PRESS RELEASE

Ad hoc announcement pursuant to Art. 53 LR

2026 HALF YEAR RESULTS

Highlights:

- **Group transformation is delivering results, with both Core Digital Security and IoT returning to revenue growth.**
- **All three segments improving their operating results.**
- **USD 171.8 million of total Group revenues and other operating income.**
- **Core Digital Security net revenues increased by 0.7% to USD 104.7 million, its first year-on-year growth in five years.**
- **Cybersecurity revenues were USD 45.1 million, and bookings saw strong growth led by 69% growth in MDR.**
- **IoT revenues were USD 20.3 million, increasing by 5.1%.**
- **The Group remained debt-free with USD 64.3 million of cash and cash equivalents at the end of the period.**
- **The outlook for the second half of 2026 includes stronger revenues than in the first half, supported by seasonality in Core Digital Security and a double-digit rate of revenue growth expected for IoT.**

KEY FIGURES HALF YEAR 2026

(in million USD)	1H 2026	1H 2025
Revenues & Other Operating Income	171.8	174.5
EBITDA	- 11.5	- 19.1

Cheseaux-sur-Lausanne, Switzerland and Phoenix (AZ), USA – August 26th, 2026 – The Kudelski Group (SIX: KUD.S), the world leader in digital security, announced today its results for the first half of 2026.

During the first half of 2026, the Kudelski Group continued to execute its strategic transformation, with all three segments improving their operating results and both Core Digital Security and IoT returning to revenue growth. Core Digital Security recorded its first year-on-year revenue increase in five years, supported by new business lines and an expanded scope of business with key European customers. Cybersecurity generated strong bookings growth in Managed Detection and Response and advisory services while further expanding its gross margin, and IoT returned to growth with a recovery of its gross margin. Together, these developments show that the measures taken over the past two years are translating into improved operational profitability.

The Group's net revenues and other operating income were USD 171.8 million in the first half of 2026, a decrease of 1.5%, while EBITDA improved to USD -11.5 million compared to USD -19.1 million during the first half of 2025. The Group remained debt-free with USD 64.3 million of cash and cash equivalents at the end of the period.

CORE DIGITAL SECURITY: FIRST YEAR-ON-YEAR GROWTH OF THE LAST FIVE YEARS

Core Digital Security generated revenues of USD 104.7 million, an increase of 0.7% compared to the first half of 2025 and the first year-on-year growth of the last five years. In Europe, revenues increased by 12.2% to USD 56.3 million, as the Group expanded the scope of its business with a major pay-TV and media company to include a cybersecurity-related offering and the protection of its terrestrial network and also extended the scope of its business with other European customers such as 4iG Group in Hungary. In the Americas, revenues decreased by USD 7.2 million, as the prior-year period included an agreement with a major technology provider in the streaming domain, and as DISH continued to lose subscribers, though at a lower pace. In Asia Pacific and Africa, revenues increased by 11.3% to USD 18.0 million. Operating expenses were USD 7.2 million lower than in the prior-year period and segment EBITDA reached USD 5.1 million, compared to USD 0.6 million in the first half of 2025. The segment continued its transformation, strengthening its position across content security, streaming, as well as consumer and device cybersecurity.

NAGRAVISION continued to expand its addressable market and strengthen its customer relationships in the first half of 2026, with new wins particularly in live sports. The English Football League strengthened the protection of live sports through AI-enabled piracy monitoring, intelligence and enforcement, while RTL Croatia and PRO PLUS Slovenia also utilized the advanced monitoring and network-level watermarking capabilities of NAGRA Venturi to secure its Formula 1 content. NAGRAVISION extended its partnership with Harmonic, responding to continued growth of live sports piracy with the launch of a scalable, event-based watermarking-as-a-service solution, designed to quickly identify and mitigate illegal restreaming of live events.

The launch of Play Snooker with the World Professional Billiards and Snooker Association (WPBSA) demonstrated the potential to combine digital engagement, community features and monetization opportunities. UK broadcaster Narrative Entertainment selected OpenTV ENTera to deliver more unified and personalized entertainment experiences, while OSN launched TVkey Cloud to expand the reach of secure linear pay-TV services directly to Connected TVs without the need for a set-top box.

NAGRAVISION's NAGRA Scout Threat Intelligence extended the NAGRA Scout product portfolio, turning cyber risk into actionable insights and enabling operators to go beyond connectivity, strengthen protection, and unlock new value-added services.

Kudelski Labs strengthened its position in frontier technology security, with its Security IP integrated into Axelera AI's Europa chip and growing engagement from leading semiconductor manufacturers and technology players. Strong market interest in Edge AI, robotics, critical infrastructure, defense, and space further demonstrates growing demand and commercial traction.

CYBERSECURITY: BUILDING MOMENTUM IN AI-NATIVE SECURITY

In the first half 2026, the Cybersecurity segment further strengthened its Managed Detection and Response (MDR) offering with AI and enhanced IT, Operational Technology (OT) and IoT capabilities. It also launched a new AI-powered solution combining exposure management with detection and response, designed to help clients continuously reduce their security risk across IT and OT environments. These developments translated into strong bookings growth in the first half, led by MDR, where bookings increased by 69% compared to the first half of 2025. Advisory bookings increased by 24% compared to the prior year period, supported by stronger differentiation and a greater focus on value added and AI native cybersecurity services. Major renewals and expansions across the luxury, transportation, airport and healthcare sectors, together with new contracts, notably in manufacturing, and first joint wins spanning Kudelski Labs, Advisory and Technology services, demonstrated strong customer relationships and the growing pull of an integrated portfolio.

Cybersecurity net revenues amounted to USD 45.1 million, a decrease of 8.9% compared to the first half of 2025, as bookings translate into revenues only over time. Margin after cost of material improved to 85.1% compared to 83.0% in the first half of 2025. The segment also began adjusting its cost base in line with the declining top line, with operating expenses USD 2.9 million lower than in the prior year period. These effects were largely absorbed by the lower revenue base, leaving the segment EBITDA loss at USD 5.3 million, an improvement of USD 0.2 million compared to the first half of 2025.

INTERNET OF THINGS (IoT): NET REVENUES UP BY 5.1% DRIVEN BY EXPANDED PARTNERSHIPS

The IoT segment continued to build momentum through the expansion of its partnerships with financial service providers in the automotive sector. For the first half of 2026, IoT generated revenues of USD 20.3 million, an increase of 5.1% compared to the first half of 2025, returning to growth. Financial Services unit sales grew 167% year-on-year, driven by the rapid ramp-up of the Ally and Zurich partnerships. RecovR for Keys also continued its strong organic ramp-up, reaching more than 1,000 sales per month, approximately 4 times the prior-year monthly rate.

Kudelski IoT further strengthened its market position by signing Lithia, the largest new-car dealer in the world, bringing both the largest new- and used-car dealer groups in the U.S. into the RecovR customer base. The achievement of SOC 1 Type II certification for CarMax also marked an important milestone, enabling RecovR inventory management to serve as a source of truth for financial reporting. Together, these developments reinforce the scalability, credibility and value of the RecovR platform and position Kudelski IoT for continued growth across automotive, financial services and asset protection markets.

Operating expenses were USD 1.7 million lower as the segment streamlined its cost base. EBITDA loss was USD 3.7 million, an improvement of USD 3.3 million compared to the first half of 2025.

FULL YEAR 2026 OUTLOOK

For the second half of 2026, management expects a stronger revenue trajectory supported by seasonality in Core Digital Security and a double-digit rate of revenue growth forecasted for IoT. In Cybersecurity, full year revenues are expected to be lower compared to 2025.

Core Digital Security operating expenses are expected to remain broadly in line with the first half. Similarly, Cybersecurity operating expenses are projected to be in the same range as in the first half, while IoT operating expenses in the second half are expected to be somewhat higher than in the first half.

For the full year 2026, management expects positive double-digit million EBITDA in Core Digital Security, broadly in line with 2025. Cybersecurity's full year EBITDA loss is expected to be higher compared to 2025. In IoT, the second half EBITDA loss is expected to further decrease compared to the first half.

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

Note to the editors:

The 2026 first half Financial Statements and MD&A are available in PDF format under: www.nagra.com >> Investors >> Publications

About the Kudelski Group

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

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

For more information, please visit nagra.com.

Contacts

Gary Crosilla
Kudelski Group
Senior Corporate Communication Manager
+41 79 593 93 25
gary.crosilla@nagra.com

Marc Ausoni
Kudelski Group
Senior Vice President – Internal Audit and Investor Relations
+41 21 732 05 49
ir@nagra.com