

Ad hoc announcement pursuant to Art. 53 LR

2022 HALF YEAR RESULTS

Highlights:

- Total Group revenues and OOI reached USD 333.4 million
- In constant currency, the Group’s net revenues increased by 3.3% compared to the same period in 2021
- 3 of the 4 business segments with double digit growth in constant currency
- In a fast-changing business environment, the Group’s flagship initiatives and solutions in all 4 of its business segments gain momentum
- Digital TV revenues are 8.9% lower in constant currency compared to first half 2021
- Cybersecurity continued to deliver strong performance, with a 15.4% net revenue growth in constant currency and a progression of the gross margin, in value, by 34.2%
- IoT revenues more than doubled to USD 7.2 million, with strong growth from all product lines
- Public Access progressively recovering with a 11.8% net revenue growth in constant currency driven by EMEA performance
- Positive first half EBITDA due to ongoing cost control and despite weak EUR exchange rate

KEY FIGURES HALF YEAR 2022

(in million USD)	1H2022	1H2021
Revenues & Other Operating Income	333.4	340.5
EBITDA	0.5	15.0

Cheseaux-sur-Lausanne, Switzerland and Phoenix (AZ), USA – August 25th, 2022 – The Kudelski Group (SIX: KUD.S), the world leader in digital security, announced today its results for the first half of 2022.

Total revenues and other operating income were USD 333.4 million, compared to USD 340.5 million in the first half 2021. In constant currency, the Group's net revenues increased by 3.3% compared to the same period in 2021. In the first half 2022, the Group generated USD 0.5 million of operating income before depreciation and amortization, compared to USD 15.0 million in the previous first half.

Digital TV revenues reached USD 144.5 million, representing a constant currency decline of 8.9%, as compared with the prior year period. In addition to foreign exchange factors, the base effect of strong 2021 Digital TV revenues drove this year-on-year development. The segment's operating expenses were USD 0.4 million lower than in the prior first half. Digital TV's operating income before depreciation and amortization declined by USD 16.4 million to USD 26.2 million.

The Group's cybersecurity business delivered a strong first half and posted USD 79.6 millions of gross revenues. Net revenues were at USD 51.0 million, representing a growth of 15.4% in constant currency. As a result of the Group's continued investments, in the first half 2022, the cybersecurity business posted a USD 9.8 million operating loss before depreciation and amortization, comparable with the USD 9.5 million loss booked in the first half 2021.

The strong momentum of the Group's IoT segment drove first half revenue growth by a factor of 2.7. In the first half 2022, IoT generated USD 7.2 million of revenues, compared to USD 2.6 million in the first half 2021 and reduced its operating loss before depreciation and amortization by USD 2.1 million to USD 9.5 million.

In Public Access, investments in access control infrastructure for parking, ski and events started to recover in the first half 2022. As a result, Public Access revenues grew by 11.8% in constant currency and reached USD 125.7 million, as compared to the prior first half period. Overall, Public Access generated a positive EBITDA of USD 0.5 million, compared to USD 0.7 million in last year's period.

On August 12th, 2022, the Group fully repaid its 2022 bond.

DIGITAL TV: SECURING THE DIGITAL FUTURE AND STRENGTHENING RELATIONS WITH MAJOR OPERATORS

While revenues generated by the Group's Digital TV segment declined during the first half 2022, targeted solution initiatives, designed to respond to the challenges of the Digital TV industry, are gaining momentum:

- A focus on Nagravision's anti-piracy solutions was important during the first half of the year as rising piracy concerns are driving additional demand from operators for intelligence-led solutions. Streaming protection through the Nagravision Active Streaming Protection framework is playing a key role for video service operators of all sizes in the fight against piracy.
- NAGRA Insight is expanding its customer base by introducing its smart pricing solution, which utilizes artificial intelligence to better analyze consumer behavior and drive business performance. Creating a personalized digital twin for each individual

subscriber, the system simulates scenarios of actions for every subscriber, predicting the impact on churn and revenues.

Among the highlights of the first half, Digital TV expanded partnerships and won new contracts with large pay-TV operators worldwide:

- United Cloud, the technology arm of the United Group, the leading multi-play telecoms and media provider in south-eastern Europe, has selected Nagravision's NexGuard watermarking to expand its security solution.
- As part of a continued partnership with Nagravision, Radiotelevisione italiana (RAI) has selected the multi-DRM solution from the Nagravision Active Streaming Protection framework. This complements their previous investments in watermarking and anti-piracy services.
- VTVcab, one of Vietnam's largest pay-TV players, has selected Nagravision's TVkey Cloud to deploy its direct-to-TV service on Samsung UHD TVs.
- In Indonesia, PT Linknet has selected Nagravision to migrate their OTT solution to OpenTV Video Platform.

CYBERSECURITY CONTINUES TO DELIVER STRONG PERFORMANCE IN BOTH THE US AND EMEA WITH EXPANDED ACTIVITIES

The Group's cybersecurity business delivered a strong performance in both of its main regions during the first half of the year. In Europe, net revenues grew by 38.7% in constant currency to USD 18.8 million, while the Americas grew by 2.7% to USD 31.5 million. In the Americas, the shift to high margin solutions has accelerated compared to first half 2021. In addition, the Group generated USD 0.7 million of cybersecurity revenue in the Asia Pacific and Africa region.

The development of cybersecurity bookings underscores the positive momentum of this business. In the first half 2022, the cybersecurity segment generated over USD 100 million of total bookings, continuing to grow at double-digit rates compared to the first half 2021. Bookings in high value-added business lines, including managed security services, advisory and proprietary technology sales, increased by 32% over this same period.

During the first half of the year, the cybersecurity business won substantial new contracts in luxury goods manufacturing, in the energy and critical infrastructure sectors, as well as in healthcare and hospitals. Kudelski Security has been extremely active protecting several UN organizations with healthcare-related missions as well as many public and private hospitals. In Switzerland, for example, Kudelski Security experts have been monitoring 24/7 the cybersecurity of several important hospitals such as Luzerner Kantonsspital, Spital STS Thun, Rehaklinik Bellikon, Kinderspital Zürich and more recently Hôpital du Valais. In the US, state health institutions, children's hospitals and large private care organizations also benefit from Kudelski Security monitoring capabilities.

Segment headcount was proactively increased to support the further expansion of the business, especially in Europe. With the rising demand for the Group's managed detection and response services, the Group launched a new cyber fusion center in Spain, staffed with an experienced team of threat detection specialists and cyber response experts, complementing existing centers in Switzerland and the US.

In addition, the Group continues to expand its cybersecurity offering portfolio, with the launch of MDR ONE, a new all-in-one solution that provides cloud-native managed detection and response services based on the Group's proprietary technologies.

INTERNET OF THINGS (IoT): ASSET TRACKING, SECURITY LABS AND keySTREAM BUSINESS CONTINUES TO EXPAND

Kudelski IoT grew its revenues by a factor of 2.7 driven primarily by the strong performance of the RecovR asset tracking solution for US car dealerships, the IoT Security Labs and the Kudelski IoT keySTREAM security system with semiconductor and module manufacturers.

After launching in 2021, the asset tracking solution, which combines lot management and theft recovery, continues to increase its pace of deployments at car dealerships across the United States. RecovR enables car dealers to manage their lots efficiently, improve the sales process and create a new revenue stream, while offering consumers an advanced and reliable wireless theft recovery solution. In the first half 2022, the Group added 140 new rooftops, accelerating RecovR's market penetration. This strong momentum drove IoT's first half revenue growth.

keySTREAM, the Group's end-to-end IoT security platform, gained further traction in the first half of the year, delivering double-digit growth compared to the prior first half. IoT Security Labs continued to acquire new customers, while commanding higher man day rates. As a result, IoT Security Labs revenues almost doubled compared to the prior first half.

PUBLIC ACCESS: SIMPLE, SECURE AND SUSTAINABLE DIGITAL SOLUTIONS

The Group's Public Access division, SKIDATA, has defined its new vision for the post-COVID era, with a focus on connecting clients, partners and visitors at the heart of the customer experience. With its digital management platform, SKIDATA offers customer-oriented access solutions for cars and people. Visitors and guests benefit from a convenient access experience in a simple, secure and sustainable way. These comprehensive and overarching solutions meet the customers' demands for integrated visitor management that increases the efficiency of business operations and promotes more effective customer engagement.

Driving Public Access growth in constant currency of 11.8% in the first half 2022, European sales strongly recovered, with revenues growing by 14.4% compared to the previous first half.

In the first half 2022, SKIDATA accelerated its move to "mobile first" and brought future-oriented digital solutions to market, such as online reservations, payment and access options for parking tickets, ski passes, event tickets and other services, safer digital access control for visitors in stadiums, and an EV-charging solution that is fully integrated into parking management systems.

In the first half 2022, significant clients chose or updated SKIDATA's systems, like Macquarie Shopping Centre in Sydney and Brisbane Airport in Australia, Kolkota Airport in India and three mountain destinations in Japan and Korea. The Kennedy Space Center Visitor Complex in Cape Canaveral and the Vail ski resort in the US also chose SKIDATA's solutions, as well as the FC Nantes' Stade de la Beaujoire Louis Fonteneau in France.

FULL YEAR 2022 OUTLOOK

Following the Digital TV segment's strong 2021 results, the Group expects Digital TV revenues to decline in 2022 at single-digit rates in constant currency. Second half revenues should be higher than the first half's, in line with seasonality patterns of prior years.

In the Cybersecurity segment, the Group expects to maintain its 2021 momentum, with revenues growing at a double-digit rate. As the Cybersecurity business continues to drive the development of higher margin product lines, margin after cost of material should also grow at a double-digit rate.

The strong momentum of RecovR sales is expected to drive IoT's revenues in 2022, while the Group will continue to promote IoT Services and the keySTREAM platform as a driver of long-term growth. Consistent with 2021, the Group expects IoT revenues to at least double in 2022 compared to the prior year.

In Public Access, the Group forecasts a partial recovery in 2022, with high-single digit revenue growth in constant currency and a limited increase of operating expenses. The Group expects to benefit from the continued streamlining of SKIDATA's operations and a tighter integration with other Group businesses and is targeting a material improvement of Public Access profitability for 2022.

Overall, the Group will continue to optimize its operations and is confirming its original EBITDA guidance for 2022 in the range of USD 55 million to USD 75 million.

Note to the editors:

The 2022 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 digital business enablement technologies that are built to enable innovation and deliver trust. The four main business divisions of the Group cover end-to-end convergent media solutions to the digital entertainment industry, cybersecurity services for enterprise and government bodies, public access solutions and end-to-end IoT design solutions and full-lifecycle services.

The Kudelski Group is headquartered in Cheseaux-sur-Lausanne, Switzerland and Phoenix (AZ), USA with offices in 32 countries around the world. For more information, please visit www.nagra.com

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