2024, automotive fraud surged by 54% year-over-year, driven largely by identity theft and falsified credit applications. At the same time, broader identity-fraud trends show a sharp rise globally: forged and altered identity documents accounted for 50% of all fraud attempts in 2024, underscoring how prevalent document fraud continues to be. To counter these risks, Kudelski IoT RecovR combines advanced identity-verification capabilities with its asset-tracking technology, giving dealerships a robust defense that detects fake IDs, flags suspicious applications, and secures vehicle inventories while maintaining smooth, user-friendly customer interactions and protecting profitability.

Advancing fraud prevention

In 2025, Kudelski IoT advanced dealership fraud prevention with the launch of ID Check, addressing rising auto-finance fraud and the growing need for fast, multi-layered identity verification. A new strategic partnership with IDEMIA, trusted by the TSA and global government agencies, empowered Kudelski IoT to deliver a secure, hardware-free solution that streamlines both in-store and online transactions. Deployed across California dealerships in March, ID Check helps prevent losses from falsified identities while protecting dealer reputations. Together with Kudelski IoT's asset-tracking products, ID Check strengthens dealer defenses against two major risks: theft and fraud.

Asset tracking equipment across large sites

Agriculture, construction, and turf operations often face challenges in tracking high-value equipment across large or multiple sites. Real-time visibility of assets is critical to reduce downtime, streamline logistics, and improve overall operational efficiency. Through its partnership with John Deere & Stotz Equipment, Kudelski IoT brings the RecovR solution to more operators, providing effortless, set-and-forget monitoring with simple wireless installation and long-lasting battery life. By enabling users to locate and manage all equipment across their operations, RecovR supports smarter resource allocation, reduces inefficiencies, and enhances productivity while offering peace of mind. RecovR's adaptable platform seamlessly addresses these needs across multiple verticals, requiring minimal product modification while delivering immediate value.



The RecovR tracking reinforced its role as a trusted partner to safeguard critical assets.



By expanding its partnership with John Deere, RecovR brought solutions to locate and manage all equipment to their operations.



Demand for asset-tracking and security technology expanded beyond agriculture to protect high-value machinery.

2025 MARKET HIGHLIGHTS

) INTERNET OF THINGS

In 2025, Kudelski IoT benefited from strategic partnerships, new product launches, and successful expansion into adjacent markets.

Kudelski IoT further strengthened its commitment to delivering scalable, seamlessly integrated engineering solutions through collaborations with leading industry and technology partners.

Asset tracking

In 2025, Kudelski IoT's RecovR solution built on the momentum from 2024, continuing its expansion through strategic partnerships with financial services companies including Ally, Assurant, and JM&A. This channel-driven approach enabled access to major dealer networks, including eight locations of the largest Chevrolet dealer group in the U.S., representing over USD 2 million in potential annual revenue.

Ally's advocacy and established relationships were instrumental in opening these high-value opportunities, demonstrating how financial services partnerships allow RecovR to reach dealer groups that might otherwise be difficult to access. A partnership with Zurich Insurance North America further extended RecovR's reach across automotive customers, reinforcing its value in risk management, asset protection, and loss prevention.

Building on more than two years of successful inventory management automation thanks to RecovR, CarMax has extended RecovR beyond on-lot inventory workflows into transportation operations by deploying the solution to track its fleet of vehicle haulers (trucks and trailers) that move inventory across stores, auction sites, and routes, strengthening continuity and recovery readiness even when primary fleet-tracking devices are disabled.



Chevrolet dealer group deployed RecovR solution to eight more locations within the U.S.

This expansion, scaling fleet management across CarMax locations and equipment, underscores RecovR's ability to broaden its footprint inside customer operations and deliver resilient, enterprise-grade asset visibility across both stationary inventory and in-transit logistics.

Insurance partners increasingly recognize RecovR as a measurable risk-reduction control and are beginning to embed it directly into incentive structures, ranging from insurance premium discounts to mandatory use on certain high value insured assets to accelerate adoption of recommended security technologies and reduce loss severity.

This risk-reduction positioning is also reflected in cooperative/insurance-aligned models that explicitly aim to lower claims and share the benefits of reduced risk, using tracking data to improve visibility, deter theft, and strengthen recovery outcomes.

In late 2025, this dynamic opened a meaningful expansion opportunity in commercial transportation as one of North America's largest logistics providers approved a broad pilot deployment model across its network.

Beyond automotive, RecovR partnered with Stotz Equipment to support agriculture, compact construction, and golf and turf markets, delivering inventory management, asset tracking, and theft recovery solutions for dealers and operators. In defense, a five-year renewal at Joint Base Pearl Harbor-Hickam strengthened the tracking and utilization of aerospace ground equipment, enabling more predictable maintenance and enhancing mission readiness.



A partnership with Zurich Insurance North America extended RecovR's reach reinforcing automotive customers loss prevention.

In Canada, the CADA partnership provides access to 3 400 new-car franchise dealerships nationwide, with more than 76 dealerships now offering RecovR. RecovR has also launched a partnership with April Marine Insurance, making RecovR for Boats and Trailers available to its 50 000+ customers.

Together, these initiatives underscore RecovR’s measurable impact and reinforce its position as a versatile IoT platform spanning automotive, agriculture, defense, and marine markets.

Growing industry demand

Kudelski IoT is experiencing increasing long-term demand for its GPS tracking technology as dealerships and consumers seek reliable solutions beyond factory-installed systems. Automotive professionals and vehicle owners alike face challenges with OEM lot management and recovery solutions, which are often fragmented, limited in functionality, and slow to respond in critical moments.

With advanced tracking tools and expertise, Kudelski IoT delivers comprehensive solutions that unify multi-brand lot management, and enhance theft protection, provide limited warranty benefits, ensuring rapid recovery when every second counts. By offering a standalone, revenue-generating product, Kudelski IoT helps dealerships capture missed opportunities, while empowering consumers to safeguard their vehicles and enjoy peace of mind in an increasingly complex automotive environment.

Navigating a period of market uncertainty

In 2025, a combination of macroeconomic and policy-driven external headwinds weighed on revenue momentum and extended customer decision cycles across key end markets.

In U.S. automotive retail, ongoing uncertainty related to tariff policy and broader trade negotiations created a “wait-and-see” environment, leading many organizations to defer discretionary investments and slow change-management initiatives until cost and demand conditions became clearer. Policy volatility also made OEM planning signals more difficult to interpret, with launch timing, incentive support, and supply commitments remaining flexible rather than firmly established. This uncertainty, in turn, contributed to increased dealer hesitancy to commit to new programs and further slowed adoption of discretionary technology investments.

Concurrently, as affordability tightened and tariffs threatened new-vehicle economics, many franchised dealers increasingly rebalanced toward used vehicles, placing greater emphasis on used inventory turns and sourcing. This shift intensified competitive pressure within the used-vehicle supply chain, increasing competition for vehicle acquisition, and contributing to procurement pressure for certain large used-vehicle retailers. As a result, fewer vehicles flowed into and through inventory, reducing demand for inventory-management tracking solutions.

In parallel, tariff uncertainty and trade-related volatility in U.S. agriculture increased market hesitation and delayed capital investment decisions. These conditions slowed adoption timelines for new AgTech deployments and tempered the Company’s agricultural go-to-market ramp in asset-tracking solutions during the year.



Joint Base Pearl Harbor-Hickam renewed its partnership with RecovR for 5 years.



Kudelski IoT delivers comprehensive solutions using advanced tracking tools.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

This report was prepared in compliance with the directive on information relating to corporate governance issued by the SIX Exchange Regulation and in compliance with Swiss corporate law. Unless otherwise stated herein, the information provided in this report reflects the situation as of December 31, 2025.

1. Group structure and shareholders

1.1. Group structure

Kudelski S.A. has its registered offices in Cheseaux-sur-Lausanne. The company has been structured as a holding company since 1999 and its shares have been listed on the SIX Swiss Exchange since August 2, 1999.

The structure of Kudelski S.A. and its affiliated companies (the “Kudelski Group” or the “Group”) is shown below – sections 1.1.1 to 1.1.3.

1.1.1. Description of the issuer’s operational Group structure

The Group’s operational activities are split into three divisions; Core Digital Security, which combines the Digital TV division with fundamental core security technologies, IoT, which is focused on asset tracking solutions, and Cybersecurity.

Each division is responsible for defining and managing its research and development, sales and marketing, services, support and operations functions. The Finance, Legal, Human Resources and Business Development and Innovation, and Corporate IT departments support the entire organization.

Core Digital Security is organized around Secure Solutions Security, Technology & Systems and Security Services (Lab & Design). The Chief Operating Officer (COO) assumes management of R&D, product management, operations, business transformation, and sales & marketing for the entire Core Digital Security division. In addition, to enhance operational efficiency, the COO oversees the Corporate IT department, which supports the entire organization.

The Cybersecurity division is organized around 3 activities: Managed Detection and Response (MDR) services, Advisory services, and Technology sales and optimization.

The Internet of Things (IoT) division is focused on IoT Secure Solutions for asset tracking and new solutions.

Results by sector are presented in note 5 to the Kudelski Group’s 2025 financial statements.

Main operating companies held directly or indirectly by Kudelski S.A.

The list of the Group’s main operating companies is provided in note 55 to the Kudelski Group’s 2025 financial statements.

Additional information is also included in the 2025 Annual Report’s key figures.

1.1.2. All listed companies belonging to the issuer’s Group

Kudelski S.A., the parent company of the Group, is a Swiss holding company based in Cheseaux-sur-Lausanne in the canton of Vaud. Kudelski bearer shares are listed on the SIX Swiss Exchange (Ticker: KUD; Sec. No. 001226836/ ISIN: CH0012268360). As of December 31, 2025, the market capitalization of Kudelski S.A. bearer shares was CHF 63 392 746.

Kudelski S.A. and its subsidiaries did not hold any bearer shares of Kudelski S.A.

Only the bearer shares of Kudelski S.A. are listed on the SIX Swiss Exchange.

1.1.3. The non-listed companies belonging to the issuer’s consolidated entities

Information about the company name, registered office, share capital and holdings owned by non-listed Group companies included in the scope of consolidation is shown on pages 149 and 161 of the Kudelski Group’s 2025 financial statements.

INTERNATIONAL PRESENCE*

* Indicates countries in which the Group maintained a representation.

		CORE DIGITAL SECURITY	CYBERSECURITY	IOT
EUROPE	Switzerland	■	■	■
	France	■	■	■
	Germany	■	■	□
	Italy	■	□	□
	Norway	■	□	□
	Portugal	■	□	□
	Spain	■	■	□
	The Netherlands	■	■	□
	United Kingdom	■	■	□
AMERICAS	USA	■	■	■
	Argentina	■	□	□
	Brazil	■	□	□
	Chile	■	□	□
	Colombia	■	□	□
	Mexico	■	□	□
	Peru	■	□	□
AFRICA	South Africa	■	□	□
MIDDLE EAST	United Arab Emirates	■	□	□
ASIA / PACIFIC	India	■	■	■
	China	■	□	□
	Singapore	■	■	□
	South Korea	■	□	□

1.2. Significant shareholders

As of December 31, 2025, Kudelski S.A. has two significant shareholders. The first consists of a group of shareholders related to the Kudelski family ("Family Pool") with a total of 58.62% of the voting rights of Kudelski S.A. (see the table below). The Family Pool comprises Mr. André Kudelski, Mrs. Marguerite Kudelski, Mrs. Isabelle Kudelski Haldy, Mrs. Irène Kudelski Mauroux and their respective descendants. Members of the Family Pool own the shares of Kudelski S.A. directly or through an investment structure of which they are the beneficiaries.

The second significant shareholder ("Kudelski Family outside the Pool**") is composed of two discretionary and irrevocable trusts, whose beneficiaries are members of the family of Mr. André Kudelski.

As of December 31, 2025, the Kudelski Family outside the Pool held a total of 4.09% of the voting rights of Kudelski S.A. (see below). In its capacity as a protector of these trusts, Mr. Antoine Foetisch in Singapore, freely exercises the voting rights of the shares held by these trusts. To the Group's knowledge, no other shareholder or group of shareholders holds more than 3% of the voting rights.

All announcements made by Kudelski S.A. to the SIX Exchange Regulation can be found on the SIX Swiss Exchange website at the following address: <https://www.six-group.com/en/market-data/shares/share-explorer/share-details.CH0012268360CHF4.html#/and> then clicking on the "Significant shareholders" link.

1.3. Cross-shareholdings

The Group has no knowledge of the existence of any cross-shareholdings.

AS OF DECEMBER 31, 2025	REGISTERED SHARES	BEARER SHARES	SHARE CAPITAL HELD	VOTING RIGHTS
Family Pool	46 300 000	11 087 211**	28.0%	58.7%
Kudelski Family outside the Pool*		4 000 000	7.1%	4.1%

* On January 28, 2022, the ad hoc publicity of the SIX Swiss Exchange has advised that the trustee beneficiaries are not required to report positions held by trusts.

** The number of bearer shares shown in this section includes transactions carried out in 2025 by the family pool, as reported in accordance with the requirements of the SIX Exchange Regulation. The corresponding 2025 transactions are not included in Note 42 of the Consolidated Financial Statements 2025.

2. Capital structure

2.1. Amount of ordinary, band and conditional capital as at 31.12.2025

Ordinary capital

The share capital of Kudelski S.A. is CHF 448 652 048. It is divided into 51 451 506 bearer shares with a nominal value of CHF 8.00 per share and 46 300 000 registered shares with a nominal value of CHF 0.80 per share. Each share confers the right to one vote. All shares are fully paid up. Articles 6 and 7 of the articles of association of Kudelski S.A., which can be found on the company's website at the following address: <https://www.nagra.com/investors-media/publications> also contain a capital band clause and two conditional capital clauses (see section 2.2 below). Information regarding the capital can be found in note 26 to the Kudelski Group's 2025 financial statements and note 3.6 to the Kudelski S.A. financial statements in the Kudelski Group's 2025 financial statements.

2.2. Specific information concerning capital band and conditional capital as at 31.12.2025

Capital band

According to Article 7 of the articles of association of Kudelski S.A., the Board of Directors is authorized to reduce or increase the share capital in one or more stages until April 19, 2029, and subject to the exhaustion of the capital band at an earlier date, within a bandwidth of Fr. 403 358 864.- (lower limit) to Fr. 492 994 160.- (upper limit). The Board of Directors is authorized to reduce the share capital by canceling up to 5 139 206 A shares and 4 630 000 B shares, and to increase the share capital by issuing up to 5 139 206 A shares to be fully paid up and 4 630 000 B shares to be fully paid up. The Board of Directors is also authorized to reduce or increase the share capital by reducing or increasing the par value of A or B shares.

The price and date of issue, the nature of the contributions, the date from which the new shares shall give entitlement to dividends, and the other terms and conditions of share issuance shall be determined by the Board of Directors. In this context, the Board of Directors may issue new shares through the firm subscription of a financial institution, a syndicate of financial institutions or another third party and make a subsequent offer of these shares to existing shareholders or to third parties (if the preferential subscription rights of existing shareholders have been canceled or have not been duly exercised). The Board of Directors may authorize, restrict or exclude the trading of preferential subscription rights. The Board of Directors may authorize the expiration of preferential subscription rights which have not been duly exercised, place at market conditions the rights or shares in relation to which preferential subscription rights have been allocated but not exercised, or use them otherwise in the interest of the company.

The preferential subscription rights of shareholders may be excluded and allocated to third parties or to the company itself by the Board of Directors, in particular with a view to (i) the acquisition of companies, parts of companies or financing the entire or partial acquisition of other companies, in Switzerland or abroad, or to enable the conclusion and/ or implementation of strategic partnerships, and (ii) raise funds quickly and flexibly, when such an operation would be difficult to achieve, or could not be carried out under favorable conditions, without the exclusion of the preferential subscription rights of existing shareholders.

All statutory restrictions on the transfer of shares are applicable to new registered shares.

Conditional capital

The articles of association of Kudelski S.A. (Articles 6 and 6bis) provide two clauses related to conditional capital for a total amount of CHF 82 898 000 (18.48% of the existing share capital) structured as follows:

- according to Article 6 of the articles of association (conditional capital for option or subscription rights), the share capital of Kudelski S.A. can be increased by a maximum amount of CHF 2 898 000 (0.65% of the existing capital) through the issuance of a maximum of 362 250 bearer shares with a nominal value of CHF 8.00 per share, to be fully paid up, as and when the option rights or share subscription rights which will be granted to the employees of the company and of affiliated companies are exercised. There are no

preferential subscription rights for shareholders. Share option or subscription conditions are determined by the Board of Directors. Issuance at a price below market conditions is authorized; and

- according to Article 6bis of the articles of association (conditional capital for conversion rights), the share capital of Kudelski S.A. can be increased by a maximum amount of CHF 80 000 000 (17.83% of the existing capital) through the issuance of a maximum of 10 000 000 bearer shares with a nominal value of CHF 8.00 per share, to be fully paid up, as and when the conversion rights related to the convertible bonds of the company or its subsidiaries are exercised.

There are no preferential subscription rights for shareholders. The preferential subscription right of shareholders to the issuance of a convertible bond may be limited or excluded by decision of the Board of Directors on valid grounds, namely (a) if the convertible bonds are placed primarily in markets outside Switzerland, or (b) if the issuance proceeds contribute (i) to the financing or refinancing of acquisitions of companies or firms, (ii) to the financing of other strategic investments of the Group, or (iii) to financing the redemption of all or part of convertible bonds previously issued by the company or its subsidiaries.

If the convertible bond is not offered preferentially to shareholders, (a) the convertible bonds must be sold to the public under market conditions, (b) conversion rights must be exercised within a period of seven years from the day of issuance of the respective bond, and (c) the conversion price must be at least equivalent to market conditions at the time of the issuance of the bond.

As of December 31, 2025, Kudelski S.A. had issued 57 708 bearer shares on the basis of conditional capital for option or subscription rights. These new bearer shares will be entered in the commercial register in accordance with Article 653g of the Code of Obligations. As of December 31, 2025, the available amount of conditional capital for option and subscription rights was therefore CHF 2 436 336, representing a maximum of 304 542 bearer shares with a par value of CHF 8.00 each.

As of December 31, 2025, Kudelski S.A. had not issued any option rights within the meaning of Article 6 of the articles of association or any convertible bonds within the meaning of Article 6bis of the articles of association.

The conditional capital for option or subscription rights under Article 6 of the articles of association may, however, be used in the context of the employee share purchase plan (see section 2.7 below).

2.3. Changes in the capital of Kudelski SA

IN THOUSAND CHF	31.12.25	31.12.24	31.12.23
Registered share capital	37 040	37 040	37 040
Bearer share capital	412 074	411 612	411 137
Legal reserve	90 000	90 000	90 000
Capital contribution reserve	65 914	65 914	65 914
Net profit	674	-12 941*	-186 502
Retained earnings	-222 980	-210 039	-23 537*
TOTAL SHAREHOLDERS' EQUITY	382 722	381 587*	394 052*

For information relating to changes in capital which have taken place in 2025, 2024 and 2023, please refer to the Group's corresponding financial statements. These reports can be found on the Kudelski S.A. website at www.nagra.com/investors/publications. Information regarding the capital contribution reserve can be found under note 3.6 to the Kudelski S.A. financial statements in the Kudelski Group's 2025 financial statements. *Erratum: figures shown have been corrected as per the applicable financial report.

2.4. Shares and participation certificates

The structure of the share capital of Kudelski S.A. is described in section 2.1 above.

In compliance with the 3rd paragraph of section 18 of the articles of association, class A and B shareholders are represented on the Board of Directors.

Kudelski S.A. does not have participation certificates.

2.5. Dividend-right certificates

Kudelski S.A. does not have dividend-right certificates.

2.6. Limitations on transferability and nominee registrations

Shares of Kudelski S.A. that are listed on the stock exchange are issued to the bearer. For these shares, the exercise of shareholder rights does not depend on an entry in the share register. There are therefore no statutory restrictions on their transfer or the exercise of shareholder rights through nominees.

The registered shares of Kudelski S.A. are not listed on the stock exchange. As of December 31, 2025, they were all owned by the Kudelski "Family Pool" (see section 1.2 above). Pursuant to the articles of association of Kudelski S.A., subject to the provisions of the Swiss Federal Act on Intermediated Securities, registered shares may be transferred upon delivery of the endorsed share certificate, subject to the approval of the Board of Directors and registration in the share register.

Article 9 of the articles of association of Kudelski S.A. allows the Board of Directors to refuse the approval of the transfer of registered shares in one or more of the following cases:

a) If there exists good cause within the meaning of Article

685b paragraph 2 of the Swiss Code of Obligations, i.e. if admission of the acquirer as a shareholder would be incompatible with the objective of Kudelski S.A. or could jeopardize the economic independence of the company. This would in particular be the case if the acquirer could prejudice the company directly or indirectly, or if transfer of the shares could jeopardize the existing majorities.

b) If the company offers to acquire the shares from the seller of the shares at their fair value at the time of the request for its own account, for the account of other shareholders or for the account of third parties.

c) If the acquirer does not expressly declare that he is acquiring the shares in his own name and for his own account.

Article 9 of the articles of association also provides that if the shares are acquired by inheritance, division of an estate, marital property rights or as a result of debt enforcement proceedings, the company may only refuse its consent if it offers to acquire the shares at their fair value.

In the event of a dispute, the fair value is determined by the court having jurisdiction in the place where the company has its registered office. The company bears the costs of such valuation. The purchase offer is deemed accepted if the acquirer does not reject it within one month of having been informed of the fair value

2.7. Convertible bonds and options

Convertible bond

The Kudelski Group has no outstanding convertible bond.

Options

The company has no outstanding options.

Share purchase plan

In 2004, the Kudelski Group introduced a share purchase plan for the employees of certain companies of the Group, enabling those employees to buy Kudelski S.A. bearer shares on favorable terms. Each participant can subscribe annually to this plan up to a maximum amount of 7.7% of his/her gross annual salary.

The share purchase price is the closing price of the Kudelski S.A. share listed on the SIX Swiss Exchange on the day of subscription with a discount of up to 42%. However, the shares are subject to a three-year blocking period from the date of purchase.

A chart showing employee participation in this plan for

the year 2025 can be found in note 39 to the consolidated financial statements.

3. Board of Directors

The Board of Directors is the highest executive body of the company. It has the non-transferable and inalienable responsibilities set forth by the law and the articles of association. As of January 1, 2026, the Board of Directors consisted of eight members elected at the Annual General Meeting of Shareholders.

Three Committees, an Audit Committee, a Strategy

3.1. Members of the Board of Directors

	YEAR OF BIRTH	NATIONALITY	EDUCATION	FIRST ELECTION	END OF TERM OF OFFICE
ANDRÉ KUDELSKI* Chairman of the Board and Chief Executive Officer Executive Board Member	1960	Swiss and American	DEGREE IN PHYSICAL ENGINEERING École polytechnique fédérale de Lausanne (EPFL), Switzerland	1987	14.04.2026
CLAUDE SMADJA Deputy Chairman of the Board and Lead Director Non-Executive Board Member	1945	Swiss	DEGREE IN POLITICAL SCIENCE University of Lausanne, Switzerland	1999	14.04.2026
PATRICK FOETISCH Non-Executive Board Member	1933	Swiss	DOCTORATE IN LAW University of Lausanne, Switzerland BAR EXAM	1992	14.04.2026
LAURENT DASSAULT Non-Executive Board Member	1953	French	DEGREE IN BUSINESS LAW DEGREE FROM ESLSCA École supérieure libre des sciences commerciales appliquées, Paris, France	1995	14.04.2026
PIERRE LESCURE Non-Executive Board Member	1945	French	DEGREE IN LITERATURE AND JOURNALISM Centre de formation des journalistes, Paris, France	2004	14.04.2026
MARGUERITE KUDELSKI Non-Executive Board Member	1965	Swiss	ENGINEERING DEGREE IN MICROTECHNOLOGY DOCTORATE IN MICROTECHNOLOGY École polytechnique fédérale de Lausanne (EPFL), Switzerland EXECUTIVE MBA IMD Lausanne, Switzerland	2006	14.04.2026
ALEC ROSS Non-Executive Board Member	1971	American	DEGREE IN HISTORY Northwestern University, USA	2014	14.04.2026
MICHAEL HENGARTNER Non-Executive Board Member	1966	Swiss and Canadian	DOCTORATE IN BIOLOGY Department of Biology, MIT, Cambridge, USA EXECUTIVE MBA IMD Lausanne, Switzerland	2020	14.04.2026

*André Kudelski is the only member of the Board of Directors to combine his Board duties with an executive function within the Group (Chief Executive Officer). Apart from Mr. Kudelski, no other member of the Board of Directors performed any executive function within the Group during the past three years.

Committee and a Nomination and Compensation Committee, have been created by the Board of Directors and are responsible for specific tasks (see sections 3.5.1 to 3.6).

Mr. Mark Beariault, who is not a member of the Board of Directors, was appointed as Corporate Secretary by the Board of Directors.

3.2. Other activities and vested interests



ANDRÉ KUDELSKI



CLAUDE SMADJA



PATRICK FOETISCH



LAURENT DASSAULT



PIERRE LESCURE



MARGUERITE KUDELSKI



ALEC ROSS



MICHAEL HENGARTNER

ANDRÉ KUDELSKI

André Kudelski began his career in 1984 as a Research & Development (R&D) engineer with Kudelski S.A. In 1986, after a short-term assignment in Silicon Valley, he returned to work in the family business first as Pay-TV Product Manager, then as Director of Nagravision SA, a company in charge of the Pay-TV sector. Mr. Kudelski then took over from his father Stefan Kudelski and from 1991 became Chairman and Chief Executive Officer of the parent company Kudelski S.A.

Current mandates in the Kudelski Group:

- Kudelski Security, Inc., in USA, Executive Chairman and Chief Executive Officer
- Kudelski Security Holdings, Inc., in USA, Executive Chairman and Chief Executive Officer
- Nagravision Sàrl, in Switzerland, Board Member and Chief Executive Officer
- Nagra USA, LLC., in USA, Executive Chairman and Chief Executive Officer
- NagraStar LLC, in USA, Co-Chairman
- OpenTV, Inc., in USA, Executive Chairman and Chief Executive Officer
- SKIDATA GmbH, in Austria, Member of the Supervisory Board (until September 12, 2024)
- Kudelski Corporate, Inc., in USA, Chairman and Chief Executive Officer (until December 31, 2024, merged into Nagra USA, LLC)

Positions in third-party legal entities outside the Kudelski Group:

- Montreux Media Venture SA, in Switzerland, Chairman
- Publicis Groupe SA, in France, Lead Director of the Board, Member of the Remuneration Committee, member of the Nominating Committee and of the Audit and Financial Risk Committee
- Restaurant de l'Hôtel de Ville de Crissier SA, in Switzerland, Chairman
- Sunset Music SA, in Switzerland, Board member

Important positions in non-profit or charitable third-party legal entities:

- Innosuisse, Swiss Innovation Agency, Chairman¹
- STS forum (Science and Technology in Society), Non-Profit Organization, in Japan, Council member¹
- Venture Foundation, in Switzerland, member of the foundation board¹
- Comité d'économiesuisse, in Switzerland, member
- École polytechnique fédérale de Lausanne (EPFL), in Switzerland, Strategic Advisory Board member
- Fondation du Festival de Jazz de Montreux, in Switzerland, Chairman
- Foundation Swiss Digital Initiative, in Switzerland, member of the foundation board
- Greater Phoenix Economic Council (GPEC), in USA, member of the Executive Committee
- Swiss-American Chamber of Commerce, in Switzerland, Vice-Chairman
- Fondation pour le soutien de la recherche et du développement de l'oncologie, in Switzerland, Chairman

¹ As per section 18 of the articles of association and as described below in section 3.3, mandates for legal entities under common control are deemed to constitute a single mandate.

CLAUDE SMADJA

After fifteen years with Télévision Suisse Romande (TSR) as Deputy Editor of the Information Department, Claude Smadja joined the management of the World Economic Forum in 1987, a position that he held until 1992. He then returned to TSR as Director of Information until 1996, in which year he was appointed Managing Director of the World Economic Forum. In June 2001, Claude Smadja set up his own strategy consultancy Smadja & Smadja, a strategic advisory firm that collaborates on strategic issues with multinationals and government bodies and organizes international events.

Current mandate in the Kudelski Group:

- Nagravision Sàrl, in Switzerland, member of the Board of Management

Positions in third-party legal entities outside the Kudelski Group:

- Smadja & Smadja Strategic Advisory SA, in Switzerland, Board member

Neither Mr. Smadja nor any organization he represents has any material business relationship with Kudelski S.A. or any of its subsidiaries.

PATRICK FOETISCH

Patrick Foetisch is an independent lawyer specializing in contracts and finance at an international level. He acts as legal counsel to Group companies as and when required, bringing to bear his in-depth knowledge of their activities to provide assistance and legal advice.

Current mandates in the Kudelski Group:

- Nagravision Sàrl, in Switzerland, Chairman
- Nagra France SAS, Chairman
- SmarDTV SAS, in France, Chairman (until December 8, 2023)

Positions in third-party legal entities outside the Kudelski Group:

- AMRP Handels AG, in Switzerland, Chairman
- Alpcom SA, in Switzerland, Board Member
- Bernard Nicod Holding SA, in Switzerland, Board Member
- BN Family Office SA, in Switzerland, Board Member
- Campak AG, in Switzerland, Board Member
- Edel Immobilien AG, in Switzerland, Board Member (until October 29, 2025)
- Fineges Société Anonyme de Participations SA, in Switzerland, Board Member
- Liauba SA, in Switzerland, Board Member
- Tavana AG, in Switzerland, Chairman

LAURENT DASSAULT

After a career spanning thirteen years in the banking sector, Laurent Dassault joined the Dassault Group in 1992 where he holds important positions. Today he assumes around thirty mandates, including those of the Dassault Group, mainly in the financial, industrial and wine-producing sectors.

Current mandates in Groupe Industriel Marcel Dassault SAS (France)¹:

- Arqana SAS, in France, advisor to the Directoire (Managing Board)
- Artcurial Développement Sàrl, in France, Co-manager (Co-gérant)
- Financière Louis Potel & Chabot SAS, in France, Censor
- Immobilière Dassault SA, in France, Honorary President
- Groupe Industriel Marcel Dassault SAS, in France, Supervisory Board member

Positions in third-party legal entities outside the Kudelski Group and Groupe Industriel Marcel Dassault:

- Vivendi SE (European Company, listed at Euronext Paris), in France, member of the Supervisory Board and member of the audit committee
- 21 Invest SA, in France, member of the Supervisory Board
- FLCP et Associés SASU, in France, member of the Supervisory Board
- LA MAISON SA, in Luxembourg, member of the Supervisory Board
- Lepercq, de Neufilze & Co. Inc., in USA, Board member
- L. REAL ESTATE SCA SICAR, in Luxembourg, Chairman of the Investors Committee

Important positions in non-profit or charitable third-party legal entities:

- Amis du FRAC (Fonds Régional d'Art Contemporain en Aquitaine), in France, Chairman
- Amis du Centre Pompidou Association, in France, Board member
- Comité des Champs-Élysées, association, in France, Board member
- Fonds pour Paris, association, in France, Board member
- Fondation Maeght, in France, Board member
- Société des Amis des musées d'Orsay et de l'Orangerie, in France, Vice President

Neither Mr. Dassault nor any organization he represents has any significant business relationship with Kudelski S.A. or any of its subsidiaries.

¹ As per section 18 of the articles of association and as described below in section 3.3, mandates for legal entities under common control are deemed to constitute a single mandate.

PIERRE LESCURE

Save for a two year period (1972-1974) as a television news presenter for Antenne 2, Pierre Lescure spent the first fifteen years of his professional career with the RTL, RMC and Europe 1 radio stations where he successively occupied a variety of positions, in particular Deputy Editor and Director of Programs. In 1981 he returned to television as News Director of Antenne 2. From 1984, he worked with André Rousselet on the launch project for the Pay-TV channel CANAL+ where he was appointed Director and then Chief Executive Officer. From 1993 to 2002, he was Chairman and Chief Executive Officer of the CANAL+ Group. From 2000 to 2002, Pierre Lescure was also co-Chief Executive Officer of Vivendi-Universal. Since 2002, he has been Chairman and Chief Executive Officer of AnnaRose Production SAS, a company active in audio-visual and cinematographic production as well as in communication consultancy services. From 2008 to 2014, he directed the Théâtre Marigny in Paris. Between 2014 and 2022, Pierre Lescure was the president of the Cannes Film Festival. Since September 2014, Pierre Lescure has been a regular TV columnist for the daily show "C à vous" which is broadcast on France 5, the French TV channel. Since January 2023, Pierre Lescure has presented the weekly cinema program "Beau geste" on the French television channel "France 2".

Current mandate in the Kudelski Group:

- Nagra France SAS, in France, General Manager

Positions in third-party legal entities outside the Kudelski Group:

- ANNAROSE PRODUCTIONS Sàrl, in France, Chairman and CEO
- Mediawan SAS, in France, Member of the Advisory Board
- Mediawan Holding SAS, in France, Member of the Advisory Board

Neither Mr. Lescure nor any organization he represents has any material business relationship with Kudelski SA or any of its subsidiaries.

MARGUERITE KUDELSKI

From 1991 to 1999, Marguerite Kudelski had her first professional experience with the electro-mechanical and electrical machinery laboratory of EPFL and worked in parallel as an R&D engineer within the Nagra Audio division of the Kudelski Group. In 1999, she became R&D manager with Prével SA in Neuchâtel (then a Kudelski Group company) before being appointed CEO and managing director of this company in 2000, a position she held until the end of 2002. After various marketing and financial analysis jobs for NagralD in 2003, she took responsibility for key projects for the Group within the finance department from 2004 to 2006. In 2007, Marguerite Kudelski became an independent consultant (business development and management) before taking over, in December 2011, the management of the historical activity of the Kudelski Group, audio, which was transferred to the company Audio Technology Switzerland SA. Within this company, she exercises the function of Chairman of the Board of Directors. Until the end of 2014, Marguerite Kudelski was also responsible for the R&D department. Since 2017, Marguerite Kudelski has been a member of the boards

of directors of Wire Art Switzerland SA and of Bovay & Partenaires SA, of which she is the president in 2020. She is also a member of the committee of experts for Switzerland Innovation (2017) and treasurer of the committee of the Mobsya association (2021). Since 2025, Marguerite Kudelski has served as a delegate of the Board of Directors of Kudelski S.A. to supervise the ESG (Environmental Social Governance) activities.

Positions in third-party legal entities outside the Kudelski Group:

- AudioTechnology Switzerland SA, in Switzerland, Chairwoman of the board
- Bovay & Partenaires SA, in Switzerland, Chairwoman of the board
- Wire Art Switzerland SA, in Switzerland, Board member

Important positions in non-profit or charitable third-party legal entities:

- Switzerland Innovation, Foundation, in Switzerland, member of the Expert Committee
- Association Mobsya, in Switzerland, Board member

Apart from the mandates and functions mentioned above, neither Mrs. Kudelski nor any organization she represents has any significant business relationship with Kudelski S.A. or any of its subsidiaries.

ALEC ROSS

Alec Ross began his professional career in 1994 as a teacher with the Teach for America program in underprivileged neighborhoods of Baltimore. He joined Enterprise Community Partners (formerly Enterprise Foundation) two years later, a non-profit organization based in Columbia, Maryland, which develops affordable housing throughout the USA, where he held the position of Special Assistant to the Chairman. In 2000, Alec Ross co-founded the One Economy Corporation, a non-profit organization that organizes programs to help low-income people worldwide, for which he worked for eight years. In parallel, he joined the presidential campaign of President Barack Obama in 2007 as the Coordinator of the Technology, Media & Telecommunications Policy Committee and then as Project Manager and member of the Technology, Innovation and Government Reform Policy Group. From April 2009 to March 2013, Alec Ross was Senior Advisor for innovation to US Secretary of State Hillary Clinton. Since then, he has been Senior Fellow at the School of International and Public Affairs of Columbia University and a Distinguished Senior Fellow at Johns Hopkins University. He is the author of two New York Times bestsellers, "The Industries of the Future" (Simon & Schuster) published in February 2016 and «The Raging 2020s: Companies, Countries, People—and the Fight for Our Future» (Henry Holt and Co.) published in 2021. He also advises investors, enterprises and government officials, helping them to understand the influence of factors located at the crossroads of geopolitics, markets and disruptive technologies. He is a Board Partner at Amplo, a global venture capital fund and since September 2020. Alec Ross is a Distinguished Visiting Professor at Bologna Business School of l'Università di Bologna, in Italy.

Positions in third-party legal entities outside the Kudelski Group:

- Amplo, in USA, Board Partner
- Bonfiglioli, in Italy, Supervisory Board member
- Collective Global, in USA, Board partner
- Pelliconi, in Italy, Supervisory Board Member
- Telerivet Inc., in USA, Board member
- Liquid Ventures, in Italy, Board member
- Kyan Health, in Italy, Board member

Important positions in non-profit or charitable third-party legal entities:

- Bologna Business School Foundation, in Italy, Board of Directors
- Fondazione MAST, in Italy, Board of Directors

Other positions:

- Governor of Maryland, USA Economic Council

Mr. Ross has never been part of a management body of the Kudelski Group. Neither he nor any organization he represents has any significant business relationship with Kudelski S.A. or any of its subsidiaries.

MICHAEL HENGARTNER

Michael Hengartner obtained a Ph.D. in Biology in 1994 from the Massachusetts Institute of Technology (MIT) in USA, where he studied with Nobel laureate H. Robert Horvitz. Following his Ph.D. and for seven years he led a research group at the Cold Spring Harbor Laboratory in the USA. In 2001, he became the first occupant of the Ernst Hadorn Endowed Chair for molecular biology at the Institute of Molecular Life Sciences at the University of Zurich (UZH). From 2009 to 2014, he was dean of the Faculty of Science, and from 2014 to 2020 president of UZH. From 2016 to 2020, he also served as president of Swiss universities, the Rectors' Conference of Swiss Higher Education Institutions. From 2020, Mr. Hengartner has served as President of the ETH Board (Swiss Federal Institutes of Technology) and Chairman of the Executive Committee of the ETH Domain. Mr. Hengartner holds an Executive MBA from IMD, Lausanne obtained in 2008 and is the recipient of several awards for his research on the molecular basis of apoptosis, including an honorary doctorate from Sorbonne Université. In 2010, Mr. Hengartner received the Credit Suisse Award for Best Teaching at UZH. He founded a number of start-up companies, including the biotech company Devgen NV, in Belgium (in 1997). Mr. Hengartner chairs the Board of Directors of the Novartis Venture Fund (Switzerland) since 2024 and sits on the investment committee of the Novartis Venture Fund (Belgium) since 2018.

Positions in third-party legal entities outside the Kudelski Group:

- Novalis Biotech Fund, in Belgium, Scientific Advisor and Advisory Board member
- Novartis Bioventures Ltd., in Switzerland, Chairman of the Board of Directors
- Aseptuva AG, in Switzerland, Advisory Board Member

Important positions in non-profit or charitable third-party legal entities:

- Switzerland Innovation, Foundation, in Switzerland, member of the Foundation Board
- World.Minds Foundation, in Switzerland, member of the Foundation Board
- digitalswitzerland, association, in Switzerland, member of the Steering Board
- IMD-International Institute for Management Development, Lausanne, in Switzerland, member of the Foundation Board
- Europa Institut at the University of Zurich, association, in Switzerland, member of the Board
- Avenir Suisse, foundation, in Switzerland, member of the Board of Trustees

- GESDA (Geneva Science Diplomacy Anticipator), Foundation, in Switzerland, member of the Foundation Board and head of the Academic Forum
- Swiss Science Center Technorama, in Switzerland, member of the Foundation Board
- Ernst Göhner Stiftung, foundation, in Switzerland, member of the Foundation Board
- Werner Siemens Stiftung, foundation, in Switzerland, Chair of the Scientific Advisory Board
- Ludwig-Maximilians-Universität München, in Germany, Member of the University Council
- University of Heidelberg, in Germany, member of the Academic Advisory Council
- Swiss Institute of International Studies, association, in Switzerland, member of the Board of Trustees
- International Cell Death Society, in USA, member of the Advisory Board

Mr. Hengartner has never been part of a management body of the Kudelski Group. Neither he nor any organization he represents has any significant business relationship with Kudelski SA or any of its subsidiaries.

Please refer to the individual profiles of Board members under section 3.1 above.

3.3. Articles of association provisions on the number of permitted activities

In compliance with section 18 of the articles of association, members of the Board of Directors may exercise no more than five positions in senior management or administrative bodies of third-party legal entities whose shares are listed on a stock exchange and no more than ten positions in other third-party legal entities.

A company is not considered a third-party legal entity according to this provision, and is therefore not taken into account when calculating the maximum number of mandates mentioned above, if:

1. it controls another company directly, indirectly or jointly with third parties for which a position is being carried out, or is controlled by such company; or
2. the position is carried out at the company's request.

Positions carried out for legal entities directly or indirectly

controlled by a single individual or legal entity, or by a single group of individuals or legal entities acting in concert, or at the request of one of these individuals or legal entities, are deemed to constitute a single position for the purposes of this provision.

3.4. Election and terms of office

The Board of Directors is composed of one to ten members. Board members are individually elected at the Annual General Meeting for a period of one year. The term of office ends on the day of the next Annual General Meeting. All members may be reelected. The year of the first election as well as the end of term of office for each member are mentioned under section 3.1 above.

The articles of association of Kudelski S.A. do not contain any special provisions regarding the election of the Chairman.

3.5. Internal organization structure

The Board of Directors performs inalienable and non-transferable duties prescribed by the law (see section 3.6 below) with the support of its three committees: Audit, Strategy, and Nomination and Compensation. The internal organization of the Board of Directors is defined in the articles of association.

3.5.1. Allocation of tasks within the Board of Directors

Except for the Chairman who is elected at the Annual General Meeting, the Board of Directors establishes itself by appointing its Vice Chairman. The Board of Directors may delegate the management of the company to one of its members who shall act as Chief Executive Officer of the company. If the Chairman is elected to exercise the function of Chief Executive Officer, the Board of Directors shall also elect a "Lead Director" from among its members. The management of the company is delegated in full to the Chief Executive Officer or to the Executive Board. A Corporate Secretary may be appointed from outside of the Board of Directors.

The Chairman of the Board of Directors leads the discussions of the Annual General Meeting, ensures that the minutes are taken, is in charge of the protocol and directs meetings of the Board, informs the Board members of business developments and the company's financial results, represents the company with administrative and/or judicial authorities, subject to mandates granted by the Board of Directors to a third party, an officer or one of its members.

The Vice Chairman may call meetings of the Board of Directors. He or she shall chair Board meetings and the Annual General Meeting if the Chairman is absent.

According to Article 25 of Kudelski S.A.'s articles of association, the Board of Directors may delegate the management of the company to the Chief Executive Officer, unless otherwise stipulated by the law. In his or her management, the Chief Executive Officer acts according to the directives issued by the Board of Directors and in the interests of the company. He or she also provides before each meeting of the Board of Directors a report outlining key aspects of the current business situation.

In the Group's current structure, Mr. André Kudelski holds the positions of Chairman of the Board of Directors and Chief Executive Officer. This situation guarantees a rapid and fluid information and decision-making process, enabling the company to respond operationally and strategically at the pace required by developments in the sectors of activity pursued by the Group. As the functions of Chairman and Chief Executive Officer are held by the same person, the Board of Directors has appointed Mr. Claude Smadja as Lead Director.

The Lead Director ensures the independence of the Board of Directors vis-à-vis the Chairman and Chief Executive Officer as well as the management of the company; he or she also chairs the Board of Directors' meetings if a conflict arises between the interests of the Chairman and Chief Executive Officer and those of the company. The Lead Director may independently call and lead a meeting of the independent members of the Board of Directors if the interest of the company requires an independent deliberation. He or she ensures a process for evaluating the performance of the Chairman of the Board of Directors and the Chief Executive Officer.

3.5.2. Members list, tasks and area of responsibility for each committee of the Board of Directors

























With the exception of the Nomination and Compensation Committee, whose members are elected individually by the Annual General Meeting, the Committees are constituted by the Board of Directors which appoints their members and chairpersons. The Board Committees meet as often as is necessary. The Board of Directors delegates to its committees supervisory and preparatory tasks within their sphere of competence, subject to the provisions of the articles of association. The Committees report on a regular basis to the Board of Directors. Committee reports are used as a decision-making tool by the Board of Directors.

Audit Committee

The Audit Committee is composed of at least three non-executive members of the Board of Directors. At least one of the Committee members must have proven accounting experience. All members have knowledge or practical experience in the field of financial management.

The Audit Committee meets at least three times a year. The Audit Committee may at any time request detailed risk analyses of the Group's various sectors of activity or in any specific area of its choice.

The Committee calls on experts outside the Board of Directors where this is deemed necessary for the successful completion of its tasks.

	AUDIT COMMITTEE	STRATEGY COMMITTEE	NOMINATION AND COMPENSATION COMMITTEE
André Kudelski			
Claude Smadja			
Laurent Dassault			
Patrick Foetisch			
Marguerite Kudelski			
Pierre Lescure			
Alec Ross			
Michael Hengartner			

The Audit Committee supervises the company's internal financial reporting process and ensures its integrity, transparency and quality. It ensures the relevance and consistency of the company's accounting methods. It reviews reports of the company's internal audit department and makes appropriate recommendations to the Board of Directors.

The Committee assesses the quality of work of external auditors. It reviews the audit fees, ensures execution of the yearly audit plan and assesses the efficiency of the auditors in identifying and solving issues related to the Group or to the financial statements. The Audit Committee provides appropriate recommendations to the Board of Directors concerning renewal of the engagement of external auditors or, where necessary, their replacement. The Committee ensures that the recommendations of external auditors are monitored and ensures their independence.

The Committee provides regular reports offering its recommendations to the Board of Directors with regards to the adequacy, effectiveness and accuracy of accounting procedures. The Committee also supervises the preparation of the Group's report on non-financial matters.

Strategy Committee

The Strategy Committee is composed of at least four members of the Board of Directors, including the Chairman and Vice Chairman. It meets at least twice a year.

The purpose of the Strategy Committee is to review and define Group strategy. It develops strategic options with a view to ensuring the long-term enhancement of the Group's competitive position and its shareholder value. To this end, the Strategy Committee examines market trends and the Group's competitive position and considers and proposes future growth initiatives, especially through investments, divestments and reorganization.

To define strategic choices, the Strategy Committee relies upon information supplied by the management, the members of the Board of Directors and, if deemed necessary, by external advisors.

The Strategy Committee periodically reviews whether the Group's objectives, structure and organization are appropriately designed to achieve the Group's strategic objectives. Strategy Committee makes proposals to the Board of Directors, which has ultimate decision-making power on strategy. It also reviews research and development projects and evaluates the competitiveness, value and coherence of such projects in relation to the Group's strategic objectives.

Nomination and Compensation Committee

The Nomination and Compensation Committee is composed of at least three non-executive members of the Board of Directors, who are elected individually at the Annual General Meeting upon recommendation of the Board of Directors. It meets at least twice a year.

The Nomination and Compensation Committee assists the Board of Directors in setting up and periodically reviewing the company's compensation policy and strategy, its guidelines and its performance criteria. The Committee is responsible for setting the compensation for each member of the Board of Directors and the Executive Board. The exception to this principle is the compensation of the members of the Nomination and Compensation Committee, which is fixed by the Board of Directors itself.

The Nomination and Compensation Committee also assists the Board of Directors in making proposals at the Annual General Meeting regarding the compensation of the members of the Board of Directors and of the Executive Board (refer to section 5: Compensation, shareholdings and loans).

The Committee presents proposed director nominations to the Board of Directors, which submits them to the Annual General Meeting. At the request of the Chief Executive Officer, the Committee reviews applicants for Executive Board positions or promotions and may interview candidates if desired. The committee reports on its activities to the Board of Directors each year.

3.5.3. Working methods of the Board of Directors and its Committees

The cooperation and allocation of competencies between the Board of Directors and its Committees are described in section 3.5.2.

The Board of Directors meets at least four times a year, but as often as is required for the proper conduct of business. In 2025, the Board of Directors and its Committees met as follows:

Board of Directors	7 times
Strategy Committee	4 times
Audit Committee	3 times
Nomination and Compensation Committee	4 times

The participation of members of the Executive Board to the discussion and decisions of the Board of Directors are described in section 3.7 below. Average attendance at Board meetings was 94.6%. Meetings of the Board of Directors lasted on average four hours. Most Committee meetings lasted on average three hours. Both the external auditors of the company from PricewaterhouseCoopers SA and the company's internal auditor attend the Audit Committee meetings.

3.6. Definition of areas of responsibility

Please see also section 3.5.1 for details of the internal organization of the Board of Directors and the position of Chief Executive Officer.

Board of Directors

The Board of Directors:

- is responsible for the overall management of the company and issues all necessary directives;
- determines the organization of the company;
- determines the organization of the accounting, financial control and financial planning systems as required for management of the company;
- appoints and dismisses persons entrusted with managing and representing the company;
- exercises overall supervision of the persons entrusted with managing the company, in particular with respect to compliance with the law, articles of association, regulations and directions given;
- prepares the Compensation report;
- compiles the annual report, prepares the Annual General Meeting and implements its resolutions; and
- notifies the court in the event that the company is over-indebted.

Executive Board

The Board of Directors has delegated full management of the company to the Chief Executive Officer, subject to legal requirements and the above-mentioned internal organizational structure. The Chief Executive Officer therefore coordinates the operations of the Group companies.

3.7. Information and control instruments vis-à-vis the Executive Board

Because of the nature of the industry, mechanisms for controlling Group management and information feedback systems are very important. The Kudelski Group has therefore put in place information and control instruments, at different levels, which it improves on a continuous basis. These instruments concern strategy, operations, finance, legal, intellectual property, human resources and information management.

Supervision

- The Chief Executive Officer submits a report to the Board of Directors prior to each Board meeting, highlighting material aspects of the current business situation (e.g. key contracts, sales trends, market trends and human resources matters) for each Group entity and activity.
- Board members receive weekly or quarterly press digests concerning the Group, depending on the amount of relevant news flow; they may also receive other informative documents concerning the Group and its entities, as well as a message from the Chief Executive Officer whenever the CEO deems it necessary.
- At least once a year, members of the Executive Board and other senior members of management, including each business unit leader, are invited to present their activities to the members of the Board of Directors. Members of the Board of Directors may also ask questions directly to company executives as and when they see fit.

At each Board meeting, if justified by the business situation and depending on the agenda, members of the Executive Board, senior managers of the companies of the Group or in charge of specific areas, as well as outside experts, are invited to present specific subjects to the Board of Directors.

Operations and strategy

- Executive Board members coordinate their actions and take decisions related to the management of the Group during "Executive Board Committee" meetings, the frequency and duration of which are tailored to the needs of the Group. Other senior members of management are

invited to attend such meetings as may be necessary to provide input on topics discussed. This committee generally met once every two weeks for an average of three hours in 2025.

- Management of the Core Digital Security, Cybersecurity and IoT divisions is supported by an “Executive Board Group Operations” committee composed of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO), as well as senior management of each division. Other senior members of management are invited to attend such meetings as may be necessary to provide input on topics discussed. This committee meets in principle twice a month for 2.5 hours and reviews in particular selected relevant topics for each division. Synchronization between the Executive Board, the “Executive Board Group Operations” and other senior members of management, including the General Counsel, Head of Legal Affairs and Corporate Secretary, Senior Vice President, Head of Human Resources, Senior Vice President, Business Development and Innovation and Senior Vice President, Chief Information Officer, is achieved within the “Executive Board Group Executive Management” committee which meets in principle every month for at least one hour.
- Strategy of the Group is discussed among the members of the Executive Board and the senior members of management of the Group, including senior managers from the business units and corporate support functions, who meet on a quarterly basis to review key trends, product and market developments and other relevant matters relating to the strategy of the Group and its business lines. Group strategy is also reviewed regularly with the Strategy Committee of the Board of Directors.
- For certain specialized activities of the Group, ad hoc committees composed of a cross-disciplinary team of internal experts may be created to evaluate market, strategic, operational, legal and financial risks and opportunities. These ad hoc committees manage processes relating to the evaluation of such risks and opportunities, propose actions and monitor implementation of their decisions. There are several committees, including the security committee, privacy committee and intellectual property and innovation committee. Decisions, activities, information and comments arising from these committees are conveyed to the Executive Board members and other senior managers of the Group as appropriate.

Finance

- The Controlling group conducts regular financial and operational analyses intended to identify operational and financial risks throughout the value chain of the various activities of Group companies and proposes and coordinates necessary improvements and corrective actions. This group makes available a platform of analytical data and analysis tools to the Executive Board and departments within the company.
- Every month, the Controlling group prepares a number of reports that are made available to the management. Those reports are then adapted and made available to each regional head and business unit with the corresponding analytical metrics. Examples of such reports include: a report providing an overview of the Group’s profit and loss broken down by activity and showing profit trends and budget over-runs/shortfalls, with adaptations based on quarterly revisions of the annual forecast by entity, as well as their operational indicators; sales reports including region, client, product types and sales type-specific analysis as well as their respective margins; a report on the operational cost trends broken down by cost center, and a monthly and quarterly report on the cash-flow situation and projections for the Group and for each segment for the current year and the coming year.
- The Group maintains a robust internal control environment designed to provide reasonable assurance over the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws and internal policies. Controls are largely embedded within the Group’s financial and operational systems and rely on automated workflows, system-based approvals, and segregation of duties. Key controls cover a.o. treasury activities, procure-to-pay and receivables processes, and are supported by clearly defined policies and approval frameworks. Treasury operations are governed by a formal treasury policy, with cash movements, financing activities, and bank account management subject to defined authorization limits and signing authorities. The procure-to-pay process includes system-enforced approvals, vendor controls, and three-way matching prior to payment. Receivables management is supported by customer credit approvals, invoicing controls, and monitoring of collections. The Finance team oversees the internal control environment, and key processes are periodically reviewed, including through independent assessments by the Group’s external auditors (PricewaterhouseCoopers SA).

Legal

- The Legal department provides advice and consultation as part of the Group’s decision-making processes and as part of the activities of all Group departments in order to better mitigate and manage legal risks as well as to ensure appropriate levels of compliance with the Group’s policies.
- The Legal department is involved with the negotiation and approval of contracts entered into by Group companies and maintains contract management and electronic archiving tools to ensure efficient tracking of contracts.
- The Legal department is responsible for overseeing litigation, government investigations and other regulatory matters for Group companies and supports the company’s privacy committee, which is responsible for ensuring compliance with the various data privacy laws and regulations in the countries in which the company operates.
- The Legal department includes the intellectual property team that is responsible for protecting, developing and managing the Group’s intellectual property portfolio. In addition, the Legal department works in close collaboration with the Business Development and Innovation department to monetize the Group’s intellectual property portfolio.

Business Development and Innovation

- The Business Development and Innovation department, in close collaboration with the intellectual property team of the Legal department, works to monetize the Group’s intellectual property portfolio.
- The Business Development and Innovation department identifies and spearheads multiple business development initiatives to expand beyond the Group’s current product and services portfolio. Leveraging a strong team of data scientists with deep expertise in AI and Large Language Models (LLM), the department accelerates innovation and data-driven decision-making across new ventures, ranging from cybersecurity, where we automate and improve threat detection and mitigation, to digital media, where we focus on generative AI content authentication and traceability. The department also manages the launch of new products and services, such as Sporfie and Insight, into new markets.

- The Business Development and Innovation department manages a company-wide innovation process and maintains a positive innovation momentum in the organization to further boost motivation and institutionalize the innovation process.
- The Business Development and Innovation department is responsible for managing strategic transactions involving the companies of the Group, including mergers and acquisitions (M&A), joint ventures, equity investments and divestments as well as key partnerships in support of the Group’s business strategy.

Human Resources

- The Human Resources department is responsible for recruiting and hiring the talent necessary for the Group to achieve its business objectives, developing and promoting high-performing employees and ensuring succession planning. The department manages training programs and supports other educational opportunities for employees that are tailored to the needs of the Group.
- The Human Resources department oversees the processes designed to assist managers with the evaluation of employee performance against objectives of the Group and individual employee objectives.
- In respect of the Group’s values, the Human Resources department advises employees and managers from all Group departments on a daily basis in employment-related matters.

Information Management

- The Corporate Security department has developed and implemented a series of policies and procedures concerning information security (for the use of computer systems, data protection, monitoring, systems management back-up, etc.) to set appropriate risk limits and to provide a reliable Information Technology Security Management (ITSM).
- The Corporate IT department regularly reviews the infrastructure of its systems to ensure their evolution in accordance with the new standards and rules that apply to them.

The information systems infrastructure is monitored 24/7 by the teams of the Cyber Fusion Center of Kudelski Security.

Main identified risks and treatment

- The main identified risks are listed below. The various information and control instruments of the Board of Directors with respect to the Executive Board described above in section 3.7 are used to monitor each risk appropriately and according to its criticality for the Group. The communications of the Chairman and Chief Executive Officer to the Board of Directors ensure regular and appropriate information flow, and the activities of the committees of the Board of Directors guarantee appropriate supervision by the members of the Board of Directors of the decisions of the Executive Board.
- The business segments in which the Kudelski Group's Core Digital Security division operates are evolving rapidly and constantly require the Kudelski Group to offer products and services that are flexible enough to respond quickly to the commercial and technological changes of the digital media industry. While management anticipates a stabilization of revenue decline followed by renewed growth through emerging offerings, including Artificial Intelligence-driven analytics platforms and enhanced anti-piracy solutions, market acceptance of these innovative product lines remains uncertain.
- The Cybersecurity and Internet of Things segments are still in varying degrees of development and as such, both fields of activities generate losses. The Group has identified attractive opportunities in these markets. However, while the Group believes it has unique assets to profitably address these fields of activities, it may take longer than planned for these activities to reach break-even. Given the nature and degree of maturity of these activities, there is no assurance that the relevant strategies will be successful.
- The markets in which the Group operates and the customers to whom the Group sells its products and services are subject to significant regulation by governmental agencies around the world, particularly in the areas of data privacy, consumer protection, media content distribution and cybersecurity. Significant changes to or uncertainty regarding government regulations may affect our business, our product development decisions and the willingness of market participants to adopt our products and services. In addition, political instability and war affecting the markets in which the Group operates may disrupt the Group's business operations, supply chain and customer demand.
- Rapid technological advancement may require substantial ongoing investment in research and development, potentially affecting short-term profitability and resource allocation. In addition, emergence of disruptive technologies or business models in core markets could challenge existing revenue streams and require rapid strategic adaptation.
- The Group maintains employees and facilities and sources components and services from suppliers located in several countries and in many cases with different currencies. At the same time, the Group receives payments for sales of its products and services primarily in US dollars and Euros. As a result, fluctuations in foreign exchange rates may affect the Group's results of operations and financial position.
- Kudelski Group's results could be impacted if the security provided by its products and services is compromised and if the Group fails to put in place adequate counter measures.
- The operating results and growth of the Kudelski Group could decrease if the customer base of the Group's customers does not continue to increase.
- The Group's success depends on its ability to attract and retain qualified personnel. Competition for hiring and retaining highly qualified personnel is high.
- A leak of confidential, proprietary or personal information held by the Group could adversely affect the Group's activities.
- Increasing complexity of global taxation regulations and potential changes in international taxation frameworks could affect the Group's financial structure and operational efficiency.

4. Executive Board

4.1. Executive Board members



	DATE OF BIRTH	NATIONALITY	POSITION	EDUCATION
ANDRÉ KUDELSKI	1960	Swiss American	CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)	Degree in Physical Engineering École polytechnique fédérale de Lausanne (EPFL), Switzerland
MAURO SALADINI Executive Vice President of the Group	1966	Swiss American	CHIEF FINANCIAL OFFICER (CFO)	Degree in Electrical Engineering Swiss Federal Institute of Technology, Zurich (ETH Zurich), Switzerland MBA, INSEAD, France
MORTEN SOLBAKKEN Executive Vice President of the Group	1970	Norwegian	CHIEF OPERATING OFFICER (COO), CORE DIGITAL SECURITY	Master of Science Norwegian University of Science and Technology (NTNU)

ANDRÉ KUDELSKI (CEO)

Please refer to section 3.1 above

MAURO SALADINI (CFO)

Mauro Saladini started his professional career in 1990 as a financial services consultant with Accenture. In 1995, he joined Thema Consulting, where he set up the Zurich subsidiary and took responsibility for cash-flow and risk management activities. In 1997, he joined McKinsey & Co, where he became a partner in 2001. He worked in particular on corporate finance and strategy projects relating to various industries, mainly media and telecommunications. In addition, Mauro Saladini was in charge of the Swiss Media Practice and was joint-head of the European Media Practice. He has been the Chief Financial Officer and Executive Vice President of the Kudelski Group since February 1, 2003. Since January 1, 2025, Mauro Saladini serves as the Honorary Swiss Consul in Phoenix, Arizona, USA.

Current mandates in the Kudelski Group:

- Kudelski Security Inc., in USA, Board member and Executive Vice-President
- Kudelski Security Holdings Inc., in USA, Board member and Executive Vice-President
- Nagra Media Beijing Ltd., in China, Supervisor
- Nagra Media UK Limited, in United Kingdom, Director
- Nagra USA, LLC., in USA, Executive Vice-President
- OpenTV, Inc., in USA, Board member and Executive Vice-President
- SKIDATA, INC, in USA, Director (until September 12, 2024)
- Kudelski Corporate, Inc., in USA, Board member and CFO (until December 31, 2024, merged into Nagra USA, LLC)

MORTEN SOLBAKKEN (COO)

Morten Solbakken started his professional career in 1995 as a satellite system engineer in Telenor International. From there, he held numerous positions in the Telenor structure dealing in particular with strategy and business development around the pay TV assets as well as the management of Telenor's ownership in international satellite organizations. From 2007 to 2011, he was Chief Strategy Officer in Telenor Broadcast Holding AS (owner of Canal Digital, Telenor Satellite, Norkring and Conax). In March 2011, Mr. Solbakken was appointed COO at Telenor Broadcast Holding, and Chairman of the Boards of Conax, Telenor Satellite and Norkring. Morten Solbakken joined Conax as acting CEO in September 2011 and was made CEO from December 2011 – driving a transformation of the company including the process which led to the acquisition of Conax by the Kudelski Group in April 2014. He became COO, Digital TV and Executive Vice President of the Kudelski Group on January 1, 2018.

Current mandates in the Kudelski Group:

- iWedia S.A., in Switzerland, Chairman of the Board
- Nagravision AS, in Norway, Chairman of the Board
- Nagravision Sàrl, in Switzerland, Executive Vice President, Chief Operating Officer
- Nagravision Italia Srl, in Italia, Chairman of the Board
- NexGuard Labs B.V., in the Netherlands, Director (until October 2022)
- Nagravision Iberica SLU, in Spain, Board member
- SmarDTV SA, in Switzerland, member of the Board of Directors (until June 28, 2022)
- Digital Video Norge Drift AS, in Norway, Chairman of the Board (until February 16, 2023)
- Kudelski Corporate, Inc., in USA, member of the Board of Directors and Executive Vice-President (until December 31, 2024, merged into Nagra USA, LLC)

4.2. Other activities and vested interests

Please refer to the individual profiles of members of the Executive Board under section 4.1 above.

4.3. Articles of association on the number of permitted activities

In accordance with section 25 of the articles of association, members of the Executive Board may exercise no more than two positions in senior management or administrative bodies of third-party legal entities whose shares are listed on a stock exchange and no more than five positions in other third-party legal entities.

A company is not considered a third-party legal entity according to this provision, and is therefore not taken into account when calculating the maximum number of positions mentioned above, if:

1. it controls the company directly, indirectly or jointly with third parties, or is controlled by it; or
2. the position is carried out at the company's request.

Positions carried out for legal entities directly or indirectly controlled by a single individual or legal entity, or by a single group of individuals or legal entities acting in concert, or at the request of one of these individuals or legal entities, are deemed to constitute a single position for the purposes of this provision.

For members of the Executive Board who are also members of the Board of Directors, the maximum number of positions in the senior management or administrative bodies of third-party legal entities is governed exclusively by Article 18 of the articles of association and as mentioned above in section 3.3 of this report.

4.4. Management contracts

As of December 31, 2025, Kudelski S.A. and its subsidiaries had not entered into any management contract with companies outside the Group.

5. Compensation, shareholdings and loans

For details relating to the compensation, shareholdings and loans to members of the Board of Directors and Executive Board of Kudelski S.A., please refer to the 2025 compensation report.

6. Shareholders' participation rights

6.1. Voting rights restrictions and representation

6.1.1. In accordance with the articles of association of Kudelski S.A., there are no restrictions on voting rights and no statutory Group clauses or rules on granting exceptions.

6.1.2. There are currently no statutory provisions on granting instructions to an independent representative or on any form of participation in the General Meeting by electronic means.

6.2. Quorum required by the articles of association

The articles of association of Kudelski S.A. do not impose any majority higher than contemplated by law for resolutions of the General Meeting of Shareholders.

The General Meeting is validly constituted regardless of the number of shareholders present and/or the number of shares represented.

6.3. Convocation of the General Meeting of Shareholders

The General Meeting of Shareholders must be called at least 20 days before the date of the meeting. The notice of the General Meeting is published in the Swiss Official Gazette of Commerce.

6.4. Inclusion of items on the agenda

Items on the agenda are mentioned in the notice. According to article 699b of the Swiss Code of Obligations, shareholders may request the inclusion of an item on the agenda if they together hold at least 0.5% of Kudelski S.A.'s share capital or voting rights. The calling and the inclusion of an item on the agenda must be requested in writing, listing the items and motions. The articles of association of Kudelski S.A. do not contain any provision going beyond the legal regime on this point.

6.5. Entries in the share register

Kudelski S.A. shares that can be traded on the SIX Swiss Exchange are bearer shares; consequently, there is no register of shareholders for this category of shares.

7. Changes of control and defense measures

7.1. Duty to make an offer

Kudelski S.A. has no provision in its articles of association on "opting-out" within the meaning of Article 125 para. 3 or 4 of the Federal Act on Financial Market Infrastructure (FMIA) or "opting-up" within the meaning of Article 135 para. 1 LIMF. This means that if a shareholder reaches the limit laid down by the Swiss Financial Market Infrastructure Act (art. 135 LIMF: 33 1/3% of the voting rights), he will be required by the same law to submit a takeover bid on all bearer shares of the company that it does not yet hold, at the minimum price defined in Article 135 para. 2 LIMF.

7.2. Clauses on changes of control

To the knowledge of the Group, no such agreement exists.

8. Auditors

8.1. Duration of the mandate and term of office of the lead auditor

The auditors of Kudelski S.A. are PricewaterhouseCoopers SA (Lausanne). Some companies affiliated with the Group are audited by other auditors. The auditors were reappointed by the Annual General Meeting of Shareholders of Kudelski S.A. of April 17, 2025 for a statutory period of one year. The PricewaterhouseCoopers SA mandate began in 1985. It has been under the responsibility of Ms. Corinne Pointet Chambettaz since January 1, 2024. The auditor in charge is replaced at the latest seven years after the year in which he/she first occupied this position, as specified in Article 730a paragraph 2 of the Swiss Code of Obligations.

8.2. Auditing fees

The Kudelski Group paid PricewaterhouseCoopers the sum of CHF 596 000 for auditing services for the year 2025. Auditing services are understood to mean the work required each year to examine the consolidated accounts of the Group and its subsidiaries and to prepare the reports required under the laws of each country.

8.3. Additional fees

The Kudelski Group paid PricewaterhouseCoopers for additional services for the year 2025 the sum of CHF 167 000 for tax advisory services. No other additional services have been provided in 2025.

8.4. Information instruments pertaining to the external audit

The aim of the Audit Committee of the Board of Directors is to provide effective and regular supervision of the company's financial reporting processes in order to ensure their integrity, transparency and quality. To this end, it is responsible for monitoring the work, including additional services, of the external auditors.

PricewaterhouseCoopers provides the Audit Committee with a detailed report before each Committee meeting regarding the execution and results of its work for the Kudelski Group, proposals to correct or improve identified problems and the implementation status of decisions made by the Audit Committee.

The auditor's representatives, including the auditor in charge of the Group's audit, are regularly invited to take part in meetings of the Audit Committee as external participants.

Representatives from PricewaterhouseCoopers were invited this year to all three meetings of the Audit Committee. They do not participate in any discussions and decisions of the Audit Committee regarding the auditors. For more information on the Audit Committee, and particularly on the selection, evaluation and independence criteria please refer to sections 3.5.2 and 3.5.3 above.

9. Information concerning quiet periods

The Kudelski Group maintains quiet periods during which members of the Board of Directors and certain employees, including senior members of management, members of the finance department and other employees who may reasonably be expected to have access to price-sensitive information, are prohibited from trading in securities of Kudelski S.A. The company maintains a regular quiet period that commences each June 30 and December 31 and ends after the Group's financial results for the first half and full year, respectively, are publicly disclosed. In addition, the company will institute a quiet period on an ad hoc basis in the event that it is in possession of non-public, price-sensitive information. Such ad hoc periods will be in effect until the price-sensitive information is disclosed publicly or ceases to become price-sensitive information. During quiet periods, communication of financial or other price-sensitive information is restricted to specific authorized employees.

10. Information policy

The Kudelski Group keeps investors regularly informed of the following developments:

- progress of business and major new contracts;
- changes in the management of the Group;
- acquisitions or sales of companies; and
- half-year and annual financial results.

Press releases are issued in compliance with the rules in force of the SIX Exchange Regulation concerning ad hoc publicity and are available on the Group's website simultaneously with their publication. A link on the home page of the Group's web site allows direct access to press releases. The Group communicates as often as necessary in this manner. Press releases are generally published in English and French. In certain specific cases, a German version is also provided. They are available in these languages on the website.

Persons wishing to receive Kudelski Group press releases may subscribe to a mailing list using a form available on the Kudelski Group website: <https://www.nagra.com/media/subscription>.

Financial results are presented to investors and financial analysts during a press conference held twice a year. Persons invited can also follow the conference by audio webcast.

The Group's website is a regularly updated source of information. The Investors & Media section contains a list of the principal dates of the corporate calendar (publication of results, Annual General Meeting and presence at major trade shows) as well as the Group's main publications (annual report and half-year report). Mr. Marc Ausoni is in charge of investor relations (+41 21 732 05 49, marc.ausoni@nagra.com).

The Group's main website links and e-mail addresses are on the last page of this report.

Important dates

- April 14, 2026: Annual General Meeting, Cheseaux-sur-Lausanne, Switzerland
- August 26, 2026: Publication of the Interim Financial Report and Press Conference

COMPENSATION REPORT

1. Introduction

This report was prepared in compliance with the directive on information relating to corporate governance issued by the SIX Exchange Regulation and in compliance with Swiss corporate law. This Compensation Report is audited. Unless otherwise mentioned, the information provided in this report reflects the situation as of December 31, 2025.

This Compensation Report refers to the articles of association of the Company, which are available at the following address: <https://www.nagra.com/investors/publications>.

2. Compensation approval by General Meeting

In compliance with section 28 of the articles of association, upon the proposal of the Board of Directors, each year the Annual General Meeting shall separately approve the maximum aggregate amount of compensation awarded to the Board of Directors and the Executive Board.

The Board of Directors shall submit a separate proposal to the vote of the Annual General Meeting regarding:

- the maximum aggregate amount granted to the Board of Directors for the compensation of its members for the period up to the following Annual General Meeting; and
- the maximum aggregate amount granted to the Executive Board for the fixed and variable compensation of its members for the following periods, respectively: as regards fixed compensation, the period from the beginning of July of the current fiscal year through the end of June of the following fiscal year; as regards variable compensation, the current fiscal year.

The Board of Directors may submit proposals to the Annual General Meeting regarding compensation for different periods affecting all members of the Board of Directors or the Executive Board or only certain members.

Votes at the Annual General Meeting on compensation related proposals are binding. If one or more of the aforementioned amounts are rejected at the Annual General Meeting, the Board of Directors shall make an alternative proposal for approval at the same Annual General Meeting or a subsequent General Meeting.

Compensation payments for activities by members of the Board of Directors and the Executive Board in other legal entities directly or indirectly controlled by the Company are authorized. Compensation paid by these legal entities is included as part of the compensation submitted for approval at the Annual General Meeting.

The Company, or any other legal entity directly or indirectly controlled by it, may pay compensation prior to its approval at the Annual General Meeting, subject to subsequent approval and an obligation to repay such compensation in the event it is not approved at the General Meeting.

In compliance with section 29 of the articles of association, if the maximum global compensation of the Executive Board already approved at the General Meeting is insufficient to cover compensation of members appointed after this approval, the Company, or legal entities controlled by it, may grant an additional amount for the compensation period already approved to remunerate and/or compensate for benefits the new member gave up or lost due to his/her change in employment. The additional amount shall not exceed 150% of the position replaced or the highest fixed compensation of the other members of the Executive Board on a pro rata temporis basis up until the end of the period for which the compensation was already approved.

3. Principles of compensation

The Compensation and Nomination Committee has adopted a compensation policy aligning the interests of Executive Board members with the Group's mid- and long-term strategy and shareholders' interests. Pursuant to this policy, compensation is based on the following principles:

- coherence of compensation levels with the tasks, workload and responsibilities assumed;
- appropriate match between compensation levels and current business, trends and evolution of the market and competitive environment of the Group as well as the mid- and long-term strategy of the Group;
- global assessment (not individually-based) of compensation to encourage a long-term vision of the Group's interests; and
- for Executive Board members, pay for performance to support both short-term and long-term Group objectives.

The Compensation and Nomination Committee (see section 3.5.2 of the Corporate Governance report) strives to maintain a competitive remuneration policy that ensures global compensation of the Executive Board members is comparable with those of their peers at multinational companies operating in the fields of digital television, cybersecurity and the Internet in Switzerland, in high technology centers, such as the West Coast of the USA, and in Western Europe. In addition, the Compensation and Nomination Committee aims to limit dilution of the capital of the Company by using equity as part of compensation only for a limited number of senior members of management, including the Executive Board (see section 4.2 below).

The Compensation and Nomination Committee does not use benchmarks or compensation consultancy services. It makes its own assessment of the compensation practices of the following types of companies:

- high technology companies listed on the Nasdaq or NYSE;
- high technology companies listed on the Euronext;
- high technology companies listed on the SIX Swiss Exchange and belonging to the Swiss Performance Index (SPI), Technology sector; and
- privately held high technology companies.

Specifically, the Committee assesses those companies from which prospective employee candidates may be employed or to which the Group may have lost prospective candidates, as well as competitors that are of a similar size and face comparable operational complexity as the Group. Such assessments also take into account the business environment in which the Group operates and the rapid pace of evolution required for success.

Due to the unique characteristics of the Group, including the breadth and variety of its products and services, the rapid evolution of its technologies and markets and the fast-moving competitive environment in which the Group operates, the Compensation and Nomination Committee considers that it is difficult to make direct comparisons with other companies and believes that the aforementioned elements are sufficient for purposes of its compensation policy.

The level of remuneration of the non-executive members of the Board of Directors is determined by their role with the Board of Directors and its Committees. The elements of their compensation are set out in section 4.1.

The total annual compensation of members of the Executive Board includes a fixed and a variable component. The variable component depends on the Group's results (both economic and strategic), the level of responsibility assumed and individual performance, which factors can in the aggregate have a positive or negative impact on the variable compensation of each Executive Board member. Variable compensation helps align the interests of Executive Board members with company strategy and shareholders' interests and ultimately seeks to reward value creation. The variable component is not expressed as a percentage of fixed compensation (see also section 4.2).

Currently, there are no provisions providing for a particular allowance or benefit – including with regard to blocking or vesting periods applicable to shares – in the event of a termination of the employment contract of an Executive Board member, in the event of a departure of a member of the Board of Directors or in the case of a change of control of the company. Executive Board members have employment contracts with an unlimited term and with a maximum of eleven month's termination notice expiring on the last day of a calendar month, both of which help promote stability within the management of the Group.

4. Elements of compensation

Section 7 sets forth the compensation paid to the members of the Board of Directors and Executive Board in accordance with the Swiss corporate law requirements.

The elements of compensation for non-executive members of the Board of Directors are different than for executive members of the Board of Directors and the Executive Board members.

4.1. Members of the Board of Directors

In compliance with section 30 of the articles of association, the compensation of non-executive members of the Board of Directors is composed of a fixed annual fee, paid in cash, and an expense allowance.

Specific tasks or services performed for the Group by a non-executive member of the Board of Directors that fall outside of such member's Board responsibilities are generally compensated in cash and based on arm's length terms and conditions.

4.2. Members of the Executive Board

In compliance with sections 30 paragraphs 4, 31 and 32 of the articles of association (<https://www.nagra.com/investors-media/publications>), the total annual compensation of the executive members of the Board of Directors and of the Executive Board members includes a fixed salary and a variable component.

Compensation is generally paid in a combination of cash, shares and payment in kind (including provision of a company car and reimbursement of all or part of health insurance premiums). The fixed salary is in principle paid in cash. The Compensation and Nomination Committee has discretionary authority to determine how the variable component is paid, taking into account such criteria as the dilutive effect of any share issuances.

A maximum of 50% of the variable compensation may be paid in Kudelski SA bearer shares that are blocked for a period of three or seven years at the election of the Executive Board member. Each Executive Board member may also elect to participate in the Group's share purchase plan adopted in 2004 (see section 2.7 of the Corporate Governance Report: Share purchase plan).

The total compensation of each Executive Board member is linked to his/her individual performance as well as the strategic, economic and operational performance of the Group. Key factors impacting variable compensation levels include the overall performance of the Group and its divisions, performance against the applicable member's department budget, contribution to strategic initiatives, achievement of individual objectives and the quality of management by such Executive Board member. Objectives of the Group are discussed and approved on a yearly basis by the Board of Directors, Strategy Committee, Compensation and Nomination Committee and Chief Executive Officer. Once approved, Group objectives are shared with the Executive Board members who, in addition to their individual performance objectives, shall have responsibility for achieving such objectives as determined by the Chief Executive Officer in agreement with the Compensation and Nomination Committee.

The Compensation and Nomination Committee assesses the achievement of Group objectives and of each Executive Board member's individual performance objectives. The Committee has discretionary authority to determine the relative weighting of the Group objectives and individual performance objectives as part of its assessment for determining the total compensation of each Executive Board member. In addition, the Compensation and Nomination Committee has the discretion to apply a positive or negative performance factor to each individual performance objective, which recognizes achievement or failure of individual performance objectives. This practice is designed to encourage each member of the Executive Board to optimize his/her performance against objectives.

5. Procedure for determining compensation

The Compensation and Nomination Committee determines the compensation policy and sets the compensation of each member of the Executive Board and the Board of Directors, other than the compensation of the Committee members which is decided by the full Board of Directors (see section 3.5.2 of the Corporate Governance Report, Compensation and Nomination Committee section). The Compensation and Nomination Committee reports every year on its activities to the Board of Directors.

The Chairman of the Board of Directors is invited to take part in the Committee's discussions related to compensation, other than discussions relating to the Chairman's own compensation.

Each year, the Compensation and Nomination Committee reassesses its compensation policy and determines the annual compensation of the Board of Directors and Executive Board members. Generally, this occurs during the first quarter of the year. During the same period, the Chief Executive Officer reviews the performance objectives of the Executive Board and presents his recommendations to the Board of Directors. The full Board of Directors will also determine the compensation of the members of the Compensation and Nomination Committee.

6. Special information regarding 2025

6.1. Changes to the compensation policy during the year under review

No major change was made to the Group's compensation policy for the 2025 financial year. In 2025, the entire variable compensation of the Executive Board members will be paid in cash (see section 7).

6.2. Special information regarding 2025

The compensation of each Executive Board member is determined globally, and the variable compensation of the Executive Board members is not based on the fixed salary as specified in section 3. The variable compensation of each Executive Board member represented between 26.1% and 47.7% of his total compensation, except for the Chief Executive Officer (see section 7). There is no pre-determined ratio between the variable component and the fixed salary; such ratio may be different from year to year. The different ratios of fixed to variable compensation among Executive Board members are based on their function and responsibilities within the Group and market practices. In 2025, certain members of management received an exceptional bonus linked to their respective performance and contributions to the report on non-financial matters.

7. Compensation granted to members of the Board of Directors and members of the Executive Board

Total compensation paid directly or indirectly by Kudelski SA or one of its affiliated companies is described below. Compensation does not include reimbursement for business expenses incurred by members in the course of performing their responsibilities or representation allowances, which are not considered as compensation by the Swiss fiscal authorities.

For 2025 and 2024, no shares were granted to Executive Board members as part of their variable compensation.

YEAR 2025	BASE COMPENSATION IN CASH CHF	VARIABLE COMPENSATION IN CASH CHF	VARIABLE COMPENSATION IN KUDELSKI SHARES (NUMBER)	VARIABLE COMPENSATION IN KUDELSKI SHARES CHF	OTHER * CHF	TOTAL 2025 CHF
BOARD OF DIRECTORS						
KUDELSKI ANDRÉ Chairman	565 304	–	–	–	–	565 304
SMADJA CLAUDE Vice Chairman	155 000	–	–	–	7 544	162 544
DASSAULT LAURENT Member	60 000	–	–	–	2 163	62 163
FOETISCH PATRICK Member	65 000	–	–	–	61 510 **	126 510
KUDELSKI MARGUERITE Member	70 000	–	–	–	4 489	74 489
LESCURE PIERRE Member	151 870	–	–	–	6 544	158 414
ROSS ALEC Member	90 000	–	–	–	5 870	95 870
HENGARTNER MICHAEL Member	60 000	–	–	–	3 798	63 798
TOTAL BOARD MEMBERS	1 217 174	–	–	–	91 919	1 309 093

YEAR 2025	BASE COMPENSATION IN CASH CHF	VARIABLE COMPENSATION IN CASH CHF	VARIABLE COMPENSATION IN KUDELSKI SHARES (NUMBER)	VARIABLE COMPENSATION IN KUDELSKI SHARES CHF	OTHER *** CHF	TOTAL 2025 CHF
MANAGEMENT						
KUDELSKI ANDRÉ CEO	599 337	1 705 231			147 179	2 451 747
OTHER MEMBERS****	1 167 333	722 065			55 350	1 944 748
TOTAL MANAGEMENT	1 766 670	2 427 296			202 529	4 396 495

* This section includes social security charges.

** Compensation paid for his legal services rendered to several Group companies.

*** This section includes long service benefits and benefits in kind as well as expenditures constituting or increasing pension benefits.

**** Ms. Nancy Goldberg was a member of the Executive Board until January 17, 2025.

Two members of the management received their remuneration in USD. One member received part of the 2025 compensation in USD, which was converted using a 0.8296 exchange rate for 2025.

YEAR 2024	BASE COMPENSATION IN CASH CHF	VARIABLE COMPENSATION IN CASH CHF	VARIABLE COMPENSATION IN KUDELSKI SHARES (NUMBER)	VARIABLE COMPENSATION IN KUDELSKI SHARES CHF	OTHER * CHF	TOTAL 2024 CHF
BOARD OF DIRECTORS						
KUDELSKI ANDRÉ Chairman	564 292	–	–	–	–	564 292
SMADJA CLAUDE Vice Chairman	155 000	–	–	–	7 544	162 544
DASSAULT LAURENT Member	120 000	–	–	–	5 562	125 562
FOETISCH PATRICK Member	65 000	–	–	–	139 807 **	204 807
KUDELSKI MARGUERITE Member	60 000	–	–	–	3 798	63 798
LESCURE PIERRE Member	152 072	–	–	–	6 619	158 691
ROSS ALEC Member	90 000	–	–	–	5 870	95 870
HENGARTNER MICHAEL Member	60 000	–	–	–	3 798	63 798
TOTAL BOARD MEMBERS	1 266 363	–	–	–	172 999	1 439 362

YEAR 2024	BASE COMPENSATION IN CASH CHF	VARIABLE COMPENSATION IN CASH CHF	VARIABLE COMPENSATION IN KUDELSKI SHARES (NUMBER)	VARIABLE COMPENSATION IN KUDELSKI SHARES CHF	OTHER *** CHF	TOTAL 2024 CHF
MANAGEMENT						
KUDELSKI ANDRÉ CEO	612 795	2 749 708			214 797	3 577 300
OTHER MEMBERS	1 629 400	1 923 310			64 511	3 617 221
TOTAL MANAGEMENT	2 242 195	4 673 018			279 308	7 194 521

* This section includes social security charges.

** Compensation paid for his legal services rendered to several Group companies.

*** This section includes long service benefits and benefits in kind as well as expenditures constituting or increasing pension benefits.

Two members of the management received their remuneration in USD. One member received part of the 2024 compensation in USD, which was converted using a 0.88076 exchange rate for 2024.

8. Shareholdings and loans granted to members of the Board of Directors and members of the Executive Board

In compliance with section 33 of the articles of association, loans may be granted to a member of the Board of Directors or the Executive Board only under market conditions and, at the time they are granted, may not exceed the most recent total annual compensation of the member in question. Moreover, in compliance with section 28 paragraph 6, the Company, or any other legal entity directly or indirectly controlled by it, may pay compensation prior to its approval at the Annual General Meeting, subject to subsequent approval and an obligation to repay such compensation in the event it is not approved at the Annual General Meeting.

As of December 31, 2025 and 2024, no guarantees, loans, advances or borrowings in favor of members of the Board of Directors, members of the Executive Board or individuals closely related to such persons were outstanding.

Information concerning the shareholdings of the Board of Directors and management can be found in note 43 to the consolidated financial statements.

9. Retirement benefits in addition to pension benefits schemes granted to members of the Board of Directors and members of the Executive Board

In compliance with section 34 of the articles of association, the Company, or legal entities controlled by the Company, may grant retirement benefits in addition to pension benefits schemes offered by the Company, or legal entities controlled by it, to members of the Board of Directors or the Executive Board. For a given annual compensation period, the value of such retirement benefits may not exceed the most recent total annual compensation of the member in question.

In addition, the Company or entities controlled by the Company may grant an annuity payment to former members of the Board of Directors or the Executive Board as retirement benefits in addition to pension benefits schemes offered by the Company or legal entities controlled by the Company. For each individual affected, the amount paid in this manner may not, for a one year period, exceed 30% of the last annual base salary of the person in question prior to his/her retirement. In lieu of an annuity, the Company may pay the retirement benefit as a lump sum payment, in which case, the amount is calculated according to actuarial calculation methods.

As of December 31, 2025 and 2024, no retirement benefits in addition to pension benefits schemes were in favor of members of the Board of Directors, members of the Executive Board or in favor of individuals closely related to such persons.

10. Positions in third party legal entities held by members of the Board of Directors and members of the Executive Board

ANDRÉ KUDELSKI

- Publicis Groupe SA¹, Lead Director of the Board, Member of the Remuneration Committee, member of the Nominating Committee and of the Audit and Financial risk Committee
- Montreux Media Venture SA, Chairman
- Restaurant de l'Hôtel de Ville de Crissier SA, Chairman
- Sunset Music SA, Board member

¹ *Third-party legal entity whose shares is listed on a stock exchange.*

CLAUDE SMADJA

- Smadja & Smadja Strategic Advisory SA, Board member

PATRICK FOETISCH

- AMRP Handels AG, Chairman
- Alpcom SA, Board Member
- Bernard Nicod Holding SA, Board Member
- BN Family Office SA, Board Member
- Campak AG, Board Member
- Edel Immobilien AG, Board Member
- Fineges Société Anonyme de Participations SA, Board Member
- Liauba SA, Board Member
- Tavaba AG, Chairman of the Board of Directors

LAURENT DASSAULT

Current mandates in Groupe Industriel Marcel Dassault SAS²:

- Arqana SAS, advisor to the Directoire (Managing Board)
- Artcurial Développement Sàrl, Co-manager (Co-gérant)
- Financière Louis Potel & Chabot SAS, Censor
- Immobilière Dassault SA, honorary Chairman
- Groupe Industriel Marcel Dassault SAS, Supervisory Board member

Positions in third-party legal entities outside Groupe Industriel Marcel Dassault:

- Vivendi SE (European Company, listed at Euronext Paris), in France, member of the Supervisory Board and member of the audit committee
- 21 Invest SA, member of the Supervisory Board
- FLCP et Associés SASU, member of the Supervisory Board
- La Maison SA, member of the Supervisory Board
- Lepercq, de Neufelize & Co. Inc., Boardmember
- L. REAL ESTATE SCA SICAR, Chairman of the Investors Committee

² *As per section 18 of the articles of association and as described below in section 3.3, position for legal entities under common control are deemed to constitute a single position.*

PIERRE LESCURE

- ANNAROSE PRODUCTIONS Sàrl, Chairman and CEO
- Mediawan SAS, Member of the Advisory Board
- Mediawan Holding SAS, Member of the Advisory Board

MARGUERITE KUDELSKI

- AudioTechnology Switzerland SA, Chairwoman of the Board of Directors
- Bovay & Partenaires SA, Chairwoman of the Board of Directors
- Wire Art Switzerland SA, Board member

ALEC ROSS

- Amplo, Board partner
- Bonfiglioli, member of the Supervisory Board
- Collective Global, Board Partner
- Pelliconi, Supervisory Board Member
- Telerivet Inc., Board member
- Liquid Ventures, Board member
- Kyan Health, Board member

MICHAEL HENGARTNER

- Novalis Biotech Fund, Scientific Advisor and Advisory Board member
- Novartis Bioventures Ltd., Chairman of the Board of Directors
- Aseptuva AG, Advisory Board Member

Except for the CEO, no Executive member held external positions as of March 27, 2025.



Kudelski SA Cheseaux-sur-Lausanne

**Report of the statutory auditor
to the General Meeting
on the compensation report 2025**



Report of the statutory auditor to the General Meeting of Kudelski SA, Cheseaux-sur-Lausanne

Opinion

We have audited the compensation report of Kudelski SA (the Company) for the year ended 31 December 2025. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the sections 7, 8 and 10 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report (sections 7, 8 and 10) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the sections 7, 8 and 10 in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board

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of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also charged with structuring the remuneration principles and specifying the individual remuneration components.

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers SA

Corinne Pointet Chambettaz
Licensed audit expert
Auditor in charge

Nicolas Daehler
Licensed audit expert

Lausanne, 13 March 2026

FINANCIAL OVERVIEW AND STATEMENTS

FINANCIAL OVERVIEW

) THE KUDELSKI GROUP

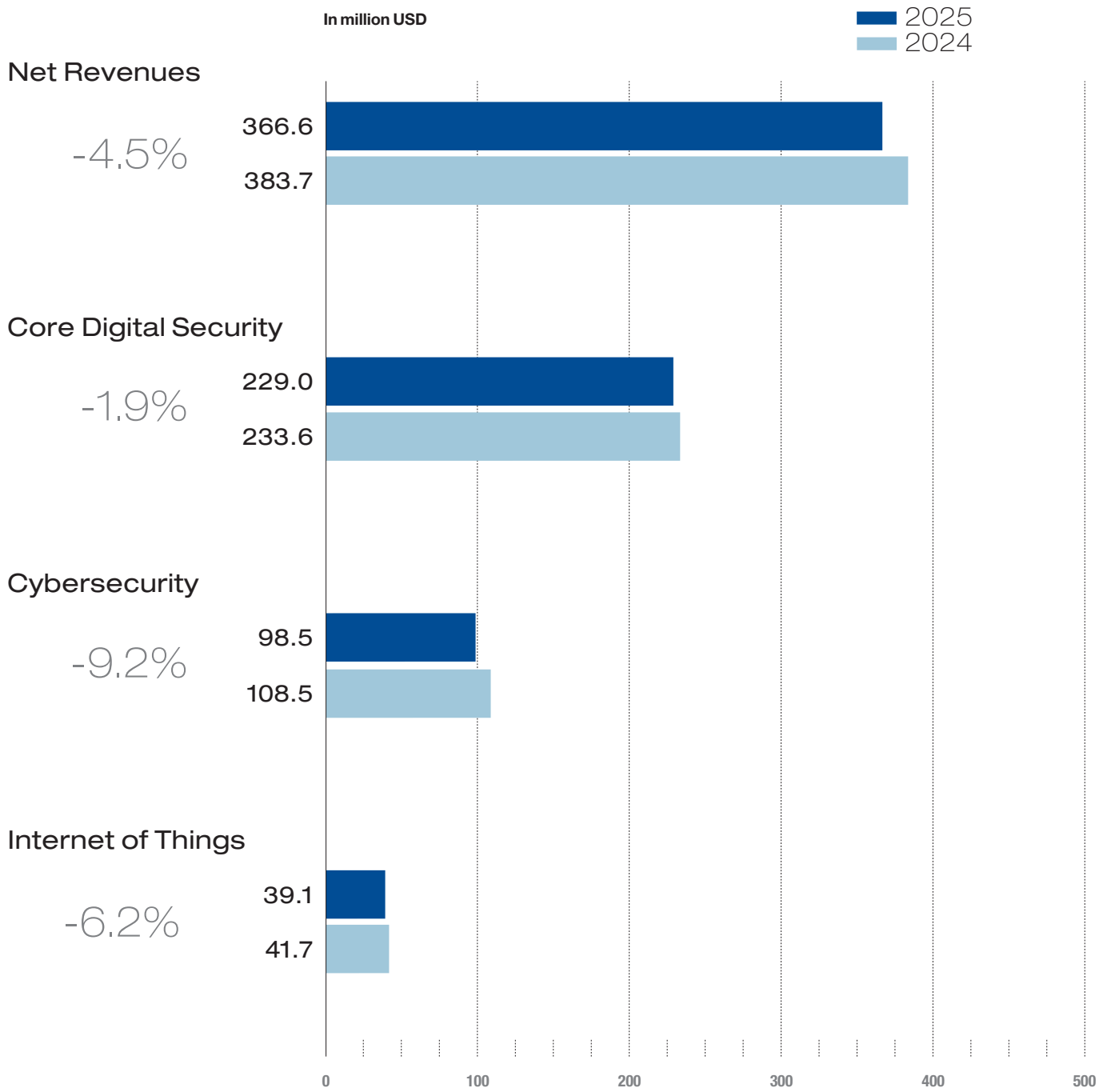
In 2025, the Group accelerated its strategic transformation in order to generate new revenues and improve its profitability and cash generation. The transformation has impacted all business units and corporate functions with the strategic goal of improving the efficiency of investment in high potential 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.

GROUP REVENUES
BREAKDOWN BY SEGMENT



GROUP RESULTS

In 2025, the Group generated net revenues of USD 366.6 million, a decrease of 4.5% compared to 2024. In constant currency terms, net revenues decreased by 7.5%.

Comparative segment figures for 2024 have been restated to reflect the strategic reorganization implemented at the end of 2024 and in early 2025 pursuant to which the Group integrated its Labs and core security activities, as well as Corporate IT, into the former Digital TV organization. As a result, the former Digital TV segment now operates as Core Digital Security. This restatement has no impact on the previously reported Group results.

Core Digital Security net revenues declined by 1.9% to USD 229.0 million, representing the lowest year-on-year reduction of the last four years. Cybersecurity net revenues decreased by 9.2% to USD 98.5 million, while IoT revenues declined by 6.2% to USD 39.1 million.

Other operating income amounted to USD 4.4 million compared to USD 9.3 million in 2024, which included a one-time USD 5.3 million payment from a tenant of the Group's former San Francisco office building.

Margin after cost of material increased from 80.1% to 82.3%, reflecting higher gross margins in Core Digital Security and Cybersecurity.

Personnel expenses decreased by USD 8.7 million to USD 242.5 million. This amount includes USD 12.5 million of restructuring costs. In 2025, the Group continued to streamline its organization, reducing total headcount by 175 Full-Time Equivalents (FTEs) compared to year-end 2024 to 1,599 FTEs. Most of the headcount reduction took place in Core Digital Security and in corporate functions, which reduced headcount by 139 FTEs. From a geographic perspective, 53% of headcount is based in Europe (with Switzerland representing 29% of total headcount), Asia-Pacific accounts for 29%, and the Americas for 18%.

Other operating expenses increased by USD 1.9 million to USD 78.4 million, with no major changes in the mix of cost line items.

As a result, the Group reported an EBITDA loss of USD 15.6 million, compared to an EBITDA loss of USD 13.1 million in 2024. Net of restructuring costs, the Group posted a positive EBITDA of USD 0.9 million.

Depreciation and amortization decreased from USD 107.1 million to USD 11.8 million. As a reminder, the 2024 expense included an USD 82.1 million impairment of the goodwill allocated to Core Digital Security as well as a USD 12.7 million impairment related to the Group's former San Francisco office building. Overall, the Group reported an EBIT loss of USD 27.4 million for 2025.

Interest expense amounted to USD 2.5 million, USD 16.0 million lower compared to 2024, when interest expense included the cost of a bridge loan related to the SKIDATA transaction. Net finance expense was USD 4.5 million compared to USD 2.0 million in the prior year, reflecting foreign exchange effects and securitization-related costs. Income tax expense was USD 6.1 million, compared to USD 13.7 million in 2024. Overall, the Group recorded a net loss of USD 40.2 million in 2025.

CORE DIGITAL SECURITY

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. Revenues in the second half of the year were strong, growing compared to both the second half of 2024 and the first half of 2025, supported by seasonality and the continued momentum of new product lines.

New product lines continued to gain traction, increasing by 23% to reach USD 52.6 million in 2025, while revenues from legacy products continued to decline, from USD 190.3 million in 2024 to USD 167.0 million in 2025. Growth was primarily driven by Watermarking and Streaming Protection, with revenues increasing from USD 21.7 million in 2024 to USD 30.0 million in 2025. OpenTV portfolio also gained momentum with a 37% growth in 2025.

The European region recorded a decrease of 1.2% to USD 108.5 million. Vodafone revenues increased by USD 2.4 million, driven by higher rental fees for Connect and the Security Service Platform, and 4iG Group revenues increased by USD 2.6 million, mainly due to the deployment of OpenTV Platform. American revenues increased by 6.4%, supported by an agreement with a major technology provider in the streaming domain, which more than offset continued but slowing subscriber attrition at DISH. In Asia-Pacific and Africa, revenues decreased primarily due to lower set-top box sales at operators such as DMG and TBC in Taiwan, Bakhresa in Tanzania, and StarHub in Singapore.

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.

Operating expenses in Core Digital Security were USD 8.9 million lower compared to 2024, mainly reflecting headcount reductions resulting from the restructuring program. Operating expenses include USD 8.6 million of restructuring costs. As a result, segment EBITDA reached USD 25.1 million, compared to USD 11.8 million in 2024. EBITDA net of restructuring costs was positive USD 33.7 million, doubling compared to the previous year.

In 2025, the Group unified Kudelski Labs and NAGRAVISION into Core Digital Security to better connect advanced research with market deployment. As customers accelerate their investment in streaming solutions and the protection of live sports, the Group announced a strategic partnership with MediaTek to enable a unique, hardware-based security solution that secures dynamic DRM and credentials on consumer devices. In addition, the English Football League selected NAGRAVISION for piracy detection and disruption for the 2025/26 season, and United Cloud expanded its anti-piracy agreement. The Group also increasingly 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

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 deliberate reduction of smaller, lower-margin transactional activities as well as systematic refocusing of the project portfolio.

The European region was broadly stable with net revenues of USD 58.9 million, while the Americas generated USD 38.1 million, reflecting a contraction in technology resell activity and the discontinuation of certain non-core engagements. Sales in Asia and Africa were USD 1.5 million. 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.

In particular, 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.

Despite the positive effects of efficiency initiatives within Kudelski Security, operating expenses increased by USD 4.1 million in 2025, reflecting the expanded investments described above. As a result, the segment recorded an EBITDA loss of USD 12.0 million in 2025.

INTERNET OF THINGS (IOT)

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 deliberate 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.

The revenue shortfall and one-off cost of goods in 2025 resulted in an EBITDA loss of approximately USD 13.4 million. Net of one-off costs, the segment's EBITDA loss of USD 8.5 million was broadly in line with the prior year, reflecting continued investments in channel enablement and operational readiness.

CORPORATE

Corporate operating expenses comprise unallocated costs associated with Group functions. Following the SKIDATA divestiture, the Group remains debt-free, and Corporate IT has been integrated into Core Digital Security to drive additional efficiencies.

In 2025, corporate operating loss before depreciation and amortization was USD 15.3 million. The USD 12.7 comparative 2024 EBITDA corporate loss included non-recurring items related to the Group's former San Francisco office building.

BALANCE SHEET

Following the SKIDATA divestiture, the Group repaid all financial debt and remains debt-free.

Total non-current assets amounted to USD 347.6 million. The increase compared to year-end 2024 was mainly driven by foreign exchange eYects. Tangible fixed assets remained stable at USD 6.4 million. At USD 218.4 million, intangibles represent the bulk of non-current assets, with goodwill accounting for most of this amount. Financial assets at fair value amounted to USD 35.5 million and mainly consist of unsettled receivables transferred to the securitization special-purpose entity.

Total current assets amounted to USD 214.7 million. Inventories increased by USD 1.0 million to USD 15.7 million, mainly reflecting asset-tracking inventory. Receivables collection was strong, resulting in a decrease of USD 5.7 million in accounts receivable to USD 30.2 million. Cash and cash equivalents decreased by USD 26.0 million to USD 100.4 million.

Total equity amounted to USD 309.3 million. A positive other comprehensive income of USD 40.0 million from pension accounting and currency translation offset the net loss for the year.

Total non-current liabilities were essentially stable at USD 86.7 million and mainly consist of long-term lease obligations. In addition, deferred income of USD 25.8 million relates to a customer's prepayment. The reduction of IAS 19 obligations from USD 23.0 million to USD 3.8 million was primarily driven by an increase of the discount rate from 1.05% to 1.35%. Total current liabilities decreased by USD 3.4 million to USD 166.2 million. The remaining short-term debt relates to a liability linked to an operating partner.

CASH FLOWS

Second-half cash flow was ahead of expectations. As a reminder, cash flow from operating activities in the first half of 2025 was negative USD 45.3 million, and management had communicated an expected break-even cash flow for the second half.

In the second half of 2025, the Group generated positive cash flow from operating activities of USD 29.7 million. As a result, cash flow from operating activities for the full year 2025 was negative USD 15.6 million. This positive development was due, among other factors, to a customer's prepayment of services to be rendered in 2026 and 2027, as well as continued discipline in working capital management.

The Group continued to maintain strong discipline in managing capital expenditures. Cash outflow for tangible and intangible assets amounted to USD 3.6 million.

Net cash used in financing activities amounted to USD 15.5 million, including USD 10.5 million of lease obligations and a USD 5.0 million dividend paid to non-controlling shareholders.

OUTLOOK

For 2026, management expects to continue the positive 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.

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CONSOLIDATED INCOME STATEMENT

(FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024)

In USD'000	Notes	2025	2024
Revenues	5	366 606	383 728
Other operating income	6	4 405	9 280
Total revenues and other operating income		371 011	393 008
Cost of material, licenses and services		-65 695	-78 358
Employee benefits expense	7	-242 502	-251 154
Other operating expenses	8	-78 415	-76 563
Operating income before depreciation, amortization and impairment		-15 600	-13 067
Depreciation, amortization and impairment	9	-11 845	-107 132
Operating income		-27 445	-120 199
Interest expense	10	-2 494	-18 452
Other finance income/(expense), net	11	-4 542	-1 950
Share of result of associates	17	376	3 168
Income before tax		-34 105	-137 433
Income tax expense	12	-6 058	-13 724
Net income for the period from continuing operations		-40 163	-151 158
Net result from discontinued operations	40	-	161 731
Net income for the period		-40 163	10 573
Attributable to:			
- Equity holders of the company		-42 412	11 412
- Non-controlling interests		2 249	-838
Earnings per share (in USD)			
Attributable to shareholders of Kudelski SA for bearer shares : basic and diluted (in USD)	13	-0.7557	0.2036
- Continuing operations		-0.7557	-2.6653
- Discontinued operations		-	2.8689
Attributable to shareholders of Kudelski SA for registered shares : basic and diluted (in USD)	13	-0.0756	0.0204
- Continuing operations		-0.0756	-0.2665
- Discontinued operations		-	0.2869

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024)

In USD'000	2025	2024
Net income	-40 163	10 573
Other comprehensive income to be eventually reclassified into the consolidated income statement in subsequent periods:		
Currency translation differences	16 821	34 121
Cash flow hedges, net of income tax	61	-
	16 882	34 121
Other comprehensive income never to be reclassified into the consolidated income statement in subsequent periods:		
Remeasurements on post employment benefit obligations, net of income tax	23 163	-8 825
	23 163	-8 825
Total other comprehensive income, net of tax	40 045	25 296
Total comprehensive income	-118	35 870
Attributable to:		
Shareholders of Kudelski SA	-2 367	36 890
- Continuing operations	-2 367	-158 263
- Discontinued operations	0	195 153
Non-controlling interests	2 249	-1 020

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET

(AT DECEMBER 31, 2025 AND 2024)

In USD'000	Notes	31.12.2025	31.12.2024
ASSETS			
Non-current assets			
Tangible fixed assets	14	6 421	5 921
Intangible assets	15	218 404	206 256
Right-of-use assets	16	31 198	34 717
Investments in associates	17	10 694	9 946
Deferred income tax assets	18	17 254	20 319
Financial assets at amortized cost	19	18 157	17 240
Financial assets at fair value through profit and loss	19	35 494	34 324
Employee benefits assets	28	9 952	–
Total non-current assets		347 572	328 722
Current assets			
Inventories	21	15 689	14 738
Trade accounts receivable	22	30 167	35 856
Contract assets	22	1 663	2 866
Other financial assets at amortized cost	23	14 852	14 497
Other current assets	24	51 887	48 035
Derivative financial instruments	35	63	–
Cash and cash equivalents	25	100 376	126 336
Total current assets		214 699	242 327
Total assets		562 271	571 050
EQUITY AND LIABILITIES			
Equity			
Share capital	26	347 181	346 624
Reserves		-42 559	-39 707
Equity attributable to equity holders of the parent		304 622	306 917
Non-controlling interests	27	4 718	7 469
Total equity		309 340	314 385
Non-current liabilities			
Long-term lease obligations	16	57 014	58 558
Employee benefits liabilities	28	3 846	23 043
Other long-term liabilities	29	25 838	5 432
Total non-current liabilities		86 698	87 034
Current liabilities			
Short-term financial debt	30	5 716	673
Short-term lease obligations	16	10 245	9 805
Trade accounts payable	32	33 916	30 414
Contract liabilities	33	48 721	55 977
Other current liabilities	34	63 863	71 310
Current income taxes		1 866	1 406
Derivative financial instruments	35	33	28
Provisions for other liabilities and charges	36	1 871	19
Total current liabilities		166 232	169 631
Total liabilities		252 931	256 665
Total equity and liabilities		562 271	571 050

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

(FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024)

In USD'000	Notes	2025	2024
Net income for the year		-40 163	10 573
Adjustments for net income non-cash items:			
- Current and deferred income tax		6 058	15 992
- Interests, allocation of transaction costs and foreign exchange differences		-1 849	15 533
- Depreciation, amortization and impairment	9	11 845	107 132
- Share of result of associates	17	-376	-3 544
- Non-cash employee benefits (income) / expense		-4 011	2 694
- Additional provisions net of unused amounts reversed		1 771	-183
- Non-cash government grant income		-3 003	-3 118
- Other non-cash (income) / expenses		-3 418	1 227
Adjustments for items for which cash effects are investing or financing cash flows:			
- Net result on sales of subsidiaries and operations		-	-169 097
- Other non-operating cash items		-81	11
Adjustments for change in working capital:			
- Change in inventories		560	2 214
- Change in trade accounts receivable and contract assets		16 156	8 498
- Change in trade accounts payable and contract liabilities		-12 308	-30 929
- Change in accrued expenses		-13 316	-9 635
- Change in other net current working capital headings		26 308	26 327
Government grant from previous periods received		1 051	1 615
Dividends received from associated companies	17	150	503
Interest paid		-2 192	-20 691
Interest received		4 920	1 737
Income tax paid		-3 717	-2 226
Cash flow from operating activities		-15 616	-45 366
Purchases of intangible fixed assets	15	-589	-1 666
Purchases of tangible fixed assets	14	-3 022	-3 559
Proceeds from sales of tangible and intangible fixed assets		212	55
Investment in financial assets and loans granted		-444	-
Divestment of financial assets and loan reimbursement		-	105
Net proceeds from the disposal of subsidiaries, excluding disposed cash	40	-	339 261
Net proceeds from the sale of controlling interest in subsidiary, excluding disposed cash	27	-	5 945
Sale of associated companies	17	-	5 061
Cash flow from investing activities		-3 843	345 202
Reimbursement of bank overdrafts, long-term loans and other non-current liabilities		-	-221 774
Increase in bank overdrafts, long-term loans and other non-current liabilities		-	16 435
Payments of lease liabilities		-10 521	-14 539
Proceeds from employee share purchase program	39	51	52
Dividends paid to non-controlling interests		-5 000	-6 081
Cash flow from financing activities		-15 470	-225 907
Effect of foreign exchange rate changes on cash and cash equivalents		8 969	-3 969
Net movement in cash and cash equivalents		-25 960	69 960
Cash and cash equivalents at the beginning of the year	25	126 336	56 376
Cash and cash equivalents at the end of the year	25	100 376	126 336
Net movement in cash and cash equivalents		-25 960	69 960

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024)

In USD'000	Notes	Share capital	Share premium	Retained earnings	Fair value and other reserves	Currency translation adjustment	Non-controlling interests	Total equity
January 1, 2024		346 084	57 454	-83 201	-2 681	-47 703	27 050	297 003
Net income		-	-	11 412	-	-	-838	10 573
Other comprehensive income		-	-	-8 825	-	34 303	-182	25 296
Total comprehensive income		-	-	2 586	-	34 303	-1 020	35 870
Employee share purchase program	39	540	-465	-	-	-	-	75
Dividends paid to non-controlling interests		-	-	-	-	-	-6 081	-6 081
Sale of controlling interest in subsidiary	27	-	-	-	-	-	-12 481	-12 481
December 31, 2024		346 624	56 989	-80 615	-2 681	-13 400	7 468	314 385
Net income		-	-	-42 412	-	-	2 250	-40 163
Other comprehensive income		-	-	23 163	61	16 821	-	40 045
Total comprehensive income		-	-	-19 250	61	16 821	2 250	-118
Employee share purchase program	39	556	-483	-	-	-	-	73
Dividends paid to non-controlling interests		-	-	-	-	-	-5 000	-5 000
December 31, 2025		347 181	56 506	-99 865	-2 621	3 421	4 718	309 340

Fair value and other reserves as of December 31, 2025 include an unrealized loss of kUSD -2 681 (2024: kUSD -2 681) on available-for-sale financial assets and an unrealized gain of kUSD 61 (2024: kUSD 0) relating to cash flow hedges.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

1. MATERIAL ACCOUNTING POLICIES

(A) Basis of preparation

The consolidated financial statements of the Kudelski Group (Group or Company) have been prepared in accordance with International Financial Reporting Standards (IFRS[®]) and interpretations issued by the IFRS Interpretations Committee (IFRIC[®]) applicable to companies reporting under IFRS Accounting Standards. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB[®]).

The preparation of the financial statements requires the use of accounting estimates which, by definition, will likely differ from actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 2.

The financial statements are prepared on a historical cost basis, except for financial instruments measured at fair value. The following material accounting policies are applied consistently to all years presented, except where noted. Prior year figures have been reclassified where necessary to better enable comparison. Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided.

(B) Group accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

Intercompany transactions, balances, and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Significant influence is presumed to exist when the Group holds between 20% and 50% of the associate's voting power. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost.

(c) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary consists of the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired business, the equity interests issued by the Group and the fair value of any asset or liability resulting from any contingent consideration. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination, with limited exceptions, are measured initially at their fair value at the acquisition date.

The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently measured to fair value, with changes in fair value recognized in profit or loss.

The excess of the consideration transferred plus the fair value of non-controlling interests over the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.

(d) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Group does not recognize further loss-

es, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(C) Foreign currencies

The consolidated financial statements of the Group are expressed in U.S. Dollars (USD), which is the presentation currency.

The local currency is generally the functional currency throughout the world. In the respective entity financial statements, monetary assets and liabilities

denominated in currencies other than the functional currency are translated at the rate prevailing at the balance sheet date. Transactions contracted in a currency other than the functional currency are recorded using the exchange rate at the time of the transaction. All resulting foreign exchange transaction gains and losses are recognized in the subsidiary's income statement.

Income, expense and cash flows of the consolidated companies have been translated into U.S. dollars using average exchange rates. Assets and liabilities are translated at the closing rate at the date of the balance sheet. All resulting translation differences, including those arising from the translation of any net investment in foreign entities, are recognized in other comprehensive income. The loss of control or total disposal of a subsidiary results in the reclassification of any translation difference to the income statement.

(D) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer, and is shown net of value added tax, returns, rebates, discounts, commissions directly attributed to the sale, and after eliminating sales within the Group. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a product or service to a customer.

The Group sells hardware and software products on both a stand-alone basis without any services and as solutions bundled with services.

Generally, when we provide a combination of hardware and software products with the provision of services, we separately identify our performance obligations under the contract as dis-

tinct goods and services that will be provided. The total transaction price for an arrangement with multiple performance obligations is allocated at contract inception to each distinct performance obligation in proportion to its stand-alone selling price. The stand-alone selling price is the price at which we would sell a promised good or service separately to a customer. Observable stand-alone selling prices are used when readily available. If not available, we estimate the price based on observable inputs, including direct labor hours and allocable costs.

(a) Hardware

Revenue from hardware sales is recognized when control of the products has transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to a specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the agreement, the acceptance provisions have lapsed, or the Group has objective evidence that all the criteria for acceptance have been satisfied. In certain instances, we leverage drop-shipment arrangements with our partners and suppliers to deliver products to our clients without having to physically hold the inventory at our warehouses. We recognize revenue for drop-shipment arrangements on a gross basis as the principal in the transaction when the product is received by the customer because we control the product prior to transfer to the customer. We also assume primary responsibility for fulfillment in the arrangement, we assume inventory risk if the product is returned, we set the price charged to the customer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

and we work closely with our customers to determine their hardware needs.

(b) Software, licenses and royalties

Revenue from software sales is recognized at the point in time when the customer acquires the right to use the software under license and control transfers to the customer. Revenue from licensing arrangements is recognized upon commencement of the term of the license agreement or when the renewal term begins, as applicable. Royalty revenue is recognized upon sale or usage of the product to which the royalty relates.

(c) Services

We design, implement and manage security and access solutions that combine hardware, software and services for our customers. Such services rendered may include system integrations, specific developments and customization, maintenance and training, and may be provided by us or by third-parties as part of bundled arrangements or on a stand-alone basis as consulting or managed service engagements.

If the services are provided as part of a bundled arrangement with hardware and software, the hardware, software and services are generally distinct performance obligations. In general, revenue from service engagements is recognized over time as we perform the underlying services by measuring progress toward complete satisfaction of the performance obligation. In contracts that contain a fixed fee per user, revenue is recognized in the amount in which we have the right to invoice the customer for services performed.

Specific revenue recognition practices for certain of our service offerings are described in further detail below.

(i) Time and materials service contracts.

Revenue for service engagements that are on a time and materials basis is recognized based upon the hours incurred for the performance completed to date for which we have the right to consideration, even if such amounts have not yet been invoiced as of period end.

(ii) Fixed fee service contracts. Revenue from fixed fee service contracts is recognized using a proportional performance method based on the ratio of direct labor hours and other allocated costs incurred to total estimated direct labor hours and other allocated costs.

Certain software maintenance agreements provide our customers the right to obtain software upgrades, help desk and other support services directly from the third-party software provider during the term of the agreement. We act as the selling agent in these arrangements and do not assume any performance obligation to the customer under the arrangement. As a result, we are the agent in these transactions and these sales are recorded on a net sales recognition basis. Under net sales recognition, the cost of the service is recorded as a reduction to sales, resulting in net sales equal to the gross profit on the transaction.

(d) Significant financing components

Certain contracts with our customers may include payment terms that exceed one year. To the extent that a significant financing component exists in these arrangements, we record interest income associated with the financing component of the arrangement over the associated payment terms based on the prevailing market interest rate at the date of the transaction.

(e) Variable consideration

For contracts that contain variable pricing elements, the variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration generally increases the amount of revenue that will be deferred. Variable consideration is reviewed at each reporting period and is measured using the most likely amount method which includes management appropriate estimates.

(f) Interest income

Interest income is recognized according to the effective interest rate method.

(E) Government grants

Grants from governments or similar organizations are recognized at their fair value when there is a reasonable assurance that the Group complies with all conditions associated with their grants receipt and use. Where a government grant is subject to audit before payment, the fair value is determined using management's best estimate of the audit risk. Grants are recognized in the income statement as operating income unless they are linked to a capitalized fixed asset, in which case they are deducted from the cost of the fixed asset.

(F) Cost of material, licenses and services

The cost of material, licenses and services includes direct costs which are attributable to selected revenues. The cost of material includes only the cost of materials paid to external suppliers in connection with recognized sales transactions. It therefore does not include other direct and indirect costs associated with the manufacturing process, such as labor costs, utilities or depreciation of manufacturing assets.

Cost of licenses includes amounts charged by external suppliers for sub-licenses on a per-unit basis for each unit of delivered product (e.g. CODEC licenses charged on each set-top-box sold). It therefore specifically excludes licenses paid independently of the number of units sold, deployed or used in a development process.

Cost of services includes outsourced services that are directly connected to a recognized sales transaction, such as subcontracting a portion of a maintenance agreement or outsourcing the implementation of a revenue-generating customer solution.

(G) Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered in to and subsequently remeasured to fair value at the end of each reporting period. The method of recognizing the resulting gain or loss is dependent on whether the derivative is designated to hedge a specific risk and therefore qualifies for hedge accounting.

The currency instruments that are generally used include forward foreign exchange contracts, currency swaps and zero cost option strategies with terms generally not exceeding one year. Derivative financial instruments are entered into with high credit quality financial institutions, consistently following specific approval, limit and monitoring procedures.

(a) Derivatives that do not qualify for hedge accounting

Certain derivatives transactions, while providing effective economic hedging under the Group's risk management policy, do not qualify for hedge account-

ing under the specific rules of IFRS 9. Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognized immediately in the income statement as part of 'other finance income/(expense), net'.

(b) Cash flow hedge

The Group designates the derivatives which qualify as hedges of a forecast transaction (cash flow hedge). The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the economic relationship exists between the hedged item and the hedging instrument. The Group enters into hedging instruments that have similar critical terms as the hedged items, such as reference rates, notional amounts and maturities.

Changes in intrinsic value of derivative financial instruments that meet hedge qualifying criteria are recognized in the 'cash flow hedge reserve' within equity. Changes in fair value of derivative instruments attributable to time value are recognized in the 'cost of hedging reserve' within equity. The amounts accumulated in hedging reserves of OCI are reclassified to profit or loss in the same period during which the hedged expected future cash flow affects the income statement.

In hedges of highly probable future sales transactions, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated or if there are any changes in the credit risk of the derivative counterparty.

When a cash flow hedge no longer meets the criteria for hedge accounting, the gains and losses that were previously recorded in equity remain deferred in equity until the hedged cash flow is recognized in the income statement. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred cost of hedging are immediately reclassified to the income statement. Gain or loss, as well as cost of hedging, related to the ineffective portion is recognized in the income statement within 'other finance income/(expense), net'.

(H) Taxes

Taxes reported in the consolidated income statement include current and deferred taxes on profit, as well as non-reimbursable withholding taxes and tax adjustments relating to prior years. Income tax is recognized in the income statement, except to the extent that it relates to items directly taken either to equity or to other comprehensive income, in which case it is recognized either in equity or in other comprehensive income. Taxes on income are accrued in the same periods as the revenues and expenses to which they relate.

Deferred taxation is the tax attributable to the temporary differences that appear when taxation authorities recognize and measure assets and liabilities with rules that differ from those of the consolidated accounts. Deferred taxes are determined using the comprehensive liability method and are calculated on the temporary differences at the substantively enacted rates of tax expected to prevail when the temporary differences reverse, except for those temporary differences related to investments in subsidiaries where the timing of their reversal can be controlled and it is probable

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that the difference will not reverse in the foreseeable future.

Temporary differences and tax losses carried forward are recognized only to the extent that it is probable that future taxable income will be available against which they can be utilized. Temporary differences and tax losses which generate deferred tax assets and liabilities based on their future probable use are combined within each legal entity to provide a net deferred tax asset or liability amount. Deferred income tax liabilities have not been recognized for withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are either permanently reinvested or do not generate any taxation due to the application of tax treaties or tax reliefs.

(I) Tangible fixed assets

(a) General

Property, plant and equipment is measured at cost, less subsequent depreciation and impairment. Cost includes any expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. All other repair and maintenance expenditures are charged to the income statement during the financial period in which they are incurred.

Building acquisitions or construction and building improvements are allocated to components. The costs less residual values are depreciated over their useful lives on a straight-line basis. Depreciation starts when the underlying assets are ready for use.

Depreciation is calculated on a straight-line basis over each asset's useful life, according to the following schedule:

Technical equipment and machinery

	Useful life in years
Machinery and measurement instruments	4 - 7
Digital material and equipment	4 - 5
Computer and information networks	4
Fixed assets made available to clients	4 - 10

Other equipment

	Useful life in years
Office furniture and equipment	5 - 7
Vehicles	4 - 5

Each assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is impaired immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal or retirement of tangible fixed assets are determined by comparing the proceeds received with the carrying amounts, and are included in profit or loss.

(J) Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries is denominated in the functional currency of the related acquisition and is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(b) Research and development

Research and development expenditures with external parties that do not meet the criteria for capitalization are recognized as expense as incurred. When capitalized, they are amortized over 4 to 10 years once development is achieved and the resulting products are ready for sale. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Internal research and development expenses are fully charged to the income statement when incurred. The Group considers that economic uncertainties inherent in the development of new products preclude it from capitalizing such costs.

(c) Software

Purchased software is recorded at cost and amortized on a straight-line basis over its estimated useful life.

Costs associated with maintaining computer software programs are recognized as expense as incurred.

(d) Customer lists, Trademarks and Brands

Separately acquired customer lists, trademarks and brands are shown at historical cost. Customer lists, trademarks and brands acquired in a busi-

ness combination are recognized at fair value at the acquisition date and subsequently carried at cost less accumulated amortization and impairment losses. They have a finite useful life and are amortized on a straight-line basis over the following periods:

Over the useful life, in years

Core development technologies	4 - 10
Customer lists	10
Trademarks and brands	5

Internally generated customers lists, trademarks and brands are not capitalized.

(K) Leases

The Group leases various properties, equipment and vehicles. Rental contracts typically cover fixed periods between one and 15 years and may contain extension options as described below. Lease terms are negotiated on an individual basis and include a wide variety of different terms and conditions. The lease agreements generally do not impose financial covenants, however, leased assets are not allowed to be used as collateral for borrowing purposes.

Leases are booked as a right-of-use asset and as a corresponding lease liability at the date at which the leased asset is available for use by the Group. Each lease payment is apportioned between the reduction of the outstanding lease liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities are valued at the

net present value of the future lease payments, which includes fixed lease payments, variable lease payments based on indexes and rates, residual value guarantees, purchase options and termination penalties. Lease payments are discounted using the interest rate implicit in the lease, or if that rate cannot be determined, the Group's incremental borrowing rate based on the currency in which it finances its local operations.

Right-of-use assets are measured at cost, comprising the amount of the initial lease liability adjusted by any lease payments made at or before the commencement date of the lease, any lease incentives received, initial direct costs and any estimated restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are identified as leases with a term of 12 months or less. Low-value assets comprise general office furniture and IT equipment.

Extension and termination options are included in a number of property and equipment leases throughout the Group. These terms are used to maximize operational flexibility, with the majority of extension and terminations options being exercisable only by the Group and not by the respective lessor.

(L) Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories: financial assets measured at fair value (either through other comprehensive income (OCI), or through profit or loss), and financial assets measured at amortized cost. The classification de-

pends on the Group's business model for managing the financial assets and liabilities and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss, or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through OCI.

(b) Recognition and derecognition

Purchases and sales of financial assets are recognized on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures financial assets at fair value plus or minus any transaction costs that are directly attributable to the acquisition of the instrument. For financial assets that are carried at fair value through profit or loss, transaction costs are expensed as incurred.

Subsequent measurement of loans and debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into three measurement categories, amortized cost, fair value through profit or loss, or fair value through OCI.

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Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these assets is included in 'other finance income/(expense), net' using the effective interest rate method. Any gain or loss arising on derecognition is recognized in profit or loss and presented in 'other operating expenses'. Foreign exchange gains and losses are presented in 'other finance income/(expense), net'.

Assets that are held for collection of contractual cash flows and for selling the financing assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through OCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in profit or loss. When the financing asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in 'other finance income/(expense), net'. Interest income from these financial assets is included in 'finance income' using the effective interest rate method. Foreign exchange gains or losses are presented in 'other finance income/(expense), net'.

Assets that do not meet the criteria for amortized cost or fair value through OCI are measured at fair value through profit or loss. Gains or losses on a debt instrument that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented within 'other finance income/(expense), net' in the period in which it arises.

The Group subsequently measures all equity investments at fair value. Where

the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as 'other finance income/(expense), net' when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'other finance income/(expense), net' in the statement of profit or loss as applicable.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through OCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies a simplified approach permitted by IFRS 9 for trade accounts receivables and contract assets, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables.

To measure expected credit losses, trade receivables and contract assets are grouped based on shared credit characteristics and days past due.

Expected loss rates are based on the payment profiles of sales over the 36 month period preceding the financial statement reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables.

(M) Trade accounts receivable

Trade accounts receivable are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognized at fair value. They are subsequently measured at amortized cost using the effective interest rate method, less loss allowance.

(N) Contract assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as trade receivables.

(O) Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of purchased inventory are determined after deducting rebates and discounts using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less any estimated costs of completion and estimated costs necessary to make a sale. Inventories which are no longer part of production and sales plans are charged to profit or loss.

(P) Cash and cash equivalents

Cash and cash equivalents include cash in hand and highly liquid investments with original maturities of three months or less which are readily convertible to known amounts of cash. Bank overdrafts are included in short-term financial debt in current liabilities on the balance sheet.

(Q) Share capital

Ordinary and preferred shares of Kudelski SA are classified as equity and are presented at their nominal value. The difference between proceeds of share capital less directly attributable incremental costs and the nominal value of the share capital increase are considered as share premium and included in equity.

(R) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost. Any difference between the net proceeds and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Fees paid for the establishment of loan facilities are recognized as transaction costs of the loan if all of the facility will be drawn down. If there is no evidence that all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the loan facility.

(S) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A restructuring provision is recognized when the Group has developed a formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected. Restructuring provisions comprise employee termination payments, lease termination penalties and dilapidation costs.

(T) Employee benefits**(a) Pension obligations**

The Group operates a number of defined benefit and defined contribution plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and by their employer, taking into consideration the recommendations of independent qualified actuaries. For defined benefit plans, the Group companies provide for benefits payable to their employees on retirement by charging current service costs to income.

The liability for defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service costs. Defined benefit obligations are in all material cases calculated annually by independent actuaries using the projected unit credit method, which reflects services rendered by employees to the date of valuation, incorporates assumptions concerning employees' projected salaries and uses interest rates of highly liquid corporate bonds which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses arising from experience adjustments and changes

in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The Group's contributions to the defined contribution plans are charged to the income statement in the year during which they are made.

(b) Other long-term employee benefits

Other long-term employee benefits represent amounts due to employees under deferred compensation arrangements mandated by certain jurisdictions in which the Group conducts its operations. The cost of such deferred compensation arrangements is recognized on an accrual basis and included within employee benefits expense.

(c) Employee Share Purchase Program (ESPP)

The Group's employee share purchase program allows certain employees to buy a specific number of shares on a preferential basis, subject to certain restrictions on the sales of the shares for a period of 3 years. The difference between the fair value of these shares and the employee's payments for the shares is expensed in the income statement on the subscription date. The fair value of the shares transferred is determined based on the market price of the shares adjusted for the estimated value of the restrictions on sales.

(d) Profit sharing and bonus plan

The Group recognizes a liability and an expense for bonuses and profit sharing where contractually obliged or where there is a past practice that has created a constructive obligation. In addition, the Board of Directors may grant shares to certain employees. These shares may be subject to a blocking period of up to 7 years and are expensed in the income

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statement at their fair value at grant date taking into account the estimated value reduction due to the blocking period.

(e) Other employee benefits

Salaries, wages, social contributions and other benefits are recognized on an accrual basis in employee benefits expense in the year in which the employees render the associated services.

(U) Contract liabilities

Contract liabilities represent the Group's current obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. Contract liabilities primarily relate to billed work in progress and service contracts, whereby the customer has been invoiced in advance of the services being performed and are generally recognized within twelve months.

(V) Dividends

Dividends are recorded in the Group's financial statements in the period in which they are approved by the Group's shareholders.

(W) New and amended accounting standards and IFRIC interpretations Standards and Interpretations effective in the current period and change in accounting policies

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2024. Amendments to standards that became effective during the current year had no material impact on the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standard and Interpretations in issue not yet adopted

IFRS 18 Presentation and Disclosure in Financial Statements is effective for annual reporting periods beginning on or after 1 January 2027 and will replace IAS 1. The standard introduces new requirements for the presentation of the statement of profit or loss, including defined categories for income and expenses, new required subtotals such as operating profit, and new disclosure requirements for management-defined performance measures.

The Group is currently assessing the impact of IFRS 18. The adoption is expected to result in changes to presentation and disclosures, particularly within the statement of profit or loss and related notes, but is not expected to have a material effect on recognition or measurement. The Group intends to adopt the standard when it becomes effective.

Other new and amended standards and interpretations that are effective for annual periods beginning after 1 January 2026, and that have not been early adopted by the Group, are not expected to have a material impact on the Group's financial statements in the current or future reporting periods or on foreseeable future transactions.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will likely differ from the actual results. Areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to final outcomes deviating from estimates and assumptions made are described below.

Fair value of financial assets

The Group's residual interests in receivables securitization vehicles are measured at fair value using a discounted cash flow (DCF) model that estimates the present value of expected future residual cash flows after payment of senior noteholders and transaction fees. The DCF model reflects the legal waterfall, including priority of payments, sequencing of fees and interest, and triggers for early amortization.

The key unobservable units are expected default and recovery rates, timing of cash flows, discount rates applied to reflect yields for comparable residual tranches, and other structural inputs including servicing and transaction costs. These inputs are derived from the Group's historical receivable performance and observable market data where available, adjusted to reflect market assumptions for the characteristics of the securitization.

The fair value measurement is classified as Level 3 because it relies on significant unobservable inputs. The Group reviews the model and validates assumptions on an annual basis.

Lease accounting

Lease liabilities are valued at the net present value of the expected future lease payments. Lease payments are discounted using the interest rate implicit in the lease, or if that rate cannot be determined, the Group's incremental borrowing rate based on the currency in which it finances its local operations is used.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with the risk-free interest rate adjusted for credit risk based on recent third-party financing and makes specific adjustments for each lease based on term, country and currency.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated.

The value in use calculation requires management's estimate of the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value (note 15). Actual cash flows and values could vary significantly from the forecasted cash flows and related values derived using discounting techniques.

Income tax and deferred tax assets

The recognition of deferred tax assets, particularly those arising from tax loss carryforwards, requires significant management judgement. Deferred tax assets are only recognized to the extent that it is considered probable that future taxable profits will be available against which the losses can be utilized. This assessment is inherently uncertain and involves estimates regarding the level and timing of future taxable profits, the reversal of existing temporary differences, and the availability of feasible tax planning strategies. Management also evaluates the period over which tax loss carryforwards can be utilized and whether it is probable that such carryforwards will expire unused. In addition, the measurement of deferred tax balances requires judgement in determining the applicable tax rates and assessing the

impact of enacted or substantively enacted tax legislation. Changes in these assumptions, forecasts, or in the regulatory environment could materially affect the carrying amount of deferred tax assets and liabilities recognized in the financial statements.

Retirement benefit plans

The Group sponsors pension and other retirement plans in various forms covering employees who meet eligibility requirements. Several statistical and other factors that attempt to anticipate future events are used in calculating the expense and liability related to these plans. The factors include both financial and demographical assumptions. Financial assumptions comprise discount rate, salary and expected pension increases, interest rate credited in savings accounts, and returns on plan assets. Demographic assumptions include employee turnover, retirement payment forms (capital vs. annuity), mortality tables and disability assumptions. Demographic assumptions are based on past experience. In addition, the Group's actuarial consultants use statistical information such as withdrawal and mortality rates for their estimates.

Assumptions used (note 28) may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants, among other factors. Depending on events, such differences could have a material effect on our total equity.

Principal vs. agent consideration

The determination of whether the Group acts as principal or agent in revenue arrangements requires significant judgement and impacts the presentation of revenue on either a gross or net basis.

This assessment is critical in determining the appropriate revenue recognition treatment and is based on whether the Group controls the specified good or service before it is transferred to the customer.

Key factors considered in this assessment include the following:

- Control before transfer - the Group assesses whether it obtains control over a good or service before it is transferred to a customer. Control is evaluated based on the ability to direct the use of and obtain substantially all of the benefits from the good or service.
- Inventory risk - the Group considers whether it bears inventory risk before a good or service is transferred to the customer or after transfer of control to the customer
- Pricing discretion - the Group examines whether it has discretion in setting prices for a good or service, which may indicate control over the good or service before transfer
- Fulfillment obligation - the Group evaluates whether it is primarily responsible for fulfilling the contract, which suggests that it is acting as a principal.

Management exercises significant judgement in applying these criteria to complex transactions, particularly in arrangements involving multiple parties. Any changes in these judgments could have a material impact on the Group's reported revenue and financial performance.

The Group continuously monitors and reassesses these judgments to ensure consistent application and compliance with IFRS requirements.

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Impairment of trade accounts receivable

The Group recognizes lifetime expected credit losses (ECL) on trade receivables using the simplified approach under IFRS 9. The determination of ECL allowances involves significant judgement, particularly in the development of provision matrices that estimate default rates based on historical loss experience, adjusted for current and forward-looking information. Management considers customer-specific factors, ageing profiles, industry risk and other macroeconomic indicators relevant to the countries in which the Group operates. Additional complexity arises from the Group's operations across multiple jurisdictions and currencies, which requires judgement in evaluating economic conditions, regulatory environments, and foreign exchange volatility, all of which may affect customer credit risk. Where historical patterns do not fully reflect expected future conditions, management applies qualitative adjustments. Changes in these estimates or in the underlying assumptions could have a material impact on the level of impairment recognized in the financial statements.

3. FINANCIAL RISK MANAGEMENT

The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through exposure analyses. These risks include market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's treasury policies, which provide written princi-

ples on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Internal control procedures ensure compliance with these policies. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Corporate Treasury function reports periodically to the Group's finance executive committee which monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group applies a natural economic hedging strategy and can enter into a variety of derivative financial instruments to manage its exposure to foreign currencies and interest rate risks, including forward foreign exchange contracts or option strategies to hedge the foreign exchange rate risks and interest rate swaps to mitigate the risk of rising interest rates.

The Group does not enter into any financial transactions containing a risk that cannot be quantified at the time the transaction is concluded (it does not sell assets short). The Group only sells existing assets or hedges transactions and future transactions that are likely to happen. Future transaction hedges are contracted according to treasury policy based on a foreign exchange cash flow forecast. In the case of liquid funds, it writes options on assets it has, or on positions it wants to acquire, and for which it has the required liquidity. The Group therefore expects that any loss in value for these instruments would be generally offset by increases in the value of the hedged transactions.

(a) Foreign exchange risk

The Group conducts business in a variety of countries using a variety of foreign currencies. However, the Group prepares its consolidated financial statements in U.S. Dollars. It is therefore exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Swiss franc and the Euro. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. In order to manage foreign exchange risks arising from future commercial transactions and certain assets and liabilities, the Group uses forward foreign exchange contracts and foreign currency zero cost option contracts.

The Group enters into zero cost foreign currency option contracts to manage the risk associated with highly probable sales transactions for the next 12 months within a determined portion of the exposure generated, as defined in the treasury policy. These derivatives are generally qualified as cash flow hedges.

The Group also enters into foreign exchange forward and swap contracts in order to hedge the risk attributed to changes in value of recognized assets and liabilities. The Group qualifies these derivatives as held-for-trading with gains and losses recognized through profit and loss.

Net investments in Group affiliates with a functional currency other than the U.S. Dollar are of a long-term nature: the Group does not hedge such foreign currency translation exposures.

(b) Interest rates

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The Group manages this risk by maintaining

an appropriate mix between fixed and floating rate borrowings. Interest risk exposure is evaluated regularly to align with interest rate views and the Group's defined risk appetite, which ensure that optimal hedging strategies are applied by either neutralizing the balance sheet exposures or protecting interest expense through different interest rate cycles.

Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group uses credit rating information supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually by the department in charge.

In 2024, the Kudelski Group with certain of its subsidiaries implemented a trade receivables securitization program ("Program") with a financial institution. The Program is designed to enhance the Group's financial flexibility by providing an additional source of liquidity for its operations. The Group defines counterparties as having similar characteris-

tics if they are related entities. With the exception of the Program and of cash balances deposited with a highly rated bank, concentration of credit risk did not exceed 10% of gross monetary assets at the end of the year, . The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The maximum amount of credit risk is the carrying amount of the financial assets.

Liquidity risk management

The Group has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. Exposure arises in the event that debt obligations cannot be met when due, or external borrowings cannot be refinanced.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

4. RESTATEMENT DUE TO CHANGE IN OPERATING STRUCTURE

In February 2025, the Group announced a significant reorganization of its operational structure following the divestment of SKIDATA during 2024. The transformation aimed to strengthen the Group's core digital security business and included cost reduction measures across the Group's business segments and corporate functions.

Following the transformation, the Group is structured into three operating segments which are reflected in internal management reporting as follows:

- Core Digital Security
- Cybersecurity
- Internet of Things (IoT)

In connection with the reorganization, management has reassessed and realigned its reportable segments to better reflect the way in which the business is managed and reviewed internally. As a result, the Group has restated certain prior period information to conform to the current presentation. This restatement affects the allocation of revenues, operating income, and other segment-level financial data among the new operating segments. The restatement provides comparative segment results that are consistent with the current organizational structure and internal reporting framework. These changes have no impact on the Group's previously reported financial position, results of operations or cash flows.

5. OPERATING SEGMENTS

IFRS 8 requires operating segments to be identified based on internal reporting that is regularly reviewed by the chief operating decision maker. Group operating segments represent strategic business units that offer products and services for which such internal reporting is maintained. The chief operating decision maker reviews the internal segment reporting in order to allocate resources to the segments and assess their performance.

As noted above, the Group is structured into three operating segments: Core Digital Security, Cybersecurity and Internet of Things (IoT).

Core Digital Security renews the Group's focus on providing end-to-end digital and media content security, including chipset security and security labs certification. Core Digital Security also includes the Group's intellectual property activities as well as the development of new business initiatives such as watermarking, Insight and Sporfie.

Cybersecurity leverages the Group's long-standing expertise to provide cybersecurity solutions and services focused on protecting data, processes and systems for companies and organizations around the world, safeguarding assets at a time of rapidly increasing cyberthreats.

IoT designs and delivers asset tracking solutions for automotive retail and other industries, monitoring location, utilization and condition of goods and equipment.

The measure of income presented to manage segment performance is the segment operating income before depreciation, amortization and impairment. This measure is based on the same accounting policies as consolidated total except that intersegment sales are eliminated at the consolidation level. Income and expenses relating to Corporate include the costs of Group headquarters and the items of income and expense which are not directly attributable to specific divisions. These elements are reported under the 'Corporate common functions'. Reportable segment assets include total assets allocated by segment with the exclusion of intersegment balances, which are eliminated. Unallocated assets include assets managed on a centralized basis, included in the reconciliation to balance sheet assets.

In USD'000	Core Digital Security	Internet of Things	Cyber- security	Corporate Common Functions	Total
	2025	2025	2025	2025	2025
Revenues from external customers	229 014	39 125	98 467	–	366 606
Other operating income - operating segments	3 711	122	73	500	4 405
Total segment revenue and other operating income	232 725	39 247	98 539	500	371 011
Cost of materials, licenses and services	-23 139	-25 376	-17 113	-66	-65 695
Operating expenses	-184 480	-27 271	-93 397	-15 769	-320 917
Operating income before depreciation, amortization and impairment	25 106	-13 400	-11 970	-15 336	-15 600
Depreciation, amortization and impairment	-8 010	-950	-2 885	–	-11 845
Operating income - excluding corporate common functions	17 096	-14 350	-14 855	-15 336	-27 445
Interest expense and other finance income/(expense), net					-7 036
Share of result of associates	376	–	–	–	376
Income before tax					-34 105

In USD'000	Core Digital Security	Internet of Things	Cyber- security	Corporate Common Functions	Total
	Restated 2024	Restated 2024	Restated 2024	Restated 2024	Restated 2024
Revenues from external customers	233 565	41 691	108 471	–	383 728
Other operating income - operating segments	3 409	122	9	5 740	9 280
Total segment revenue and other operating income	236 974	41 813	108 480	5 740	393 008
Cost of materials, licenses and services	-31 789	-22 542	-24 027	–	-78 358
Operating expenses	-193 362	-26 676	-89 269	-18 410	-327 717
Operating income before depreciation, amortization and impairment	11 823	-7 404	-4 816	-12 670	-13 067
Depreciation, amortization and impairment	-90 911	-755	-2 726	-12 740	-107 132
Operating income - excluding corporate common functions	-79 088	-8 159	-7 542	-25 410	-120 199
Interest expense and other finance income/(expense), net					-20 402
Share of result of associates	3 168	–	–	–	3 168
Income before tax					-137 433

INFORMATION ABOUT MAJOR CUSTOMERS

No aggregate revenues resulting from transactions with a single external customer amount to 10% of the Group's total revenues.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

SEGMENT ASSETS

In USD'000	Core Digital Security	Internet of Things	Cyber-security	Total
	31.12.2025	31.12.2025	31.12.2025	31.12.2025
Total segment assets	240 117	62 583	127 867	430 567
Cash & cash equivalents				81 876
Financial assets and other non-current assets				49 828
Total Assets as per Balance Sheet				562 271

In USD'000	Core Digital Security	Internet of Things	Cyber-security	Total
	Restated 31.12.2024	Restated 31.12.2024	Restated 31.12.2024	Restated 31.12.2024
Total segment assets	293 980	58 539	124 157	476 676
Cash & cash equivalents				72 500
Financial assets and other non-current assets				21 874
Total Assets as per Balance Sheet				571 050

GEOGRAPHICAL INFORMATION

The Group's country of domicile is Switzerland. The Group's revenue from external customers and information about its non-current assets by country are presented below:

In USD'000	Revenues from external customers		Non-current assets	
	2025	2024	31.12.2025	31.12.2024
Switzerland	29 571	32 810	29 099	27 981
United States of America	136 288	142 896	143 481	146 731
France	39 644	38 032	6 567	5 265
Germany	20 082	20 305	4 186	3 638
Netherlands	10 740	14 141	–	–
Rest of the world	130 280	135 544	83 383	73 225
	366 606	383 728	266 716	256 840

Non-current assets exclude financial instruments, deferred tax assets and employment benefit assets. Revenues are allocated to countries on the basis of the end-customer's location.

REVENUE CATEGORIES

In USD'000	Core Digital Security	Internet of Things		Cybersecurity		
	2025	Restated 2024	2025	Restated 2024	2025	Restated 2024
Europe	108 496	109 862	–	–	58 881	59 996
Americas	82 383	77 417	39 125	41 691	38 106	47 679
Asia and Africa	38 134	46 286	–	–	1 481	795
	229 014	233 565	39 125	41 691	98 467	108 471
Sale of goods	13 620	20 869	34 912	38 316	12 539	17 050
Services rendered	140 487	133 701	4 214	3 376	76 399	80 783
Royalties and licenses	74 907	78 995	–	–	9 529	10 638
	229 014	233 565	39 125	41 691	98 467	108 471

6. OTHER OPERATING INCOME

In USD'000	2025	2024
Government grants (research, development and training)	3 003	3 088
Income from rental of property	326	4 999
Gain on disposal of assets	81	-11
Transition services - SKIDATA	502	–
COVID-19 subsidies	–	31
Others	492	1 174
	4 405	9 280

7. EMPLOYEE BENEFITS EXPENSE

In USD'000	Note	2025	2024
Wages and salaries		203 672	205 576
Social security costs		26 384	27 099
Defined benefit plans expenses	28	3 086	8 981
Defined contribution plans expenses		4 981	4 580
Other personnel expenses		4 379	4 917
		242 502	251 154

8. OTHER OPERATING EXPENSES

In USD'000	2025	2024
Development and engineering expenses	12 091	11 363
Travel, entertainment and lodging expenses	16 132	16 352
Legal, experts and consultancy expenses	12 417	11 975
Administration expenses	3 834	3 830
Computer and telecommunications expenses	18 370	21 995
Building and infrastructure expenses	6 187	6 082
Marketing and sales expenses	4 962	5 290
Taxes other than income tax	1 526	1 677
Change in provisions	-1 105	-4 559
Insurance, vehicles and others	4 001	2 558
	78 415	76 563

9. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

In USD'000	Note	2025	2024
Land and buildings	14	1 427	14 018
Equipment and machines	14	1 598	1 720
Total depreciation and impairment of tangible fixed assets		3 025	15 739
Land and buildings	16	8 302	7 646
Vehicles, equipment and other	16	74	25
Total depreciation and impairment of right-of-use assets		8 376	7 671
Intangible assets	15	444	83 722
Total amortization and impairment on intangible fixed assets		444	83 722
Depreciation, amortization and impairment		11 845	107 132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

10. INTEREST EXPENSE

In USD'000	Note	2025	2024
Bond 2016-2024	31	–	1 933
Bridge loan		–	12 595
Net interest expense recognized on defined benefit plans	28	304	261
Interest on lease obligations	16	2 136	2 190
Other interest and bank charges		54	1 472
		2 494	18 452

In 2024, the Group entered into a CHF 150 million senior secured bridge loan agreement to reinforce its liquidity position. The facility served as a contingency measure in the event the sale of SKIDATA did not conclude prior to maturity of the outstanding bond. The loan carried a contractual maturity of 18 months from the closing date. During 2024, the Group utilized CHF 15 million, which was subsequently repaid in full following the completion of the SKIDATA transaction. The agreement provided for a commitment fee of 6% per annum on the undrawn portion of the facility for a period of one year, as well as a prepayment fee applicable to the drawn amount. The total cost of this credit facility, including transaction-related costs directly attributable to the borrowing, is presented as 'Bridge loan' in the table above.

11. OTHER FINANCE INCOME/(EXPENSE), NET

In USD'000	Note	2025	2024
Interest income		1 872	1 986
Net gains/(losses) on foreign exchange related derivative financial instruments		-13	559
Net foreign exchange transaction gains/(losses)		-5 415	1 841
Trade receivables securitization		-1 959	-2 987
Remeasurement of securitized beneficial interests	44	346	-2 945
Others		628	-404
		-4 542	-1 950

12. INCOME TAX EXPENSE

In USD'000	Note	2025	2024
Current income tax		-2 355	-2 304
Deferred income tax	18	-1 030	-10 386
Non-refundable withholding tax		-2 674	-1 035
		-6 058	-13 724

The tax on the Group's income before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

In USD'000	2025	2024
Income before tax	-34 105	-137 433
Expected tax calculated at domestic tax rates in the respective countries	4 807	33 418
Effect of income not subject to income tax or taxed at reduced rates	2 397	947
Effect of Goodwill impairment not deductible for tax purposes	–	-21 342
Effect of utilization of previously unrecognized tax asset on tax losses carried forward and temporary differences	1 923	735
Effect of temporary differences and tax losses not recognized and deferred tax assets written-off	-13 205	-27 641
Effect of changes in tax rates	–	80
Effect of associates' result reported net of tax	102	83
Effect of disallowed expenditures	-295	-328
Effect of prior year income taxes	455	370
Effect of non-refundable withholding tax	-2 674	-1 035
Other	431	988
Tax expense	-6 058	-13 724

Income before tax for tax-transparent companies includes the full pre-tax income of non-fully-owned subsidiaries, for which income taxes are paid directly by the subsidiaries' shareholders. The Group, however, recognized only the portion of tax attributable to its ownership interest. The theoretical tax impact if the Group had recognized 100% of the taxes on these subsidiaries amounts to kUSD 585 (2024: kUSD 1 207) and is included in 'Other' in the above table.

The weighted average applicable tax rate decreased from 24.3% in 2024 to 14.1% in 2025. The decrease is primarily due to shifts in profit contributions by country.

13. EARNINGS PER SHARE (EPS)

Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of shares outstanding during the year.

In USD'000	2025	2024
Net income attributable to bearer shareholders	-38 914	10 469
- Continuing operations	-38 914	-137 064
- Discontinued operations	-	147 533
Net income attributable to registered shareholders	-3 499	943
- Continuing operations	-3 499	-12 340
- Discontinued operations	-	13 283
Total net income attributable to equity holders	-42 413	11 412
Weighted average number of bearer shares outstanding	51 494 627	51 425 543
Weighted average number of registered shares outstanding	46 300 000	46 300 000
Basic and diluted earnings per share (in USD)		
Attributable to shareholders of Kudelski SA for bearer shares : basic and diluted (in USD)	-0.7557	0.2036
- Continuing operations	-0.7557	-2.6653
- Discontinued operations	-	2.8689
Attributable to shareholders of Kudelski SA for registered shares : basic and diluted (in USD)	-0.0756	0.0204
- Continuing operations	-0.0756	-0.2665
- Discontinued operations	-	0.2869

The company has no share options nor share subscription rights outstanding which could lead to a dilution of earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

14. TANGIBLE FIXED ASSETS

In USD'000	Land	Buildings	Building improve- ments	Technical equipment and machinery	Other equipment	Total
GROSS VALUES AT COST						
As of January 1, 2024	6 880	52 120	13 612	82 425	15 649	170 686
Additions	–	111	1 040	1 862	546	3 559
Disposals and retirements	–	-10	-17	-7 913	-1 018	-8 958
Change in scope	-6 880	-51 806	-4 905	-45 291	-4 436	-113 319
Currency translation effects	–	-453	-374	-2 112	-677	-3 616
Reclassification & others	–	38	93	-187	26	-30
As of January 1, 2025	–	–	9 448	28 785	10 089	48 322
Additions	–	–	1 641	920	461	3 022
Disposals and retirements	–	–	-147	-5 947	-632	-6 727
Currency translation effects	–	–	734	2 259	1 027	4 020
As of December 31, 2025	–	–	11 676	26 016	10 945	48 637
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
As of January 1, 2024	–	-13 802	-8 829	-68 653	-12 831	-104 114
Systematic depreciation	–	-90	-1 184	-969	-738	-2 980
Impairment	–	-12 739	-6	-13	-1	-12 758
Disposals and retirements	–	–	17	7 882	993	8 892
Change in scope	–	26 375	3 079	33 008	3 420	65 882
Currency translation effects	–	256	146	1 716	559	2 677
Reclassification & others	–	–	0	15	-16	–
As of January 1, 2025	–	–	-6 775	-27 014	-8 613	-42 401
Systematic depreciation	–	–	-1 427	-888	-710	-3 025
Impairment	–	–	–	–	-0	-0
Disposals and retirements	–	–	144	5 919	533	6 596
Currency translation effects	–	–	-374	-2 129	-884	-3 386
As of December 31, 2025	–	–	-8 432	-24 111	-9 673	-42 216
Net book values as of December 31, 2024	–	–	2 674	1 771	1 477	5 921
Net book values as of December 31, 2025	–	–	3 244	1 905	1 272	6 421
Useful life in years	Indefinite	10 – 50	4 – 8	4 – 10	4 – 7	

The Group regularly reviews the estimated useful lives and residual values of its fixed assets, taking into consideration, among other factors, its experience with similar assets, current market conditions, and prevailing industry practices.

In 2024, the Group recognized an impairment adjustment on certain real estate assets in connection with the planned sale of a subsidiary. The impairment primarily reflects a decline in market rental values and the termination of a significant lease agreement (note 27).

15. INTANGIBLE ASSETS

In USD'000	Technol- ogy	Customer lists, Trade- marks & Brands	Software	Goodwill	Other intangibles	Total
GROSS VALUES AT COST						
As of January 1, 2024	98 363	63 755	79 154	334 947	441	576 660
Additions	1 437	–	229	–	–	1 666
Disposals and retirements	-47	–	-13 312	–	–	-13 359
Change in scope	-29 235	-10 270	-17 154	-34 964	-171	-91 795
Reclassification & others	-1 096	–	1 126	–	–	30
Currency translation effects	-4 059	-4 398	-3 927	-12 531	-17	-24 932
As of January 1, 2025	65 362	49 087	46 118	287 451	253	448 271
Additions	44	–	545	–	–	589
Disposals and retirements	-6 939	–	-3 032	–	–	-9 971
Currency translation effects	6 383	4 636	5 781	11 928	26	28 754
As of December 31, 2025	64 851	53 723	49 411	299 380	279	467 643
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
As of January 1, 2024	-93 525	-61 006	-73 273	–	-441	-228 245
Systematic amortization	-107	-931	-390	–	–	-1 428
Impairment	-39	–	-171	-82 084	–	-82 294
Recovery of amortization on disposal and retirements	47	–	13 312	–	–	13 359
Change in scope	24 435	8 701	11 258	–	171	44 567
Currency translation effects	3 940	4 289	3 782	–	17	12 028
As of January 1, 2025	-65 249	-48 947	-45 482	-82 084	-253	-242 015
Systematic amortization	-48	-102	-294	–	–	-444
Recovery of amortization on disposal and retirements	6 939	–	3 032	–	–	9 971
Currency translation effects	-6 367	-4 621	-5 736	–	-26	-16 751
As of December 31, 2025	-64 726	-53 670	-48 480	-82 084	-279	-249 239
Net book values as of December 31, 2024	113	140	636	205 367	–	206 256
Net book values as of December 31, 2025	125	53	930	217 296	–	218 404
Useful life in years	4 – 10	5 – 10	3 – 4	Indefinite	4	

Intangible assets with indefinite useful lives are subject to a yearly impairment review.

Goodwill is tested for impairment at least annually and when there is an indication of impairment. The impairment tests of goodwill are performed at the same time each year and at the cash-generating unit (CGU) level, defined within the framework of the Group as its operating segments. In accordance with IFRS 8, the Group reports three operating segments: Core Digital Security, Cybersecurity and Internet of Things (IoT) (note 5).

Goodwill allocated to each operating segment is tested for impairment using a value-in-use calculation, which corresponds to the segment's future projected cash flows discounted at an appropriate pre-tax rate of return. Cash flow projections are based on the financial plans and business strategies of Group management covering a period of five years and projected to perpetuity using a multiple which corresponds to a steady or declining growth rate. The Group assesses the uncertainty of these estimates by making sensitivity analyses. The discount rates used reflect the current assessment of the time value of money and the risks specific to each operating segment. Any impairment loss in respect of goodwill is never subsequently reversed.

Management believes that the current market value of the company does not accurately reflect its intrinsic value. This assessment is based on several factors, including, the long-term growth potential of the different businesses, the Group's cash position at the end of the reporting period, as well as unsolicited offers received for a division.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

The following sets out the allocated goodwill and key assumptions used in the impairment test for each segment:

	Carrying amount	Period of cash flow projections	Annual sales growth	Compound annual growth rate	Annual margin evolution	Terminal growth rate	Pre-tax discount rate
2025							
Goodwill CGU							
Core Digital Security	120 061	5 years	-3% to 6%	2.8%	Improvement	2.0%	11.9%
Cybersecurity	62 653	5 years	7% to 12%	10.7%	Improvement	1.8%	12.2%
IoT	34 582	5 years	13% to 21%	16.6%	Improvement	2.2%	13.2%
	217 296						
2024							
Goodwill CGU							
Core Digital Security	113 469	5 years	-4% to 4%	0.8%	Declining	2.0%	13.0%
Cybersecurity	59 215	5 years	9% to 20%	11.8%	Improvement	2.0%	13.5%
IoT	32 684	5 years	18% to 26%	23.7%	Improvement	2.0%	13.0%
	205 367						

The following has been taken into consideration in the impairment tests:

- Assumed cost of capital for each segment is based on the cost of equity of comparable businesses adjusted for the segment capital structure. The resulting weighted average cost of capital is then adjusted to include tax effects specific to the jurisdiction in which the segment operates. Net operating loss carryforwards are not considered when determining the tax effects.
- Cash flows for the first five years were based upon financial plans approved by Group management which are consistent with the Group’s approved strategy for this period. They are based upon past performance and current initiatives.
- Terminal growth rates have been determined to reflect the long-term view of the nominal evolution of the business.

Core Digital Security

In 2024, the Group recognized a goodwill impairment for the Core Digital Security division following a deterioration in operating performance and revisions to the underlying business plan. In response, management initiated targeted cost reduction measures and refocused strategic efforts on core products and customer segments. These actions contributed to a stabilization of the business, leading the Core Digital Security segment to materially outperform expectations in 2025. Year-over-year revenues stabilized and gross margins improved reflecting the continued migration away from hardware-based security solutions to software. Revenues from legacy products continue to decline, while new product initiatives including watermarking/streaming/anti-piracy solutions and OpenTV Enterprise continue to demonstrate encouraging growth.

Segment management assumes a moderate growth in revenue over the first years of the planning period, while continuing to invest in the development of new products. In the later years, the rate of growth is expected to accelerate driven by new business lines expected to maintain their current momentum. Given the high operating leverage of the business, operating costs are expected to grow at a slower pace than revenues resulting in operating income improvements.

Core Digital Security revenue assumptions are based on bottom-up projections by product groups and regions. Such projections are completed by segment management in collaboration with product managers and account managers. Projections are subsequently adjusted at the Group management level to include contingencies related to uncertainties of the business development. Margin assumptions are derived from historical performance, pricing trends, and expected product mix. Operating cost assumptions are based on historical expenditures and projected based on anticipated business actions and outlook over the forecast period.

Cybersecurity

In 2025, revenues of Kudelski Security declined significantly compared to prior year, primarily driven by a decrease in the U.S. technology resell business and lower service revenues in Europe and the United States following a strategic refocusing of the service portfolio. Managed Security revenues increased slightly year-on-year but remained below expectations due to underperformance in the Managed Detection and Response (MDR) business, which was impacted by suboptimal technology choices made in prior years. Operating expenses increased as a result of continued investment in strategic development areas, including Cybersecurity AI and OT security, leading to an EBITDA loss of USD 13.9 million.

From 2026, Kudelski Security expects to return to growth, supported by the recovery of service revenues to historical levels, normalization of U.S. technology resell revenues, and growth in European technology and service revenues driven by new MDR deployments. Gross margins are forecast to improve modestly, and EBITDA losses are expected to narrow slightly in 2026. With accelerating growth in Managed Security and other services and moderation in operating expense growth, Kudelski Security is expected to reach EBITDA break-even in 2027, with further margin improvement thereafter supported by operating leverage.

Cybersecurity revenue assumptions are developed from its internal business structure (technology resale, advisory, managed services, innovation, etc.) and by primary geographical region. Projections are subsequently adjusted at the Group management level to include contingencies related to uncertainties of the business development. Margin assumptions are derived from historical performance, pricing trends, and expected product mix. Operating cost assumptions are based on historical expenditures and projected based on anticipated business actions and outlook over the forecast period.

Internet of Things (IoT)

In 2025, the IoT segment delivered lower than expected revenues, primarily due to delays in the planned transition of the go-to-market model from a captive sales organization to indirect distribution channels. The rollout of partnerships with financial services providers, including car financing, leasing, insurance and extended warranty partners, progressed more slowly than anticipated due to the complexity of contract negotiations, system integrations, salesforce training, and dealership deployment. In parallel, the segment exited certain dealer relationships due to underperformance in order to reduce working capital intensity and improve cash flow quality, which further weighed on revenues. As a result, short-term growth expectations were revised downward for the 2026-2027 period, before a planned recovery to higher growth later from 2028 onward.

In 2025, the IoT segment incurred approximately USD 4.0 million of one-off costs related to technical issues affecting early RecovR product releases, with all affected devices replaced. This resulted in a decline in forecast gross margins compared to prior year. Gross margins are expected to normalize in 2026 and improve further from 2027 onward, supported by the introduction of lower-cost devices and continued cost optimization. The revenue shortfall and one-off costs led to an EBITDA loss in 2025 that was significantly higher than in the prior year. For 2026, the segment projects a material EBITDA improvement with an expected return to positive EBITDA from 2028 onward.

The IoT forecast is developed around its primary product line, RecovR. Revenue growth assumptions are based on existing customer mix as well as new financial services channels. Gross margin assumptions are based on historical trends and contractual relationships with service providers. Projections are subsequently adjusted at the Group management level to include contingencies related to uncertainties of the business development. Operating cost assumptions are based on historical expenditures and projected based on anticipated business actions and outlook over the forecast period.

For Cybersecurity and IoT, reasonably possible changes in the revenue growth assumptions could result in a potential Goodwill impairment. Although the annual growth assumptions in the 2026 plans have been reduced, with planned compound annual growth rates of 10.7% for Cybersecurity and 16.6% for IoT, a decrease in the Cybersecurity segment from 10.7% to 9.9% (2024: from 11.8% to 11.0%) and a decrease in IoT from 16.6% to 15.2% (2024: from 23.7% to 18.3%), with no adjustment to operating expenses, would lead to value-in-use equal to the carrying amount of goodwill at the end of the planning period. The headroom for Cybersecurity and IoT are USD 67.6 million and USD 19.8 million respectively (2024: USD 33.6 million and USD 69.9 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

16. LEASING

In USD'000	31.12.2025	31.12.2024
Land and buildings	31 139	34 703
Vehicles, equipment and other	59	14
	31 198	34 717

In USD'000	Land	Building & leasehold facilities	Vehicles	Equipment	Total
GROSS RIGHT-OF-USE ASSETS					
As of January 1, 2024	648	72 943	7 959	105	81 655
Additions	44	13 813	3 644	16	17 517
Disposals and retirements	–	-10 549	-1 210	-54	-11 813
Change in scope	-677	-20 334	-10 122	-64	-31 196
Currency translation effects	-15	-2 967	-172	-4	-3 158
As of January 1, 2025	–	52 905	100	–	53 005
Additions	–	2 027	116	–	2 142
Disposals and retirements	–	-2 207	-122	–	-2 329
Currency translation effects	–	4 371	6	–	4 377
As of December 31, 2025	–	57 096	99	–	57 196

ACCUMULATED DEPRECIATION AND IMPAIRMENT

As of January 1, 2024	-40	-29 438	-3 611	-66	-33 155
Systematic depreciation	–	-7 646	-25	–	-7 671
Recovery of depreciation on disposal and retirements	–	9 601	1 085	46	10 732
Change in scope	40	8 426	2 386	17	10 869
Currency translation effects	1	854	80	2	937
As of January 1, 2025	–	-18 202	-85	–	-18 288
Systematic depreciation	–	-8 302	-74	–	-8 376
Recovery of depreciation on disposal and retirements	–	1 831	122	–	1 953
Currency translation effects	–	-1 283	-4	–	-1 287
As of December 31, 2025	–	-25 957	-41	–	-25 998
Net book values as of December 31, 2024	–	34 703	14	–	34 717
Net book values as of December 31, 2025	–	31 139	59	–	31 198
Useful life in years	4 – 10	2 – 15	2 – 5	2 – 5	

Lease costs from continuing operations are recorded in the income statement as depreciation expense in the amount of kUSD 8 376 (2024: kUSD 7 671) and interest expense of kUSD 2 136 (2024: kUSD 2 190), and are recognized in the cash flow statement as adjustments for net income non-cash items in operating activities. Lease payments of kUSD 10 517 (2024: kUSD 14 539) which represent the reduction of the lease liability are recognized in the cash flow statement as an outflow from financing activities and in 2024 included payments related to discontinued operations of kUSD 4 816. Operating lease costs relating to short-term leases of kUSD 6 134 (2024: kUSD 6 063) and low-value leases of kUSD 238 (2024: kUSD 185) remain fully recognized as an operational expense. The total cash outflow for leases from continuing operations in 2025 was kUSD 19 025 (2024: kUSD 18 162).

The Group's remaining contractual maturities of lease obligations at December 31, 2025 and 2024 are as follows:

In USD'000	2025	2024
Within one year	10 245	9 805
In the second to fifth year inclusive	24 141	26 533
More than five years	32 873	32 025
	67 259	68 363

17. INVESTMENTS IN ASSOCIATES

In USD'000	Note	2025	2024
At January 1		9 946	11 307
Sale of controlling interest in subsidiary	27	–	6 085
Sale of an associate		–	-5 061
Share of profit - continuing operations		376	3 168
Share of profit - discontinued operations		–	376
Dividends received		-150	-503
Decrease in scope		–	-5 057
Currency translation effects		522	-369
At December 31		10 694	9 946

The Group's interests in its principal associates, all of which are unlisted, were as follows:

Name of associate	Principal activity	Interest held	
		2025	2024
iWedia SA, Switzerland	Middleware for set-top-boxes	40.0%	40.0%
275 Sacramento Street LLC	Real estate company	25.0%	25.0%

SUMMARIZED FINANCIAL INFORMATION OF THE GROUP'S ASSOCIATES

In USD'000	31.12.2025	31.12.2024
Total assets	53 763	51 578
Total liabilities	17 245	17 296
Net assets	36 518	34 281
Group's share of associates' net assets	10 694	9 946
	2025	2024
Revenue	24 702	46 613
Result of the period	1 534	4 484
Group's share of associates' result for the period	376	3 544

In 2024, the Group sold its investment in Kudelski Buildings Sàrl to a related party for kUSD 5 061, resulting in a gain on disposal of kUSD 2 707 which is included in 'Share of result of associates' in the consolidated income statement.

18. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

In USD'000	31.12.2025	31.12.2024
Deferred tax assets	17 254	20 319
Deferred tax liabilities	–	–
	17 254	20 319

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

Movement on the deferred income tax account is as follows:

In USD'000	Note	2025	2024
At January 1		20 319	46 576
Exchange differences		1 709	-1 298
Recognized against other comprehensive income		-3 745	1 481
Change in scope of consolidation		-	-16 054
Income statement (expense)/income	12	-1 030	-10 386
At December 31		17 254	20 319

The movement in deferred tax assets and liabilities during 2025, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

In USD'000	At January 1, 2025	Income statement effect	Other comprehensive income	Change in scope of consolidation	Currency translation effects	At December 31, 2025
Deferred tax assets associated with						
- intangibles	1 159	-281	-	-	151	1 028
- employee benefits	3 685	-573	-3 745	-	223	-410
- tax losses	10 266	-307	-	-	711	10 671
- provisions and other elements tax deductible when paid	1 754	440	-	-	154	2 348
- leases	4 060	-38	-	-	546	4 568
- others	189	-205	-	-	17	1
Total deferred tax assets (gross)	21 113	-965	-3 745	-	1 802	18 206
Deferred tax liabilities associated with						
- intangibles	-35	25	-	-	-4	-13
- provisions and accelerated tax depreciation	39	-14	-	-	6	31
- others	-798	-77	-	-	-95	-970
Total deferred tax liabilities (gross)	-794	-65	-	-	-93	-951
Net deferred tax asset/(liability)	20 319	-1 030	-3 745	-	1 709	17 254

And for 2024:

In USD'000	At January 1, 2024	Income statement effect	Other comprehensive income	Change in scope of consolidation	Currency translation effects	At December 31, 2024
Deferred tax assets associated with						
- intangibles	1 517	-265	-	-	-94	1 159
- employee benefits	3 442	199	1 481	-1 145	-292	3 685
- tax losses	29 556	-9 710	-	-8 934	-647	10 266
- provisions and other elements tax deductible when paid	4 736	370	-	-3 094	-258	1 754
- intercompany profit elimination	3 486	28	-	-3 511	-2	-0
- leases	5 399	-939	-	-203	-197	4 060
- others	378	-156	-	-13	-20	189
Total deferred tax assets (gross)	48 513	-10 472	1 481	-16 900	-1 509	21 113
Deferred tax liabilities associated with						
- intangibles	-519	208	-	263	13	-35
- provisions and accelerated tax depreciation	-154	-8	-	205	-5	39
- others	-1 264	-114	-	378	203	-798
Total deferred tax liabilities (gross)	-1 937	86	-	846	211	-794
Net deferred tax asset/(liability)	46 576	-10 386	1 481	-16 054	-1 298	20 319

UNRECOGNIZED TAX LOSSES CARRIED FORWARD

At the balance sheet date, the Group has unused tax losses and temporary differences, primarily in Switzerland and the United States, of mUSD 1 327.1 (2024: mUSD 1 314.2) available for offset against future profits. A deferred tax asset has been recognized in respect of mUSD 210.9 (2024: mUSD 223.1) of such losses and temporary differences. The utilization of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences. No deferred tax asset has been recognized for the remaining mUSD 1 116.2 (2024: mUSD 1 091.1) due to the unpredictability of future profit streams. The amount of unused tax losses carried forward which have not been capitalized as deferred tax assets, with their expiry dates, is as follows:

In USD million	2025	2024
Expiration within:		
One year	183.1	142.8
Two years	39.6	145.3
Three years	11.7	25.2
Four years	84.0	21.7
Five years	269.4	83.1
More than five years	528.4	673.1
Total	1 116.2	1 091.1

Despite certain subsidiaries incurring losses during the year, the Group has recognized deferred tax assets arising from tax loss carryforwards. The recognition is based on management's assessment that it is probable sufficient taxable profits will be available in the foreseeable future to utilize these losses. This assessment takes into account forecasted operating results, the reversal of existing taxable temporary differences, and other relevant factors supporting recoverability, in accordance with the requirements of IAS 12 Income Taxes.

19. FINANCIAL ASSETS AND OTHER NON-CURRENT ASSETS

In USD'000	31.12.2025	31.12.2024
Financial assets at amortized cost:		
Loan – third party	11 928	11 928
State and government institutions	4 630	4 008
Trade accounts receivable (long-term portion)	166	379
Guarantee deposits	1 420	921
Prepaid expenses and accrued income (long-term portion)	12	3
Total financial assets at amortized cost	18 157	17 240
Financial assets at fair value through profit or loss:		
Equity instruments (level 3)	1 326	1 162
Securitized beneficial interests (level 3)	34 167	33 162
Total financial assets at fair value through profit or loss	35 493	34 324
Total	53 650	51 563

The equity instruments classified as measured at fair value through profit or loss (FVPL) are unlisted investments for which fair value is determined using a discounted cash flow approach. The valuation model incorporates cash flow projections provided by the investee company on an annual basis, which are reviewed by management for reasonableness and consistency with observable market data where available. Key inputs to the valuation include projected revenue growth, operating margins, discount rates reflecting the investee's risk profile, and terminal value assumptions. Changes in these assumptions, or in the investee's performance, could result in significant volatility in the fair value recognized through profit or loss.

The effective interest rate on third party loans is 0.00% (2024: 2.00%). State and government institutions include government grants for R&D projects that will not be received within the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

20. SECURITIZED BENEFICIAL INTERESTS

In 2023, the Group established an accounts receivable securitization program under which selected trade receivables in Switzerland and the United States are sold to Kudelski Global Financing DAC, a special purpose entity (SPE) domiciled in Ireland. Consideration is received partly in cash upfront and partly in the form of senior and junior subordinated notes issued by the SPE. The program has a three-year term, expiring in June 2026.

During 2025, the Group sold kUSD 357 990 (2024: kUSD 400 909) of receivables under the program, recognizing a loss on transfer of kUSD 4 629 (2024: kUSD 5 201) within 'Other finance income/(expense), net'. Interest income on subordinated loan receivables amounted to kUSD 3 028 (2024: kUSD 2 477) and servicing fees earned totaled kUSD 290 (2024: kUSD 348).

CONSOLIDATION ASSESSMENT

The Group does not hold shares in the SPE nor have the ability to appoint its directors. Management assessed whether the Group controls the SPE by evaluating exposure to variable returns and the ability to influence those returns. Although the Group retains certain exposures as lender and master servicer, the intermediate subordinated lender has the unilateral ability to remove the Group as servicer of impaired receivables and control decisions affecting variable returns. Accordingly, the Group concluded that it does not control the SPE and has not consolidated it in the financial statements.

CONTINUING INVOLVEMENT IN SOLD RECEIVABLES

The Group considers that, upon sale of receivables to the SPE, it has neither substantially transferred nor retained all the risks and rewards associated with ownership. The receivables are pledged as security under the senior loans, restricting the SPE from selling them. Consequently, the Group has concluded that control of the assets has not been fully transferred and recognizes the assets to the extent of its continuing involvement, represented by its investment in the senior and junior subordinated loans.

At December 31, 2025, these investments amounted to kUSD 38 500 (2024: kUSD 37 856) and are presented within 'Financial assets at fair value through profit and loss' in the Consolidated Balance Sheet. The carrying value of these loans represent the Group's maximum exposure to loss from the SPE. As subordinated lenders, the Group holds a security interest in the receivables, junior to the senior lender, NordLB.

The senior and junior subordinated loan investments are carried at fair value, with changes in the fair value recognized in profit or loss. Expected credit losses on these loans at December 31, 2025 were kUSD 4 332 (2024: kUSD 4 694). The valuation is classified as Level 3 under the IFRS fair value hierarchy, as it is primarily based on unobservable inputs (note 44).

21. INVENTORIES

In USD'000

31.12.2025 31.12.2024

Raw materials	2 919	3 213
Finished goods	12 771	11 525
	15 689	14 738

The cost of inventories recognised as an expense in continuing operations includes kUSD 501 (2024: kUSD 2 468) in respect of write-downs, and has been reduced by kUSD 425 (2024: kUSD 0) in respect of the reversal of such write-downs.

Changes in inventories of finished goods and work in progress included in cost of material are kUSD 1 061 (2024: kUSD -3 092).

22. TRADE ACCOUNTS RECEIVABLE AND CONTRACT ASSETS

In USD'000	31.12.2025	31.12.2024
Trade accounts receivable	37 580	43 898
Less: provision for impairment	-7 893	-8 508
Trade accounts receivable related parties	480	465
Trade accounts receivable - net	30 167	35 856
Contract assets	2 175	3 636
Less: provision for impairment	-512	-770
Contract assets - net	1 663	2 866

Before accepting a new customer, the Group conducts a credit assessment to evaluate the customer's creditworthiness and establishes specific credit limits. These limits and assessments are regularly reviewed. For low value added business transactions, the Group typically operates on a back-to-back basis.

The following table summarizes the movement in the provisions for impairment of trade accounts receivable and contract assets:

In USD'000	Contract assets		Trade accounts receivable	
	2025	2024	2025	2024
January 1,	-770	-1 587	-8 508	-14 358
Provision for impairment charged to income statement	-5	-140	-611	-2 128
Utilization	-	-	133	676
Reversal	356	797	1 224	4 320
Change in scope	-	97	-	2 915
Translation effects	-92	61	-131	67
December 31,	-512	-770	-7 893	-8 508

The creation and release of provisions for impairment are included in 'Other operating expenses' in the Consolidated Income Statement. Provisions recognized for the impairment of trade receivables amount to kUSD -611 (2024: kUSD -2 128). Amounts charged to the provision are written off when there is no expectation of recovering additional cash.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade accounts receivables and contract assets. On that basis, the provisions for impairment of trade accounts receivable and contract assets as of December 31, 2025 and 2024 were determined as follows:

In USD'000	Gross carrying amount	Expected loss rate	Provision for	Gross carrying amount	Expected loss rate	Provision for
			31.12.2025			31.12.2024
Trade accounts receivable not overdue	22 664	0.4%	84	25 117	0.4%	103
Past due:						
- not more than one month	1 249	1.3%	16	4 709	1.1%	52
- more than one month and not more than three months	2 832	1.7%	48	2 542	4.3%	110
- more than three months and not more than six months	1 695	11.3%	192	1 676	8.8%	148
- more than six months and not more than one year	1 205	36.7%	443	2 377	37.7%	895
- more than one year	7 935	89.6%	7 110	7 478	96.3%	7 198
Total	37 580		7 893	43 898		8 508
Contract assets	2 175	23.5%	512	3 636	21.2%	770
Total	2 175		512	3 636		770

Expected loss rates are determined based on the historical payment profiles and credit losses of individual Group companies. The average loss rates presented above may vary depending on the composition of outstanding receivables across the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

23. OTHER FINANCIAL ASSETS AT AMORTIZED COST

In USD'000	31.12.2025	31.12.2024
Other receivables - third parties	1 620	3 273
Other receivables - related parties	1 573	1 378
Advances to suppliers and employees	734	692
State and government institutions	10 925	9 154
	14 852	14 497

24. OTHER CURRENT ASSETS

In USD'000	31.12.2025	31.12.2024
Prepaid expenses	11 615	9 778
Accrued income	40 255	38 240
Other assets	18	16
	51 887	48 035

25. CASH AND CASH EQUIVALENTS

In USD'000	31.12.2025	31.12.2024
Cash at bank and in hand	39 003	96 276
Short-term deposits	61 373	30 059
	100 376	126 336

The effective interest rate on short term deposits was 3.00% (2024: 4.45%). The Group only enters into transactions with highly rated banks.

26. SHARE CAPITAL

ISSUED AND FULLY PAID SHARE CAPITAL

The share capital consists of 51 509 214 (2024: 51 451 506) bearer shares at CHF 8.00 par value each and 46 300 000 (2024: 46 300 000) registered shares at CHF 0.80 par value each. Each share confers the right to vote and is fully paid up. The counter-value for the share capital is kUSD 347 181 (2024: kUSD 346 624).

The registered shares are neither listed nor traded on any stock exchange. The bearer shares have been listed on the main market of the SIX since August 2, 1999 (ticker: KUD, security number: 1 226 836; ISIN CH0012268360).

CAPITAL BAND

On April 19, 2024, the Annual General Meeting of the Company approved a capital band as a replacement of the authorized share capital. Until April 21, 2024, the authorized share capital was comprised of 3 768 164 bearer shares at CHF 8.00 per share and 3 200 000 registered shares at CHF 0.80 per share for the purpose of acquiring companies or parts of companies. Until and including April 19, 2029, the Board of Directors is authorized to conduct one or more increases and/or reductions of the share capital within the upper limit of CHF 492 994 160 and the lower limit of CHF 403 358 864, corresponding to issuance or cancellation of 5 139 206 bearer shares with a nominal value of CHF 8.00 each and 4 630 000 registered shares with a nominal value of CHF 0.80 each. In case of a capital increase, the Board of Directors would determine the number of shares, the date of issue of any such new shares, the issue price, type of contributions, the conditions of exercising subscription rights, and the beginning of the dividend entitlement.

CONDITIONAL SHARE CAPITAL

Conditional share capital consists of 10 000 000 (2024: 10 000 000) bearer shares at CHF 8.00 each to satisfy convertible bond exercise right and 304 542 (2024: 362 250) bearer shares at CHF 8.00 each to satisfy option exercise or share subscriptions to employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

27. NON-CONTROLLING INTERESTS

The following table presents summarized financial information for each of the Group's subsidiaries that have material non-controlling interests, before any intercompany eliminations:

In USD'000	Nagrastar	
	31.12.2025	31.12.2024
Non-controlling interests percentage	50.0%	50.0%
Non-current assets	1 588	1 630
Current Assets	13 681	20 758
Non-current liabilities	–	–
Current liabilities	5 833	7 451
Total Equity	9 436	14 937
Non-controlling interests percentage	50%	50%
Theoretical amount of non-controlling interests	4 718	7 469
Carrying amount of non-controlling interests	4 718	7 469
Revenue	13 555	16 100
Net result	4 499	4 181
Total comprehensive income	4 499	4 181
Total comprehensive income allocated to non-controlling interests	2 250	2 090
Dividend paid to non controlling interests	-5 000	-2 500
Net increase /(decrease) in cash and cash equivalents	-2 904	1 414

Nagrastar is treated as a subsidiary because the Group exercises control through its financing activities and bears a disproportionate share of the primary risks.

SALE OF CONTROLLING INTEREST IN SUBSIDIARY

In 2024, the Group sold 24.95% of its membership interest in 275 Sacramento Street LLC to related parties for kUSD 6 085. Prior to the sale transaction, the Group recognized an impairment charge of kUSD 12 739 to align the carrying amount of the subsidiary's real estate assets with their market value. The impairment primarily reflects deteriorating market rental conditions and the termination of a significant lease agreement with a major tenant.

Following the sale transaction, management concluded that the Group no longer has a controlling financial interest in 275 Sacramento Street LLC and, accordingly, ceased consolidating the entity. All results up to the date of deconsolidation have been included in continuing operations within the Consolidated Income Statement for the year ended December 31, 2024. As of December 31, 2025, the Group's retained membership interest in 275 Sacramento Street LLC, with a carrying value of kUSD 6 488 (2024: kUSD 6 245), is presented as 'Investment in associates' in the Consolidated Balance Sheet.

28. EMPLOYEE BENEFITS LIABILITIES

Defined benefit plan income, expense, plan assets and defined benefit obligations are determined by independent actuaries. Defined benefit obligations are calculated using the "Projected Unit Credit" method, and plan assets have been measured at fair market values. Most of the employee benefit obligation results from the Swiss pension plan.

SWITZERLAND

In addition to the legally required social security schemes, the Group has an independent pension plan. Swiss legislation prescribes that both the employer and the employee contribute a fixed percentage of the employee's insured salary to an external pension fund. Additional employers or employees' contribution may be required whenever the plan's statutory funding ratio falls below a certain level. The pension plan is run by a separate legal entity, governed by a Board of Trustees which consists of representatives nominated by the Group and by the active insured employees. The Board of Trustees is responsible for the plan design and the asset investment strategy. This plan covers all employees in Switzerland and is treated as a defined benefit plan with associated risks exposure being:

- Mortality risk: the assumptions adopted by the Group make allowance for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the plans and consequently increases in the plan's liabilities. In order to minimize the risk, mortality assumptions are reviewed on a regular basis.

- Market and liquidity risks: these are the risks that the investments do not meet the expected returns over the medium to long term. This also encompasses the mismatch between assets and liabilities. In order to minimize the risks, the structure of the portfolios is reviewed on a regular basis.

ABROAD

Outside Switzerland, the Group sponsors six (2024: six) other post-employment benefit plans treated as defined benefit plans according to IAS 19 Employee Benefits. Post-employment benefit plans may include jubilee and termination benefits. Other post-employment benefit plans are not funded. The financial impacts relating to the sale of SKIDATA during 2024 are disclosed as 'Structure variations' in the tables below.

The following table sets forth the status of the pension plans and the amount that is recognized in the balance sheet:

In USD'000	31.12.2025	31.12.2024
Fair value of plan assets	280 421	237 039
Defined benefit obligation	-273 852	-260 082
Funded status before asset ceiling	6 568	-23 043
Impact of asset ceiling	-462	0
Funded status after asset ceiling	6 106	-23 043

In accordance with IAS 19, the following amounts are recognized as net pension cost in the Consolidated Income Statement for the years ended December 31, 2025 and 2024:

In USD'000	Note	2025	2024
Service cost		-8 070	-9 036
Amortization of gains/(losses)		65	-13
Curtailment gain / (loss)		4 919	69
Total recognized in employee benefits expense	7	-3 086	-8 981
Interest cost		-2 939	-3 709
Interest income		2 635	3 448
Total recognized in interest expense	10	-304	-261
Net pension (cost)/income		-3 390	-9 242

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

The main assumptions used for the calculation of the pension cost and the defined benefit obligation for the years 2025 and 2024 are as follows:

	31.12.2025	31.12.2024
Switzerland		
Financial assumptions:		
- Discount rate	1.35%	1.05%
- Rate of future increase in compensations	1.50%	1.50%
- Rate of future increase in current pensions	0.75%	0.75%
Demographic assumptions:		
- Interest rate credited on savings accounts	2.00%	2.00%
- Turnover (on average)	13.0%	13.0%
- Demographic basis	LPP 2020 generational probability risk for disability reduced 25%	LPP 2020 generational probability risk for disability reduced 25%
- Retirement payment form	67% pension 33% lump sum	67% pension 33% lump sum
Abroad		
- Discount rate	5.31%	4.97%
- Rate of future increase in compensations	5.06%	5.19%
- Turnover (on average)	10.0%	5.1%

The weighted average duration of the defined benefit obligation is as follows :

	31.12.2025	31.12.2024
Weighted average duration of the defined benefit obligation in years		
Switzerland	15.9	16.8
Abroad	10.8	10.9

The changes in defined benefit obligation and fair value of plan assets during the years 2025 and 2024 are as follows:

A. Change in defined benefit obligation

In USD'000	2025	2024
Defined benefit obligation as of 1.1.	-260 082	-283 391
Service cost	-8 070	-9 492
Employees' contributions	-5 756	-6 208
Interest cost	-2 939	-3 886
Change in demographic assumptions	-1	-346
Change in financial assumptions	12 807	-20 303
Other actuarial gains / (losses)	-1 156	-3 135
Benefits payments	2 567	16 752
Exchange rate difference	-35 345	18 456
Curtailment	24 122	69
Structure variations	-	31 403
Defined benefit obligation as of December 31,	-273 852	-260 082

Changes in demographic assumptions are based on analyses of observed trends over the past six years, with the resulting impacts presented in the above table under 'Changes in demographic assumptions'. Other actuarial gains/(losses) represent experience adjustments arising from differences between assumptions previously applied and the actual outcomes. Changes in future service obligations arising from reductions in workforce are presented as 'Curtailment' in the table above and in 2025 primarily relate to the Swiss pension plan.

B. Change in fair value of plan assets

In USD'000	2025	2024
Fair value of plan assets as of 1.1.	237 039	260 738
Interest income	2 635	3 448
Return on plan assets excluding interest income	15 765	13 284
Employees' contributions	5 756	6 208
Employer's contribution	7 120	7 949
Benefit payments	-2 567	-16 752
Structure variations	–	-20 699
Curtailment	-19 204	–
Exchange rate difference	33 876	-17 137
Fair value of plan assets as of December 31,	280 421	237 039

The actual return on plan assets amounted to kUSD 18 400 in 2025 (2024: kUSD 16 731) and includes an assumed interest income. The estimated employer contributions to the pension plans for the year 2026 amounts to kUSD 6 671.

The categories of plan assets, all of which are readily convertible to cash, are presented at their fair value at December 31, 2025 and 2024 as follows:

In USD'000	Proportion in %		Proportion in %	
	31.12.2025	31.12.2025	31.12.2024	31.12.2024
Cash	2 077	0.7%	1 725	0.7%
Swiss bonds	22 687	8.1%	19 419	8.2%
Non-Swiss bonds	79 266	28.3%	70 046	29.6%
Swiss shares	50 118	17.9%	40 595	17.1%
Non-Swiss shares	42 978	15.3%	35 564	15.0%
Real estate	49 502	17.7%	41 739	17.6%
Alternative investments	33 793	12.1%	27 951	11.8%
Total	280 421	100.0%	237 039	100.0%

Plan assets are quoted on liquid markets except for certain real estate assets. The investment strategy pursues the goal of achieving the highest possible return on assets within the framework of its risk tolerance and thus of generating income on a long-term basis in order to meet all financial obligations. This is achieved through a broad diversification of risks over various investment categories, markets, currencies and industry segments.

The expected benefit payments for the next ten years are as follows :

In USD'000	Switzerland	Abroad
2026	12 476	156
2027	14 162	–
2028	11 121	106
2029	12 350	195
2030	11 431	106
2031-2035	61 636	1 701

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

The following table presents the sensitivity of the defined benefit pension obligations to key actuarial assumptions, based on reasonably possible changes in each assumption as of the end of the reporting period:

	Change in 2025 year-end defined benefit obligation		Change in 2024 year-end defined benefit obligation	
	Switzerland	Abroad	Switzerland	Abroad
	In USD'000	In USD'000	In USD'000	In USD'000
50 basis point increase in discount rate	-19 860	-189	-19 867	-187
50 basis point decrease in discount rate	22 643	204	22 779	203
50 basis point increase in rate of salary increase	212	n/a	148	n/a
50 basis point decrease in rate of salary increase	-219	n/a	-157	n/a
50 basis point increase in rate of pension increase	13 245	n/a	12 992	n/a
50 basis point decrease in rate of pension increase	-12 042	n/a	-11 792	n/a
50 basis point increase of interest in saving accounts	6 735	n/a	7 142	n/a
50 basis point decrease of interest in saving accounts	-6 423	n/a	-6 795	n/a
50 basis point increase of turnover	-646	n/a	-875	n/a
50 basis point decrease of turnover	667	n/a	906	n/a

The sensitivity analyses above are based on changes to individual assumptions while holding all other assumptions constant. In practice, such changes are unlikely to occur in isolation, and some assumptions may be correlated. The sensitivity of the defined benefit obligation to significant actuarial assumptions has been calculated using the same method applied in determining the defined benefit liability recognized in the Consolidated Balance Sheet, namely the present value of the defined benefit obligation using the unit credit method at the end of the reporting period. The methods and types of assumptions used in preparing the sensitivity analysis remain consistent with those applied in the prior year.

29. OTHER LONG TERM LIABILITIES

In USD'000	31.12.2025	31.12.2024
Long-term loans - third parties	-	5 208
Deferred income	25 838	225
	25 838	5 432

During 2025, the balance of the long-term loan was reclassified to short-term financial liabilities. The effective interest rate was 0.00% during 2025 (2024: 0.00%).

30. SHORT TERM FINANCIAL DEBT

In USD'000	Note	31.12.2025	31.12.2024
Short-term bank borrowings		-	2
Other short-term financial liabilities		5 716	671
		5 716	673

The Group had no short-term bank borrowings during 2025, resulting in an effective interest rate of 0.00% for the year (2024: 5.95%).

31. BOND

The CHF 150 million bond issued in September 2016 matured on September 27, 2024, and was fully repaid with a nominal value of kUSD 172 549. No balance is outstanding at December 31, 2025.

32. TRADE ACCOUNTS PAYABLE

In USD'000	31.12.2025	31.12.2024
Trade accounts payable – third parties	33 859	30 414
Trade accounts payable – related parties	57	-
	33 916	30 414

33. CONTRACT LIABILITIES

In USD'000	31.12.2025	31.12.2024
Amounts due to customers for contract work	3 134	2 959
Advances from clients	2 993	2 739
Deferred income	42 594	50 279
	48 721	55 977

All contract liabilities are expected to be recognized within one year. Accordingly, the Group does not disclose information about remaining performance obligations for short-term contracts.

34. OTHER CURRENT LIABILITIES

In USD'000	31.12.2025	31.12.2024
Accrued expenses	50 217	57 259
Payable to pension fund	1 871	1 608
Other payables - tax and legal	11 775	12 443
	63 863	71 310

35. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are only used for economic hedging purposes and not as speculative instruments. Where derivatives do not meet the hedge accounting criteria or where the Group chooses not to designate derivatives as hedging instruments, they are classified as “held-for-trading” for accounting purposes and are accounted for at fair value through profit or loss. The Group’s accounting policy for ash flow hedges is set out in Note 1.

In USD'000	Assets		Liabilities	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Cash flow hedge:				
- Foreign currency options	63	-	-	-
Held-for-trading:				
- Foreign currency options	-	-	-33	-28
Total of derivatives financial instruments	63	-	-33	-28

In USD'000	Cost of hedging reserve	Intrinsic value of options	Total hedge reserves
Balance at January 1, 2024	-	-	-
Change in fair value of hedging instruments recognized in OCI	-	-	-
Balance at December 31, 2024	-	-	-
Change in fair value of hedging instruments recognized in OCI	61	-	61
Balance at December 31, 2023	61	-	61

The amounts included in the cost of hedging reserve relate to the time value of options. All the amounts in the hedging reserve are in respect of transaction-related items, namely forecast sales transactions. The notional amount of options qualifying for hedge accounting amounted to mEUR 33 in 2025 with maturities between February and December and average strike rate of EUR/CHF 0.9355 in 2025. The foreign currency options are denominated in the same currency as the highly probable future sales transactions, therefore the hedge ratio is 1:1. There was no ineffectiveness during 2025. There were no amounts included in the cost of hedging reserve and no long-term derivative instruments outstanding at December 31, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

36. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

In USD'000	Restruc- turing provisions	Provision for warranty	Litigations and others	Total 2025	Total 2024
As of January 1	19	-	-	19	2 832
Additional provisions	1 833	-	-	1 833	91
Change in scope of consolidation	-	-	-	-	-2 578
Unused amounts reversed	-104	-	-	-104	-150
Used during the year	42	-	-	42	-116
Exchange differences	82	-	-	82	-60
As of December 31	1 871	-	-	1 871	19
Thereof:					
- Short-term	1 871	-	-	1 871	19
- Long-term	-	-	-	-	-
	1 871	-	-	1 871	19

Restructuring provisions

Restructuring provisions in 2025 and 2024 primarily relate to headcount reduction measures announced following the divestment of SKIDATA during 2024 (see note 4).

Litigations and others

A number of Group companies are subject to litigation arising from the normal course of business, which could give rise to claims against them. Such claims, in whole or in part, might not be covered by insurance. As of December 31, 2025 and 2024, no provisions have been recognized, as management does not consider an outflow of resources to be probable based on information currently available.

Provision for warranty

Provisions for warranty-related costs are recognised at the time the related product is sold or service provided, based on historical experience of warranty claims. These estimates are reviewed and updated annually to reflect current information. As of December 31, 2025 and 2024, no provisions for warranty-related costs have been recognized.

37. RESEARCH AND DEVELOPMENT

The following amounts were recognized as expense and charged to the income statement:

In USD'000	2025	2024
Research and development	104 834	106 257

38. DIVIDEND

Since year end, no distribution has been proposed by the Board of Directors. No dividends were declared or paid by the Group during the year ended December 31, 2025.

39. EMPLOYEE SHARE PARTICIPATION PLANS

EMPLOYEE SHARE PURCHASE PROGRAM (ESPP)

The Group has set up a plan to allow employees of certain Group companies preferential conditions to buy Kudelski SA bearer shares. All such shares purchased, and the additional shares obtained through this plan, are subject to a three-year blocking period.

	Shares 2025	Shares 2024
Shares underwritten by employees	48 090	49 535
Bonus shares from ESPP	9 618	9 907
Total employee share program	57 708	59 442
Amount paid by employee (In USD'000)	51	52
Booked corporate charges (excluding social charges) (In USD'000)	22	23
	73	75

SHARES ISSUED TO EMPLOYEES

In 2025 and 2024, no bearer shares of Kudelski SA were granted to employees for no consideration as part of their compensation.

40. DISCONTINUED OPERATIONS

In 2024, the Group completed the sale of its interest in SKIDATA to ASSA ABLOY for total consideration of kUSD 339 261. The financial results of SKIDATA were presented as a discontinued operation in the 2024 financial statements. No operations were classified as discontinued in 2025.

FINANCIAL RESULTS OF DISCONTINUED OPERATIONS

The results of SKIDATA for the year ended December 31, 2024 are presented below for comparative purposes. No results were recognized in 2025 following the completion of the sale in 2024.

In USD'000	2025	2024
Revenues and other operating income	–	214 011
Expenses	–	-192 202
Operating result	–	21 808
Finance costs	–	-4 965
Operating result before tax from discontinued operations	–	16 844
Income tax	–	-2 267
Net operating result from discontinued operations	–	14 577
Proceeds from sale	–	339 261
Carrying value of net assets sold	–	-170 165
Transaction costs	–	-21 942
Net gain on disposal	–	147 154
Net result of discontinued operations	–	161 731

CASH FLOW INFORMATION FOR DISCONTINUED OPERATIONS

In USD'000	2025	2024
Cash flow used in operating activities	–	10 426
Cash flow used in investing activities	–	-3 246
Cash flow from financing activities	–	-8 096

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

NET ASSETS OF THE DISPOSAL GROUP

The following table presents the major classes of assets and liabilities of SKIDATA included in the disposal group:

In USD'000	13.09.2024
Non-current assets:	
Tangible fixed assets	24 054
Intangible assets	47 581
Right-of-use assets	20 753
Investments in associates	5 164
Deferred income tax assets	16 549
Financial assets at amortized cost	1 278
Financial assets at fair value through profit and loss	344
Total non-current assets	115 723
Current assets:	
Inventories	58 509
Trade accounts receivable	47 030
Contract assets	36 239
Other financial assets at amortized cost	12 041
Other current assets	2 804
Cash and cash equivalents	20 012
Total current assets	176 635
Total assets of the disposal group	292 358
Non-current liabilities:	
Long-term financial debt	9 590
Long-term lease obligations	11 261
Deferred income tax liabilities	2 139
Employee benefit liabilities	11 528
Other long-term liabilities	3 440
Total non-current liabilities	37 958
Current liabilities:	
Short-term financial debt	20 776
Short-term lease obligations	6 443
Trade accounts payable	20 823
Contract liabilities	36 847
Other current liabilities	28 358
Current income taxes	-
Provisions for other liabilities and charges	2 536
Total current liabilities	115 785
Total liabilities of the disposal group	153 743
Components of OCI recycled upon disposal	31 550
Total net assets of the disposal group	170 165

41. RELATED PARTIES

Trading transactions

Transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated in consolidation and are not disclosed in this note.

During the year, Group entities entered into the following significant transactions with related parties, associates or joint ventures that are not members of the Group:

In USD'000	Sale of goods and services		Purchase of goods and services		Amounts owed to related parties		Amounts owed by related parties	
	2025	2024	2025	2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
275 Sacramento Street LLC	-	-	2 962	1 850	-	-	-	-
Total associated companies	-	-	2 962	1 850	-	-	-	-
Audio Technology Switzerland SA	-	-	-	-	-	-	2 041	1 789
Fonds de prévoyance Kudelski-Nagra	-	-	-	-	1 109	987	-	-
Kudelski Buildings Sàrl	-	-	4 304	4 067	18	15	-	-
Kudelski Horizon Sàrl	-	-	55	52	-	5	-	-
Kudelski Global Financing DAC	357 990	400 909	-	-	-	-	34 167	33 162
HVK Logistics	-	-	-	-	-	-	12	54
Total other related	357 990	400 909	4 358	4 118	1 127	1 007	36 220	35 004

Audio Technology Switzerland SA is considered as a related party as some Kudelski Board members invested in the company. Kudelski Global Financing DAC is a special purpose entity established in connection with the Group's trade receivables securitization (note 20). Fonds de prévoyance Kudelski-Nagra represents the Swiss pension plan. 275 Sacramento Street LLC is a real estate company in which the Group owns a minority share (note 17).

Services provided to/by associates and other related parties are performed at arm's length. The associates are listed in note 17. Outstanding balances are unsecured and are repayable in cash.

During 2024, the Group completed two significant transactions with related parties, selling its interests in Kudelski Building Sàrl and 275 Sacramento Street LLC. Additional information is provided in notes 17 and 27.

Key management compensation

Key management includes directors (executives and non-executives) and members of the Executive Committee. The compensation paid or payable to key management is shown below:

In USD'000	2025	2024
Salaries and other short-term employees benefits	6 857	9 793
Post-employments benefits	77	67
	6 933	9 859

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

42. SHAREHOLDINGS AND LOANS

PRINCIPAL SHAREHOLDERS

	Voting rights		Shareholdings	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Kudelski family pool	59%	59%	28%	28%
Kudelski family interests outside Kudelski family pool	4%	4%	7%	7%

The Kudelski family pool includes Mr. André Kudelski, Mrs. Marguerite Kudelski, Mrs. Isabelle Kudelski Haldy, Mrs. Irene Kudelski Mauroux and their respective descendants. The Kudelski family interests outside Kudelski family pool are two discretionary and irrevocable trusts of which the beneficiaries are family members of Mr. André Kudelski.

BOARD OF DIRECTORS AND MANAGEMENT

As of December 31, 2025 and 2024, the members of the Board of Directors and members of Group management had the following interest in the company:

	31.12.2025		31.12.2024	
	Bearer shares	Bearer shares	Bearer shares	Bearer shares
Board of Directors				
Kudelski André, chairman (as member of the family pool)			10 962 923	10 962 923
Smadja Claude, vice chairman			1 300	1 300
Dassault Laurent, member			1 032 653	1 032 653
Foetisch Patrick, member			1 000	1 000
Kudelski Marguerite, (as member of the family pool)			see above	see above
Lescure Pierre, member			2 000	2 000
Ross Alec, member			1 250	1 250
Total board members			12 001 126	12 001 126
Management				
Kudelski André, CEO			see above	see above
Saladini Mauro, CFO			159 439	159 439
Solbakken Morten, COO			118 315	118 315
Goldberg Nancy, CMO			81 595	81 595
Total Management (excluding CEO)			359 349	359 349

The Kudelski family pool also owns 46 300 000 registered shares of Kudelski SA as of December 31, 2025 and 2024. No loans were granted in 2025 and 2024 to the members of the Board of Directors and Group management.

43. CATEGORIES OF FINANCIAL INSTRUMENTS

The financial assets and liabilities are classified as follow as of December 31, 2025:

Assets as per balance sheet date December 31, 2025 (in USD'000)	Note	Financial assets at fair value through profit or loss	Financial Assets at amortized costs	Total 31.12.2025
Financial assets and non-current assets:				
- equity instruments with no quoted market price (level 3)	19	1 326	–	1 326
- securitized beneficial interests	19	34 167	–	34 167
- long-term loans	19	–	11 928	11 928
- state and government institutions	19	–	4 630	4 630
- trade accounts receivable - long-term portion	19	–	166	166
- guarantee deposits	19	–	1 420	1 420
- prepaid expenses and accrued income (long-term)	19	–	12	12
Trade accounts receivable	22	–	30 167	30 167
Other current assets:				
- state and government institutions	23	–	10 925	10 925
- other receivable (third and related parties)	23	–	3 193	3 193
Cash and cash equivalents	25	–	100 376	100 376
Derivative financial instruments (level 2)	36	63	–	63
		35 557	162 818	198 375

Liabilities as per balance sheet date December 31, 2025 (in USD'000)	Note	Financial liabilities at fair value through profit or loss	Financial Liabilities at amortized costs	Total 31.12.2025
Long-term lease obligations	16	–	57 014	57 014
Other long-term liabilities:				
Other short-term financial liabilities	30	–	5 716	5 716
Short-term lease obligations	16	–	10 245	10 245
Trade accounts payable	32	–	33 916	33 916
Other current liabilities:				
- payable to pension fund	34	–	1 871	1 871
- other payables	34	–	11 775	11 775
- accrued expenses	34	–	50 217	50 217
- current income tax		–	1 866	1 866
Derivative financial instruments (level 2)	35	33	–	33
		33	172 620	172 653

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

And for 2024:

Assets as per balance sheet date December 31, 2024 (in USD'000)	Note	Financial assets at fair value through profit or loss	Financial Assets at amortized costs	Total 31.12.2024
Financial assets and non-current assets:				
- equity instruments with no quoted market price (level 3)	19	1 162	–	1 162
- securitized beneficial interests	19	33 162	–	33 162
- long-term loans	19	–	11 928	11 928
- state and government institutions	19	–	4 008	4 008
- trade accounts receivable - long-term portion	19	–	379	379
- guarantee deposits	19	–	921	921
- prepaid expenses and accrued income (long-term)	19	–	3	3
Trade accounts receivable	22	–	35 856	35 856
Other current assets:				
- state and government institutions	23	–	9 154	9 154
- other receivable (third and related parties)	23	–	4 651	4 651
Cash and cash equivalents	25	–	126 336	126 336
		34 324	193 236	227 560

Liabilities as per balance sheet date December 31, 2024 (in USD'000)	Note	Financial liabilities at fair value through profit or loss	Financial Liabilities at amortized costs	Total 31.12.2024
Long-term lease obligations	16	–	58 558	58 558
Other long-term liabilities:				
- loans and others	29	–	5 208	5 208
Other short-term financial liabilities	30	–	673	673
Short-term lease obligations	16	–	9 806	9 806
Trade accounts payable	32	–	30 414	30 414
Other current liabilities:				
- payable to pension fund	34	–	1 608	1 608
- other payables	34	–	12 443	12 443
- accrued expenses	34	–	57 259	57 259
- current income tax		–	1 406	1 406
Derivative financial instruments (level 2)	35	28	–	28
		28	177 374	177 402

44. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS requires disclosure of fair value measurement by level according to the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The table below illustrates the three hierarchical levels for valuing financial instruments carried at fair value:

In USD'000	Note	31.12.2025	31.12.2024
Financial assets at fair value through profit or loss:			
- derivative financial instruments	level 2	35	63
- equity instruments with no quoted market price	level 3	19	1 326
- securitized beneficial interests	level 3	19	34 167
Total financial assets		35 557	34 324
Financial liabilities:			
- derivative financial instruments	level 2	35	33
Total financial liabilities		33	28

The fair value of Level 3 equity instruments with no quoted market price is determined using a discounted cash flow method based on projections provided by the investee company. Similarly, the fair value of securitized beneficial interests is determined using a discounted cash flow model that estimates the present value of expected future residual cash flows after payment of senior noteholders and transaction fees. Further information on unobservable inputs and assumptions used in these valuations is disclosed in note 2.

RECONCILIATION OF LEVEL 3 FAIR VALUES:

The following table shows a reconciliation for the level 3 fair values:

In USD'000	Securitized beneficial interests	Equity instruments with no quoted market price	Contingent liabilities
Balance at January 1, 2024	45 069	1 589	-1 679
Sale of receivables	400 909	-	-
Change in cash in SPE account	2 172	-	-
Settlement of trade receivables, net	-408 684	-	-
Interest income (recognized in other finance income/(expense), net)	2 825	-	-
Interest received	-3 005	-	-
Remeasurement (recognized in other finance income/(expense), net)	-2 945	-	-
Purchase discount (recognized in other finance income/(expense), net)	-5 201	-	-
Decrease in scope	-	-336	1 679
Currency translation adjustment	2 022	-91	-
Balance at December 31, 2024	33 162	1 162	-0
Sale of receivables	357 990	-	-
Change in cash in SPE account	5 767	-	-
Settlement of trade receivables, net	-361 939	-	-
Interest income (recognized in other finance income/(expense), net)	3 318	-	-
Interest received	-3 346	-	-
Remeasurement (recognized in other finance income/(expense), net)	346	-	-
Purchase discount (recognized in other finance income/(expense), net)	-4 629	-	-
Currency translation adjustment	3 498	164	-
Balance at December 31, 2025	34 167	1 326	-0

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the financial statements approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

45. MATURITY ANALYSIS FOR FINANCIAL LIABILITIES

The following table presents the Group's remaining contractual maturities for non-derivative financial liabilities. It is based on undiscounted cash flows, reflecting the earliest date on which the Group may be required to settle the liabilities, and includes both principal and interest. Adjustment columns represent potential future cash flows not included in the carrying amount on the balance sheet. Balances due within one year approximate their carrying amounts, as the impact of discounting is not material.

	Due within 1 year	Due within 1 year	Due > 1 year < 5 years	Due > 1 year < 5 years	Due > 5 years	Due > 5 years	Adjust- ment	Adjust- ment	Total book value	Total book value
In USD'000	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Other long-term financial liabilities	-	-	-	5 208	-	-	-	-	-	5 208
Short-term financial debt	-	2	-	-	-	-	-	-	-	2
Other short-term financial liabilities	5 716	671	-	-	-	-	-	-	5 716	671
Trade accounts payable	33 916	30 414	-	-	-	-	-	-	33 916	30 414
Payable to pension fund	1 871	1 608	-	-	-	-	-	-	1 871	1 608
Accrued expenses	50 217	57 259	-	-	-	-	-	-	50 217	57 259
Other payables	11 775	12 443	-	-	-	-	-	-	11 775	12 443
Lease obligations	11 660	11 419	26 702	30 824	33 588	34 683	-4 692	-8 562	67 259	68 363
Derivatives	33	28	-	-	-	-	-	-	33	28
Current income tax	1 866	1 406	-	-	-	-	-	-	1 866	1 406
Total	117 055	115 249	26 702	36 032	33 588	34 683	-4 692	-8 562	172 653	177 401

46. SENSITIVITY ANALYSIS

Foreign currency

The Group is exposed to fluctuations in foreign exchange rates arising from transactions denominated in currencies other than its presentation currency. Exchange rate exposures are managed within approved policy limits utilizing derivative instruments.

The Group is primarily exposed to CHF and EUR. The table below shows the sensitivity of the Group's post-tax profit to a 10% (2024: 10%) increase and decrease in CHF and EUR against the presentation currency. The sensitivity approximates the fluctuation considered by management in its risk analysis. The analysis includes only outstanding foreign currency-denominated monetary items, including external loans and loans to foreign operations, and adjusts their period-end translation for the above changes in exchange rates. A positive number indicates an increase in post-tax profit when the foreign currency strengthens against the relevant currency.

In USD'000	CHF		EUR	
	2025	2024	2025	2024
Post-tax net income				
- Increase	-7 099	-4 750	47	4 321
- Decrease	7 099	4 637	-1 067	-4 321
Comprehensive income (post-tax effect)				
- Increase	-	-	-2 040	-
- Decrease	-	-	1 600	-

Interest rates

The sensitivity analysis below illustrates the impact of reasonably possible changes in market interest rates on the Group's financial instruments as of the balance sheet date. For floating-rate instruments, the analysis assumes the change occurs at the beginning of the financial year and is held constant throughout the period. Prior-year sensitivities have been re-presented for comparison purposes.

The assumed interest rate changes by currency are:

- USD: ± 100 basis points (2024: ± 100 basis points)
- EUR: ± 100 basis points (2024: ± 100 basis points)
- CHF: ± 100 basis points (2024: ± 100 basis points)

If interest rates had been higher or lower by the above amounts, and all other variables remained constant:

- post-tax profit for the year ended December 31, 2025 would increase by kUSD 677 and decrease by kUSD 618 (2024: ± kUSD 956), primarily due to interest rate exposure on the Group's interest-bearing cash balances.
- other comprehensive income would not have been affected in 2025 or 2024.

Equity prices

The Group is not materially exposed to any equity price fluctuation.

47. COLLATERAL RECEIVED AND GIVEN

In USD'000

31.12.2025 31.12.2024

Guarantees in favor of third parties

2 035	2 991
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48. RISK CONCENTRATION

At December 31, 2025 and 2024, the Group had securitized beneficial interests relating to its trade receivables securitization program with exposure representing more than 10% of financial assets (refer to note 20 and note 44).

49. FINANCIAL INSTRUMENTS - UNREPRESENTATIVE RISK EXPOSURE AT REPORTING DATE

The quantitative data presented in accordance with IFRS 7, covering market, credit and liquidity risk for the year ended December 31, 2025, reflects the Group's risk profile at that date and is considered by management to be representative of future periods.

50. CAPITAL RISK MANAGEMENT

The Group's capital management objective is to maintain a sound capital base to support the ongoing development of its business. The Group is not subject to externally imposed capital requirements.

The Board of Directors aims to maintain a prudent balance between different components of capital, and Group management monitors capital using various metrics, including operating cash flow. The operating cash flow to net financial debt ratio is currently not considered relevant, as the Group had no net financial debt at December 31, 2025, reporting a net cash position of USD 100.4 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2025

51. NET DEBT RECONCILIATION

In USD'000	31.12.2025	31.12.2024
Cash and cash equivalents	100 376	126 336
Long-term lease obligations	-57 014	-58 558
Short-term financial debt	-5 716	-673
Short-term lease obligations	-10 245	-9 805
Net debt	27 401	57 300

In USD'000	Note:	Cash and cash equivalents	Long-term debt	Short-term debt	Lease obligations	Total
Net debt at January 1, 2024		56 376	-10 483	-231 034	-88 061	-273 202
Cash flows		73 930	-	-	-	73 930
Decrease in scope		-	9 374	20 307	17 005	46 686
Transfer from Payables and other current liabilities		-	-	4 297	-	4 297
Lease addition		-	-	-	-17 931	-17 931
Reimbursement of bank overdrafts, long-term loans and lease obligations		-	868	220 906	14 539	236 313
Increase in bank overdrafts, long-term loans		-	-	-16 435	-	-16 435
Termination of leasing contracts		-	-	-	1 010	1 010
Accrued interests		-	-	-596	-	-596
Foreign exchange adjustments		-3 970	242	1 946	5 075	3 292
Amortization of transaction cost less premium and gain on bond repurchase		-	-	-64	-	-64
Net debt at December 31, 2024		126 336	-0	-673	-68 363	57 300
Cash flows		-34 928	-	-	-	-34 928
Transfer from Other long-term liabilities		-	-	-4 731	-	-4 731
Lease addition		-	-	-	-2 142	-2 142
Reimbursement of bank overdrafts, long-term loans and lease obligations		-	-	-	10 521	10 521
Foreign exchange adjustments		8 968	-	-312	-7 275	1 382
Net cash / (debt) at December 31, 2025		100 376	-0.000	-5 716	-67 259	27 401

52. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No significant events have occurred between December 31, 2025 and the date of authorization of these financial statements that would require adjustment to, or disclosure in, the financial statements.

53. PRINCIPAL CURRENCY TRANSLATION RATES

	Year end rates used for the consolidated balance sheet		Average rates used for the consolidated income and cash flow statement	
	2025	2024	2025	2024
1 CHF	1.2607	1.1049	1.2054	1.1354
1 EUR	1.1740	1.0397	1.1291	1.0816
100 NOK	9.9170	8.8136	9.6364	9.3006
1 GBP	1.3453	1.2550	1.3178	1.2778
100 BRL	18.1543	16.2413	17.9135	18.6271
100 INR	1.1104	1.1689	1.1477	1.1951
1 SGD	0.7775	0.7369	0.7650	0.7482
1 AUD	0.6673	0.6228	0.6446	0.6595

54. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorised for issuance on February 25, 2026.

55. PRINCIPAL OPERATING COMPANIES

Company	Place of incorporation	Activity	Core Digital Security	Cyber-security	Internet of Things	Public Access	Corporate	Percentage held	
								2025	2024
Nagravision Sàrl	CH – Cheseaux	Solutions for Core Digital Security and Cybersecurity	•	•	•			100	100
Nagra France SAS	FR – Paris	Solutions for Core Digital Security	•					100	100
Nagra USA, LLC	US – New York	Sales and support	•		•		•	100	100
Nagravision Asia Pte Ltd	SG – Singapore	Services	•					100	100
NagraStar LLC	US – Englewood	Smartcards and Core Digital Security support	•					50	50
OpenTV Inc	US – Delaware	Middleware for set-top-boxes and IoT solutions	•		•			100	100
Nagravision AS	NO – Oslo	Solutions for Core Digital Security	•					100	100
Kudelski Security, Inc.	US – Minneapolis	Cybersecurity Solutions		•				100	100
Kudelski SA	CH – Cheseaux	Holding, parent company of the Group					•	100	100
Kudelski Corporate, Inc.	US – Delaware	Support					•	M	M

These principal companies are all subsidiaries. In 2024, Kudelski Corporate Inc. was merged into Nagra USA LLC through a reverse merger.

56. RISK ASSESSMENT DISCLOSURES REQUIRED BY SWISS LAW

REQUIRED BY SWISS LAW

Risk assessment and management is an integral part of the Group-wide enterprise risk management. The risk management approach is structured around a global risk assessment and management, and financial risk management. Both are governed by policies initiated by the Board of Directors. The Group maintains a robust internal control environment designed to provide reasonable assurance over the effectiveness and efficiency of operations, the reliability of financial information and reporting, and compliance with laws, regulations and internal policies.

Global risk management

The global risk management process led to the identification and management of security, operational, strategic, asset and market risks. Daily management of the global risks is performed and monitored by the executive management. Risks related to market dynamics include foreign exchange movements, interest rate changes and financing risks. They are described in more detail in section 3 of this report.

Financial Risk Management

The major financial risks consist of accounting complexity and the control environment. Risks related to the control environment include information systems complexity, timely review of results and the robustness of the documentation of processes. Executive management continues to address these risks with process documentation initiatives as well as establishment of process and entity level controls. Financial risk management is described in more details in note 3.

The most critical accounting policies to address accounting complexity include revenue recognition, accounting for acquisitions and strategic alliances, intangible assets and impairments, tax provisions, equity based compensation and contingencies.



Kudelski SA Cheseaux-sur-Lausanne

**Report of the statutory auditor
to the General Meeting
on the consolidated financial statements 2025**



Report of the statutory auditor to the General Meeting of Kudelski SA, Cheseaux-sur-Lausanne

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Kudelski SA and its subsidiaries (the Group), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2025, the consolidated balance sheet as at 31 December 2025, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements (pages 98 to 150) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Our audit approach



Overview

Overall group materiality: KUSD 3'500

The entities addressed by our full scope audit work contribute to 80% of the Group's revenue.

As key audit matter the following area of focus has been identified:

Goodwill impairment tests Cybersecurity, Internet of Things and Core Digital Security

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall group materiality	KUSD 3'500
Benchmark applied	Total revenues
Rationale for the materiality benchmark applied	We have chosen Total revenues as a benchmark for determining materiality, as it represents an important characteristic and the Group had volatile results in the past. It is further a generally accepted benchmark.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management



override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill impairment tests Cybersecurity, Internet of Things and Core Digital Security

Key audit matter	How our audit addressed the key audit matter
<p>As described in Note 15 to the consolidated financial statements, the Group has goodwill totalling KUSD 217'296 at 31 December 2025, comprising KUSD 62'653 related to the Cybersecurity CGU, KUSD 34'582 related to the Internet of Things CGU and KUSD 120'061 related to the Core Digital Security CGU.</p>	<p>We assessed the Group's allocation of goodwill to the CGUs Cybersecurity, Internet of Things and Core Digital Security by assessing the reasonableness of the CGUs taking into consideration management reporting and that CGU's for goodwill impairment testing purposes are not larger than any of the Group's operating CGUs.</p>
<p>We focused on the goodwill related to Cybersecurity, Internet of Things and Core Digital Security in view of the significance of the amounts involved, and the judgement used by management to estimate future financial results.</p>	<p>We obtained the Group's impairment analysis for CGUs Cybersecurity, Internet of Things and Core Digital Security and performed the following procedures:</p>
<p>The assessment of the carrying value of the goodwill balances is highly dependent on management's estimate of the future cash flows expected to arise from the cash generating unit (CGU) and a suitable discount rate.</p>	<ul style="list-style-type: none"> - Assessed the mathematical accuracy of the model and traced amounts to underlying consolidated financial and other information, as applicable. - Assessed the reasonableness of the cash flow projections by comparing the actual results to prior year budget to identify in retrospect whether any of the assumptions might have been too optimistic.
<p>Refer to note 2 – Critical accounting estimates and judgements and note 15 – Intangible assets for details of management's impairment test and assumptions.</p>	<ul style="list-style-type: none"> - Reconciled the 5-year projections to the budget that was subject to scrutiny and approval by the Chairman of the Board of Directors and gained an understanding of the process undertaken to develop the projections. - We inquired with management to substantiate its key assumptions in the cash flow projections during the forecast period and its intention and ability to execute their strategic initiatives.



- We assessed, with the support of our valuation specialists, the reasonableness of the cash flow growth rate after the forecast period assumption for the three CGUs.
- Together with our specialists, we evaluated the reasonableness of the discount rates applied for the three CGUs.
- We obtained the Group's sensitivity analyses around key assumptions to ascertain the effect of reasonably possible changes to those assumptions on the value in use estimates and re-calculated the sensitivity.
- We reviewed and validated disclosures regarding goodwill and intangible assets in the Group's consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

A handwritten signature in black ink, appearing to read 'CPC'.

Corinne Pointet Chambettaz
Licensed audit expert
Auditor in charge

A handwritten signature in black ink, appearing to read 'ND'.

Nicolas Daehler
Licensed audit expert

Lausanne, 25 February 2026

BALANCE SHEET AT DECEMBER 31, 2025 AND 2024

ASSETS

In CHF'000	Notes	31.12.2025	31.12.2024
Current assets			
Cash and cash equivalents		1 939	4 161
Accounts receivable from Group companies		4 510	15 514
Other current receivables and prepaid expenses	3.2	204	229
Total current assets		6 653	19 904
Fixed assets			
Loans to Group companies		49 436	49 835
Loan to third parties	3.3	27 344	30 266
Investments	3.4	340 992	347 592
Total fixed assets		417 772	427 693
Total assets		424 425	447 597

SHAREHOLDERS' EQUITY AND LIABILITIES

In CHF'000	Notes	31.12.2025	31.12.2024
Short-term liabilities			
Short-term interest-bearing liabilities :			
- Bank, short-term borrowings		-	-
Other short-term liabilities :			
- due to third parties		411	465
- due to Group companies		9 877	30 338
Accrued expenses		975	1 080
Total short-term liabilities		11 262	31 883
Long-term liabilities			
Other long-term liabilities :			
- due to Group companies		30 441	34 127
Total long-term liabilities		30 441	34 127
Total liabilities		41 703	66 010
Shareholders' equity			
Share capital		449 114	448 652
Legal reserves:			
- from retained earnings		90 000	90 000
- from capital contribution		65 914	65 914
Retained earnings		-222 980	-210 039
Net (loss) / income		674	-12 941
Total shareholders' equity	3.6	382 722	381 587
Total liabilities and shareholders' equity		424 425	447 597

INCOME STATEMENT AND PROPOSAL FOR APPROPRIATION OF AVAILABLE EARNINGS FOR THE YEAR 2025

INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

In CHF'000	Notes	2025	2024
Other non operating income		7	6
Financial income	4.1	13 476	36 733
Gain (loss) on sale of investments	4.2	–	171 108
Administrative and other expenses		-3 617	-17 866
Financial expenses and exchange result	4.3	-2 260	-14 037
Impairment of financial fixed assets	4.4	-6 313	-188 266
Income/(loss) before tax		1 293	-12 322
Direct taxes (other than income tax)		-619	-618
Net income/(loss)		674	-12 941

PROPOSAL FOR APPROPRIATION OF AVAILABLE EARNINGS FOR THE YEAR 2025

In CHF'000	Legal reserves from capital contribution	Retained earnings
Balance brought forward from previous year	65 914	-222 980
Net result	–	674
Total available earnings	65 914	-222 306

Proposal of the Board of Directors:

The Board of Directors propose to carry forward the legal reserves from capital contribution and the accumulated losses.

NOTES TO THE FINANCIAL STATEMENTS 2025

1. INTRODUCTION

Kudelski SA, with registered office in Cheseaux, is the ultimate holding company of the Kudelski Group, which comprises subsidiaries and associated companies.

2. ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements of Kudelski SA, comply with the requirements of the Swiss accounting legislation of the Swiss Code of Obligations (SCO).

These financial statements were prepared under the historical cost convention and on an accrual basis.

Kudelski SA is presenting consolidated financial statements according to IFRS. As a result, these financial statements and notes do not include additional disclosures, cash flow statement and management report.

FINANCIAL ASSETS

Investments and loans are initially recognized at cost. They are assessed annually and in case of an impairment adjusted to their recoverable amount within their category.

Investments and loans are allocated to three buckets for impairment testing. The three buckets are the cash generating units, which are defined within the framework of the Group as the operating segments; Core Digital Security, Cybersecurity and Internet of Things (IoT).

The recoverable amount of the cash generating units (CGUs) was determined based on value-in-use calculations. The calculations use cash flow projections approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates in perpetuity.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and short-term deposits. Cash at bank consists of all funds in current accounts available within 48 hours. Short-term deposits generally include bank deposits and fixed term investments whose maturities are of three months or less from the transaction date.

EXCHANGE RATE DIFFERENCES

Transactions in foreign currencies are accounted for in Swiss francs (CHF) at the exchange rate prevailing at the date of the transaction. Assets and liabilities in foreign currencies are accounted for at year-end rates.

Any resulting exchange differences are included in the respective income statement caption depending upon the nature of the underlying transactions; the aggregate unrealized exchange difference is calculated by reference to original transaction date exchange rates and includes hedging transactions. Where this gives rise to a net loss, it is charged to the income statement, while net gains are deferred.

NOTES TO THE FINANCIAL STATEMENTS 2025

3. NOTES TO THE BALANCE SHEET

3.1 GOING CONCERN

These financial statements have been prepared based on the going concern principle, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

3.2 OTHER CURRENT RECEIVABLES AND PREPAID EXPENSES

In CHF'000	31.12.2025	31.12.2024
Prepaid expenses	25	41
Withholding tax	43	43
Other accounts receivable	135	145
	204	229

3.3 LOAN TO THIRD PARTIES

As of December 31, 2025, the loan to third parties includes kCHF 27 004 (2024: kCHF 29 878) towards Kudelski Global Financing DAC, a special purpose entity domiciled and incorporated in Ireland. This loan is in a connection with a securitization program whereby selected subsidiaries are selling eligible receivable to this entity. The remainder of kCHF 340 (2024: kCHF 388) correspond to a loan to another third party.

3.4 INVESTMENTS

DIRECT INVESTMENTS

Company	Location	Activity	Share capital	Percentage held and voting rights	
				2025	2024
Nagravision Sàrl	CH – Cheseaux	Solutions for Core Digital Security	kCHF 20 000	100	100
Nagravision Iberica SL	ES – Madrid	Sales and support Core Digital Security	kEUR 3	100	100
Nagra France SAS	FR - Issy-Les-Moulin-eaux	Solutions for Core Digital Security	kEUR 10 472	100	100
Nagra Media Germany GmbH	DE – Ismaning	Services	kEUR 25	100	100
Nagra USA LLC	US – Phoenix	Holding	kUSD 10	100	100
SKIDATA GmbH	AT - Salzburg	Public access	kEUR 3 634	–	S
Kud Sàrl	LU – Luxembourg	Finance	kCHF 100	100	100
Nagravision Asia Pte Ltd	SG – Singapore	Services	kSGD 100	100	100
Nagra Media UK Ltd	UK – London	Research & development	kGBP 1 000	100	100
Nagravision Italy Srl	IT – Bolzano	Sales and support	kEUR 10	100	100
Nagra Travel Sàrl	CH – Cheseaux	Travel agency	kCHF 50	100	100
Nagravision India Pvt Ltd	IN – Bangalore	Research & development	kINR 100	100	100
		Digital broadcasting			
Acetel Co Ltd	SK – Séoul	solution provider	kKRW 1 460	17	17
Nagra Media Beijing Co. Ltd	CN - Beijing	R & D, Sales and services	kCNY 9 032	100	100
Nagra Media Korea LLC	KR - Anyang	Sales and support	kKRW 200 000	100	100
Nagra Media Brasil LTDA	BR - São Paulo	Sales and support	kBRL 1 000	100	100
Nagra Media (Taiwan) Co., Ltd	TW - Taipei	Sales and support	kNTD 500	100	100
Nagravision AS	NO - Oslo	Solutions for Core Digital Security	kNOK 1 111	100	100
iWedia SA	CH - Lausanne	Solutions for Core Digital Security	kCHF 750	40	40
Kryptus Segurança da Informação Ltda.	BR - Sao Paulo	Cybersecurity Solutions	kBRL 475	10	10
E.D.S.I. SAS	FR - Cesson Sévigné	Research & development	kEUR 163	100	100
Nagra Media Australia Pty Ltd	AU - New South Wales	Sales and support	kAUD 50	100	100
NexGuard Labs France SAS	FR - Cesson Sevigne	Watermarking Solutions	kEUR 420	100	100
	FR - Issy-Les-Moulin-eaux				
Kudelski Security France		Cybersecurity Solutions	kEUR 1	100	100

M: Merged companies

L: Liquidated companies

S: Sold

NOTES TO THE FINANCIAL STATEMENTS 2025

SIGNIFICANT INDIRECT INVESTMENTS

Company	Location	Activity	Share capital	Percentage held and voting rights	
				2025	2024
OpenTV Inc.	US - Delaware	Middleware for set-top-boxes Smartcards and Core Digital Security	kUSD 112 887	100	100
NagraStar LLC	US – Englewood	support	kUSD 2 043	50	50
Kudelski Security Inc.	US - Minneapolis	Cybersecurity Solutions	kUSD 0	100	100
SKIDATA Benelux BV	NL – Barenbrecht	Public access	kEUR 91	–	S
SKIDATA (Schweiz) AG	CH - Adliswil	Public access	kCHF 150	–	S
SKIDATA Inc.	US – Van Nuys	Public access	kUSD 5 510	–	S
SKIDATA Australasia Pty Ltd	AU – Melbourne	Public access	kAUD 5 472	–	S

3.5 BONDS

In CHF'000	2025	2024
Initial balance	–	145 925
Repurchase	–	–
Repayment	–	-145 925
Liability component as of December 31	–	–

On September 27, 2016 the company issued a CHF 150 million bond with a subscription price of 100%, bearing an interest rate of 1.5% and maturing on September 27, 2024 with denominations of CHF 5 000 and multiples thereof. The Company fully repaid the bond in September 2024.

The bond is measured at its nominal value. The initial difference between nominal value and net proceeds less issuance costs is considered as a prepaid expense and allocated against the income statement over the period of the bond.

3.6 CHANGE IN SHAREHOLDERS' EQUITY

In CHF'000	Share capital	Legal reserves from retained earnings	Legal reserves from capital contribution	Retained earnings	Total Shareholders' equity
As of December 31, 2023	448 177	90 000	65 914	-210 039	394 052
Share capital increase	475	-	-	-	475
Net loss	-	-	-	-12 941	-12 941
As of December 31, 2024	448 652	90 000	65 914	-222 980	381 587
Share capital increase	462	-	-	-	462
Net loss	-	-	-	674	674
As of December 31, 2025	449 114	90 000	65 914	-222 306	382 722

SHARE CAPITAL

In CHF'000	31.12.2025	31.12.2024
51'509'214 / 51'451'506 bearer shares, at CHF 8 each	412 074	411 612
46'300'000 registered shares, at CHF 0.80 each	37 040	37 040
	449 114	448 652

The registered shares are neither listed nor traded on any stock exchange. The bearer shares have been listed on the main market of the SIX since 2 August 1999 (ticker: KUD, security number: 1 226 836; ISIN CH0012268360).

CONDITIONAL SHARE CAPITAL (ARTICLE 6 OF ARTICLES OF INCORPORATION)

In CHF'000	2025	2024
Conditional share capital as of January 1	82 898	83 374
Employee share purchase plan	-462	-476
Shares allotted to employees	-	-
Conditional share capital at December 31	82 436	82 898
Of which may be utilized as of December 31 for:		
- Convertible bonds:		
10'000'000 bearer shares, at CHF 8 each	80 000	80 000
- Options or share subscriptions to employees:		
304'542 / 362'250 bearer shares, at CHF 8 each	2 436	2 898
	82 436	82 898

CAPITAL BAND (ARTICLE 7 OF ARTICLES OF INCORPORATION)

On April 19, 2024, the Annual General Meeting of the Company approved a capital band as a replacement of the authorized share capital. Until April 21, 2024, the authorized share capital was comprised of 3,768,164 bearer shares at CHF 8.00 per share and 3 200 000 registered shares at CHF 0.80 per share for the purpose of acquiring companies or parts of companies. Until and including April 19, 2029, the Board of Directors is authorized to conduct one or more increases and/or reductions of the share capital within the upper limit of CHF 492 994 160 and the lower limit of CHF 403 358 864, corresponding to issuance or cancellation of 5,139 206 bearer shares with a nominal value of CHF 8.00 each and 4 630 000 registered shares with a nominal value of CHF 0.80 each. In case of a capital increase, the Board of Directors would determine the number of shares, the date of issue of any such new shares, the issue price, type of contributions, the conditions of exercising subscription rights, and the beginning of the dividend entitlement.

NOTES TO THE FINANCIAL STATEMENTS 2025

MAJOR SHAREHOLDERS

Kudelski family pool
Kudelski family interests outside Kudelski family pool

Voting rights		Shareholdings	
31.12.2025	31.12.2024	31.12.2025	31.12.2024
59%	59%	28%	28%
4%	4%	7%	7%

The Kudelski family pool includes André Kudelski, Marguerite Kudelski, Isabelle Kudelski Haldy, Irene Kudelski Mauroux and their respective descendants. The Kudelski family interests outside Kudelski family pool are two discretionary and irrevocable trusts of which the beneficiaries are family members of André Kudelski.

4. NOTES TO THE INCOME STATEMENT

4.1 FINANCIAL INCOME

In CHF'000	2025	2024
Dividends received from Group subsidiaries	10 348	19 906
Foreign exchange gains	–	13 013
Interest on loans to Group subsidiaries	339	1 203
Income from the securitization program	2 787	2 487
Interest on loans to third parties	–	124
Other financial income	2	–
	13 476	36 733

The income derived from the securitization program pertains to the funds granted to Kudelski Global Financing DAC. This encompasses interest income generated from the loan granted to this entity, as well as service fees received for administering the program.

4.2 GAIN ON SALE OF INVESTMENTS

2024 gain on sale of investments relates to the sale of SKIDATA GmbH (including all of its subsidiaries, but without SKIDATA Inc., which was owned by another Group entity) for a proceeds of kCHF 287 965. Direct transaction costs including stamp duty under this heading were at kCHF 1 367 while the investment value in the balance was at kCHF 115 490 resulting in a gain of kCHF 171 108.

4.3 FINANCIAL EXPENSES AND EXCHANGE RESULTS

In CHF'000	2025	2024
Net currency exchange result	-2 216	–
Interest on loans from Group subsidiaries	-29	-10 851
Interest expenses and bank charges	-15	-3 186
	-2 260	-14 037

4.4 IMPAIRMENT OF FINANCIAL FIXED ASSETS

In CHF'000	2025	2024
Value adjustment on investments and loans to subsidiaries	6 600	185 600
Provision on loan to third parties	-287	2 666
	6 313	188 266

As part of the 2025 impairment assessment, the recoverable amount of the Internet of Things cash-generating unit was determined to be below its carrying amount, resulting in an impairment charge of kCHF 6 600. In 2024, the impairment assessment indicated that the recoverable amounts of both the Core Digital Security and Internet of Things units were below their respective carrying amounts. Consequently, impairment charges of kCHF 166 600 relating to the Core Digital Security unit and kCHF 19 000 relating to the Internet of Things unit were recognized.

The provision on loan to third parties relates to a remeasurement of the loan note granted to Kudelski Global Financing DAC in connection with the securitization program.

5. COMMITMENTS AND CONTINGENCIES

In CHF'000

31.12.2025 31.12.2024

Guarantee commitments

Commitment in favor of third parties and Group companies

111 400

Other commitments

Penalty risk for non-completion of contracts

p.m. p.m.

Subordinated loans in favor of Group companies

p.m. p.m.

Support letters and guarantees signed in favor of Group companies

p.m. p.m.

Jointly responsible for VAT liabilities of Swiss subsidiaries (VAT Group)

p.m. p.m.

6. FULL-TIME EQUIVALENTS

The annual average number of full-time equivalents for 2025 and 2024 did not exceed ten people.



Kudelski SA Cheseaux-sur-Lausanne

**Report of the statutory auditor
to the General Meeting
on the financial statements 2025**



Report of the statutory auditor to the General Meeting of Kudelski SA, Cheseaux-sur-Lausanne

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kudelski SA (the Company), which comprise the balance sheet as at 31 December 2025, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (pages 157 to 166) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach



Overview

Overall materiality: KCHF 4'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Valuation of investments in subsidiaries and loans to Group companies

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	KCHF 4'000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because Kudelski SA is a holding company that mainly holds investments in subsidiaries. Total assets is a generally accepted benchmark for determining the materiality according to auditing standards.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in subsidiaries and loans to Group companies

Key audit matter	How our audit addressed the key audit matter
Kudelski SA's investments and loans to Group companies are valued at KCHF 340'992 and KCHF 49'436 respectively. The Company has allocated the investments in subsidiaries and loans to Group	We obtained an understanding of management's process and controls over the valuation of investments and loans to Group companies. We obtained the



companies to three Cash Generating Units (CGUs): Core Digital Security (CDS), Cybersecurity (CS), Internet of Things (IoT).

We focused on these areas in view of the significance of the amounts involved, some business CGUs' operating performance during 2025 and the judgement used by management estimating future financial results.

The recoverable amount of the investments and loans is determined by management based on value-in-use calculations, which depend on cash flow projects and judgement of growth rates.

Refer to note 2 – Accounting policies: Financial Assets and note 4.4 – Impairment of financial fixed assets.

Group's impairment analysis for all three CGUs and performed the following procedures:

- Assessed the mathematical accuracy of the model and traced amounts to underlying financial and other information, as applicable.
- Assessed the reasonableness of the cash flow projections by comparing the actual results to prior year's budget to identify in retrospect whether any of the assumptions might have been too optimistic.
- Reconciled the 5-year projections to the budget that was subject to scrutiny and approval by the Chairman of the Board of Directors and gained an understanding of the process undertaken to develop the projections.
- We inquired with management to substantiate their key assumptions in the cash flow projections during the forecast period and its intention and ability to execute their strategic initiatives.
- We assessed, with the support of our valuation specialists, the reasonableness of the cash flow growth rate after the forecast period.
- Together with our specialists, we evaluated the reasonableness of the discount rate applied to those future cash flows.
- We reviewed and validated disclosures regarding the valuation and impairment of investments in subsidiaries in the Company's financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information



is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

A handwritten signature in black ink, appearing to read 'C. Pointet'.

Corinne Pointet Chambettaz
Licensed audit expert
Auditor in charge

A handwritten signature in black ink, appearing to read 'N. Daehler'.

Nicolas Daehler
Licensed audit expert

Lausanne, 25 February 2026

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These statements are subject to known and unknown risks and uncertainties and could be affected by other factors that could cause actual results, plans and objectives to differ materially from those expressed or implied in the forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, performance of the financial markets, competitive factors and changes in laws and regulations.



This report is published in English and French, except for the Financial statements which are only published in English.

In case of inconsistency between the English and the French version of the Corporate Governance report and the Compensation report, the English version prevails.

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