

LOOKING AHEAD AND BEYOND

KUDELSKI GROUP 2022

NAGRA
KUDELSKI GROUP

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DEMONSTRATING RESILIENCE IN A CHALLENGING WORLD

Although the COVID-19 pandemic continued to partially affect demand for the Group's offerings and disrupted industry supply chains, the Group successfully adapted its structure and operations to mitigate the impacts, reflecting the progress of the Group's transformation efforts first started in 2017.

Of the Group's four business segments, three grew during 2021 while Public Access continued to feel the impacts of COVID-19-related restrictions and lockdowns. As a result, total revenues and other operating income increased during 2021 compared to 2020.

In spite of the foregoing, overall market conditions for most of our business activities have not fully normalized to pre-pandemic levels, particularly for complex customer projects where extensive interaction and integration with clients, face-to-face meetings and travel are essential.

The COVID-19 situation in 2021 pushed the entities of the Group to constantly reinvent themselves. In such conditions, remaining agile was the key to navigate through uncertain and disruptive times. The fact that the Group's activities in cybersecurity and Internet of Things bring innovations in areas such as cyber-attacks and electric car secure access development helped keep fluidity in the business.

Digital TV saw a renewed growth, fueled by substantial advancement in EMEA and Asia, with strong profitability and successful launches of innovative solutions addressing new market segments. Recovering from a challenging 2020, Digital TV delivered a strong 2021.

As most sports and entertainment venues had to shut down due to COVID-19 restrictions, people started consuming more content on screens at home, leading to greater risks of leaks and piracy, but also demand for new ways to reach fans. As a result, broadcasters in Europe and Asia showed increased interest in Nagravision's NexGuard forensic watermarking technology. Nagravision also entered into the field of sports with the launch of live-streaming apps for the International Hockey Federation (FIH) and the International Bowling Federation, adding fan management capabilities.

In the area of cybersecurity, Kudelski Security's net revenues increased, with double-digit revenue growth in both Europe and the USA. These results reflect the growing market demand for cybersecurity. As a consequence of COVID-19, the IT ecosystem has fast become a highly critical infrastructure for business. With the adoption

by companies of new forms of communication and the expansion of the work environment beyond the traditional office, the threats to that infrastructure have increased dramatically, both structurally and quantitatively.

Kudelski Security's results in 2021 demonstrate that the Group is well positioned to help protect the IT infrastructure as it undergoes rapid evolution. More generally, 2021 witnessed more and more incidents such as ransomwares, identity theft and crypto-jacking, against which Kudelski Security is well equipped thanks to the expertise of its Cyber Fusion Centers (CFC).

With regard to Internet of Things, revenues more than doubled. Since launching its RecovR asset tracking solution for cars at the beginning of the year, Kudelski IoT is on a path towards more solid growth. With most innovation in the automotive sector now based on electronics and software, Kudelski IoT is well placed to leverage its expertise in this market.

As a general perspective on the Internet of Things industry, as connected devices enter the market in staggering numbers, attacks on such devices are increasing at a significant rate, resulting in enhanced security regulations globally. As a response, Kudelski IoT has continued to focus on the development of robust digital security services and solutions and intensified its security workshops for its customers.

The year also saw Public Access activities challenged in their growth, but profitability recovered by virtue of proactive measures undertaken by management. SKIDATA however was the only business segment with a slower recovery than originally expected. This was a direct result of the continuation of COVID-19-related restrictions around the world, and although the progressive lifting of these restrictions in the second half of the year brought some positive impact on the business, it did not lead to a full recovery.

On a positive note, the health crisis showcased SKIDATA's ability to adapt as it developed new solutions to respond to the logistic challenges set by the pandemic, such as contactless access control tools for ski resorts, stadiums or parking lots as well as vaccine control technology.





LOOKING AHEAD AND BEYOND

At the core of the Kudelski Group's origins and values lies innovation, which has always been the main driver of its activities. It all began in 1951, when the first revolutionary NAGRA portable recorder disrupted the world of media, enabling reporters, sound engineers, music lovers and film directors to share with the world the sound of life.

NAGRA documented groundbreaking moments in history, such as the first Everest expeditions, the Mariana Trench exploration, the Apollo missions and the birth of the French New Wave art film movement.

Since then, the Kudelski Group has always stayed true to its spirit of innovative prowess and technological progress, which today is demonstrated by state-of-the-art solutions such as contactless access to venues and ski resorts, electric car secure access systems, digital security programs and ultra HD multiscreen content discovery platforms.

Such innovations enable millions of people worldwide to enjoy their daily activities and live their most entertaining experiences securely, safely and simply. And this is what epitomizes the mindset of the Kudelski Group: always looking ahead and bringing solutions, for today and tomorrow.

SOLUTIONS THAT MAKE LIFE SIMPLER

There are countless activities for which the Kudelski Group's innovative technologies make life simpler and safer.

Watching the latest movie at home or while on the move, reaching the ski slopes using contactless solutions, attending an exciting football game with your family, accessing car parks by just waving your hand, safely accessing your electric vehicle, following live sports events on your phone or making your banking transactions online.

Behind all these daily activities are efficient and agile solutions made possible by the Kudelski Group.

Discreet and efficient, they ensure comfort and peace of mind, providing smooth and secure access to a wide variety of essential moments.





INTERVIEW WITH ANDRÉ KUDELSKI

Chairman and Chief Executive Officer of the Kudelski Group

What are your key reflections about the Group's performance in 2021?

Despite the challenging and volatile global environment, we set high expectations for 2021 in terms of growth, profitability improvement and strengthening of our balance sheet. I am pleased that our teams were able to deliver. The Group's net debt has been reduced by more than 50% to USD 152 million. Three of our four business units experienced year-over-year revenue growth, and Digital TV even exceeded our targets. While Public Access continued to suffer from COVID-related restrictions around the world, the measures we took to reduce operating expenses for this segment resulted in a marginally positive operating income for the year.

The ability of our Digital TV business to increase its revenues and further improve profitability reflects the positive impacts of our transformation efforts to make this business more proactive and agile. Agility was also important for our Public Access business, which experienced significant delays by customers in launching new projects due to the pandemic. However, the pandemic created some new opportunities, such as demand for touchless solutions and integration of digital COVID certificates, and our teams were able to pivot rapidly to seize upon those opportunities.

At the same time, the Group was able to continue investing in our two growth initiatives, Cybersecurity and IoT, which are areas that saw accelerated demand during the pandemic that we believe will continue. For these businesses, the key to the Group's success is our unique ability to leverage our deep experience and expertise in security-related technologies to develop innovative and market-leading solutions for our customers. Overall, in spite of the difficult global economic conditions, the agility and resilience of our teams position the Group well for the future.

What are the important trends for 2022?

The COVID pandemic has been an extraordinary catalyst for structural change in our society. In particular, two rapidly developing trends emerged during the pandemic that present important growth opportunities for the Group: increased video consumption and work-from-anywhere. Our Digital TV business benefits from the increased appetite of consumers for video content across a variety of devices at home and on-the-go and the growing need of content owners to protect that content against new forms of piracy. Cyber-risks have grown exponentially as the number of IT functions available to employees remotely has suddenly increased. Distributed remote workforces and the resulting digital transformation across a broad swath of society have led to a dramatic expansion of the attack surface for cyber criminals that was simply not present when most employees have to work from dedicated office locations when executing operations requiring security.

Longer term, as the digital transformation of the world continues to gain speed, barriers between virtual and real worlds will become less important. As this happens, cyber-threats will spread into new areas, such as IoT and Operational Technologies (OT), which are ill-prepared today to tackle these threats. The rapid adoption of blockchain technologies for a variety of different use cases, from payments to industrial uses, is another example of the digital frontier that is under attack from both traditional and cyber-threats.

For the Kudelski Group, these trends present significant opportunities. For Digital TV, comprehensive content protection, watermarking and anti-piracy technologies are gaining traction as an important means of fighting new forms of piracy. Kudelski Security and Kudelski IoT are well positioned to protect the new hybrid world where virtual and real co-exist. In this new environment, SKIDATA will also play a key role as the bridge between the virtual and real worlds, offering technologies to support the digital infrastructure needs of real-world customers such as ski resorts, stadiums and airports.

“The agility and resilience of our teams position the Group well for the future.”

How do you expect the Group to perform in 2022?

After the positive evolution seen in 2021, we expect the Group to continue its positive momentum in 2022, though the strength of our business activities will depend on the aftermath of the pandemic and the evolution of the Ukrainian crisis.

Overall, we expect a progression of the Group's revenues in 2022, fueled by Kudelski Security and Kudelski IoT. The challenge is to continue being flexible and adaptable in the face of an environment that will remain challenging and volatile.

The positive trends we are seeing, with a number of resulting business opportunities for the medium- and long-term, are encouraging. The key challenge is to find the right balance between our short-, medium- and long-term priorities. We must invest for the future, while continuing to deliver profitability in the short-term.

What is the status of the Group's transformation efforts?

Over the last five years, we have made significant progress in our efforts to transform the Group. More recently, our efforts have focused on improving collaboration among our segments. Innovation both drives our business and brings our segments together. By encouraging closer collaboration around innovation, we are enabling each of our businesses to move beyond their traditional client and technology base, opening up new market segments while also developing new solutions for existing clients. This also helps foster agility among our teams, better positioning the Group in a fast-changing market, and the diversity of opportunities is highly motivating for employees and prospective new talent.

Our focus on cross-unit collaboration has already resulted in some significant successes. For example, in 2021, Kudelski Security deployed its cybersecurity solutions at Altice and Canal+, two of the Group's longstanding Digital TV clients. Going forward, digitalization and innovation will create even more opportunities. With the structural transformation efforts we have made, we are well-prepared to benefit from these new opportunities across our business segments.

How did Public Access adapt to the impacts of COVID-related restrictions?

The lockdowns, capacity limits and other COVID-related restrictions mandated around the world have been challenging for our Public Access business over the last two years. Moreover, the lack of visibility into the future created by the extended pandemic exacerbates the difficulties our customers have in planning for new projects. Notwithstanding these difficulties, the pandemic also presented some interesting opportunities. For example, demand for the advanced contactless and touchless solutions offered by SKIDATA increased, and quick integration of digital COVID passports into SKIDATA's entry gates became a competitive advantage as stadiums, ski resorts and other event sites began to re-open. As we move into the post COVID-era, we believe demand for these types of solutions will continue, which positions us well for the future.

What are the prospects for Cybersecurity?

In a world where digitalization is accelerating and where real and virtual worlds are increasingly interconnected, cyber-risks are increasing exponentially, and the consequences of cyber-attacks are becoming more serious. That means the need for effective and innovative cybersecurity solutions and services is more important than ever. Kudelski Security is well-prepared to face this demand. With our market-leading solutions and experienced teams, we are continually investing to stay ahead of the constantly evolving cyber-threats. For the short-term, we expect continued growth in demand for incident response management services (securing operations after a cyber-attack) and for our comprehensive Managed Security Service offering.

What is the future of IoT?

We expect that our IoT segment will represent an important part of our revenues and our profitability in five years. As we are in the early phase of IoT adoption, our IoT revenues remain modest, but our involvement in promising new projects and our strategic presence at the silicon level for secure-by-design applications represent a key differentiator for our products and solutions. Our strategy is to focus our growth efforts across three product categories: turnkey IoT solutions (e.g. RecovR), our secure IoT keySTREAM platform and our secure IP core directly embedded in chips (e.g. for IoT communications). We believe this is the best approach to growing our business in a sustainable manner for the long-term.

What will be the main growth drivers for the Group in the future?

Two of our most promising growth drivers are IoT and Cybersecurity, both with double digit revenue growth potential. Not only are these markets promising, but the Kudelski Group is well-positioned to be a leading player that will help define the market.

Like many other early-stage markets, both IoT and Cybersecurity are extremely broad in their scope, and our goal is not to serve all possible industry verticals. Rather, our strategy is to offer secure integrated solutions in targeted verticals, including for customers in our traditional Digital TV and Public Access markets, while also developing key technologies as components or subsystems for our selected partners who are building secure-by-design solutions for horizontal markets.

This joint vertical and horizontal approach will benefit fundamentally from the positive synergies among the Group's four segments. At the same time, this approach will also benefit our Digital TV and Public Access businesses, as they will be able to continue growing their respective market position.

How does the Kudelski Group approach human resources?

We are a company with a rich international heritage and strong family roots, and we promote diversity, equity, inclusion and non-exclusion as being fundamental to our success, while also respecting the geographic diversity of our offices around the world. From the very beginning of our company, one of our core values has been to offer fair opportunities to everyone.

As part of our corporate culture and Swiss heritage, we are very proud of our apprenticeship programs in Switzerland, Europe and the USA. These programs are not only an important way to give back to the communities in which we operate, but more importantly they are critical tools with which we are finding and

training employees in a number of areas facing employee shortages, including cybersecurity. Our apprenticeship programs have been recognized by local and national governments as an important means of opening new opportunities and providing new perspectives to the next generation of workers.

What will be the distribution to shareholders for fiscal year 2021?

Our Board of Directors considers that stability and continuity are important for our shareholders. Therefore, taking into account the Group's 2021 results and profitability outlook, the Board of Directors is proposing a CHF 0.10 cash distribution per bearer share for approval at the 2022 Annual Shareholders' Meeting, which is the same amount approved in 2021. It is proposed that CHF 0.05 of this cash distribution be treated as a return of capital.

Do you have any closing thoughts?

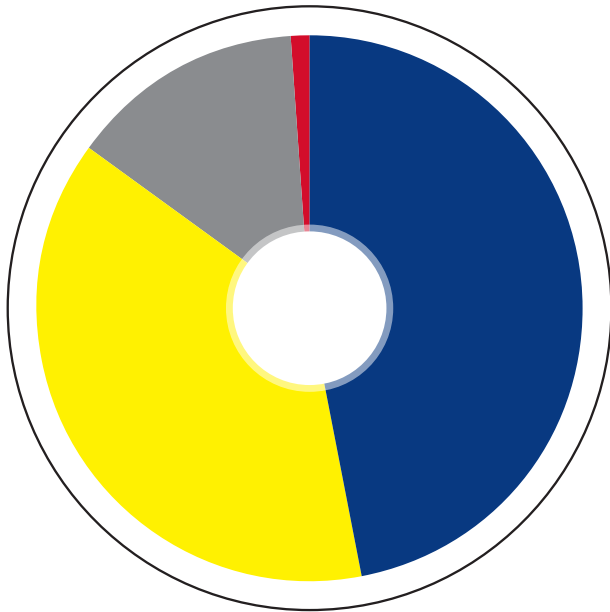
The COVID crisis accelerated digitalization across many areas of our daily lives. However, many of the trends we saw during the first year of the pandemic were actually more of an acceleration of trends that pre-dated the pandemic, such as virtual meetings and contactless payments. As the world emerges from the pandemic, we see many new opportunities to innovate in our digital world. This means new opportunities for the Group, especially where the virtual world meets the real world and where digital security meets technologies like blockchain and watermarking. The next few years will be a fascinating period, as innovation will flourish and growth opportunities abound. I look forward to the Kudelski Group being an important player in these areas, delivering innovative and market-defining products and solutions for our customers.

“Digitalization and innovation will create even more opportunities.”

KEY FINANCIAL DATA 2021

		31.12.2021	31.12.2020	Change
Total revenues and other operating income	USD million	778.8	741.5	5.0%
Operating income before depreciation, amortization and impairment (OIBDA)	USD million	72.4	64.3	12.5%
in % of total revenues	%	9.3%	8.7%	
Operating income (EBIT)	USD million	30.2	16.1	88.3%
in % of total revenues	%	3.9%	2.2%	
Net income from continuing operations	USD million	21.5	-18.0	
Earnings per share	USD	0.2834	-0.4220	
Money returned to shareholders (proposed per bearer share)	CHF	0.10	0.10	
Cash flow from operating activities	USD million	103.1	132.6	
Cash and cash equivalents	USD million	284.5	152.6	
Number of employees at December 31 (headcount)		3225	3250	

Revenues per segment



Digital Television

47%

Public Access

38%

Cybersecurity

14%

Internet of Things

1%

Digital Television

585 operators

400 million subscribers

Public Access

7400 customers

11 300 installations worldwide

Cybersecurity

1000 customers

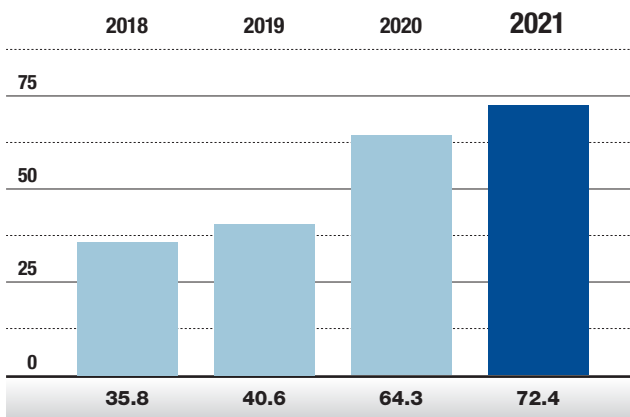
24 billion alerts per day

Internet of Things

75 customers

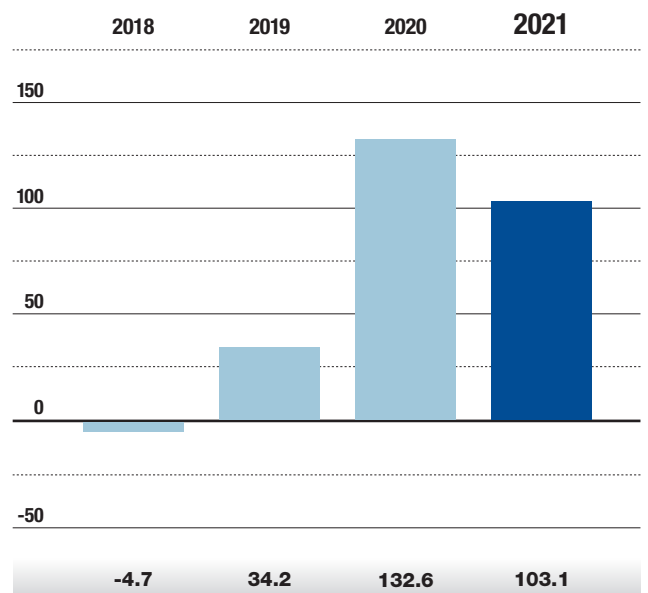
OIBDA *

In million USD

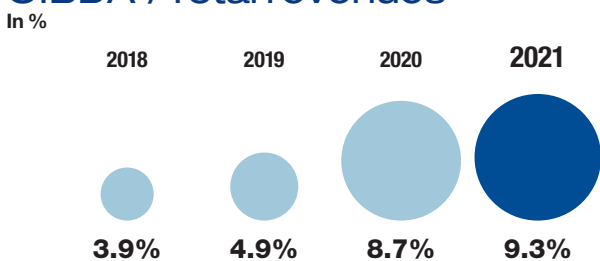


Operating cash flow

In million USD



OIBDA */Total revenues



Operating Income Before Depreciation, Amortization and Impairment *

THE GROUP'S DNA

› THE KUDELSKI GROUP

Consumer focus

Thanks to highly advanced technologies that enable intuitive and contact-free interactions, the Kudelski Group's solutions simplify the lives of more than 500 million consumers in the world every day.

Technology pioneer

The Kudelski Group has been a pacesetter for decades. Every day, passionate and talented people develop state-of-the-art, innovative solutions that fuel the Group's intellectual property portfolio and address the world's new challenges in the smoothest and most secure way.

Engineering excellence

The Kudelski Group is an undisputed expert in securing data, content and assets around the globe with the utmost reliability. The Group's solutions enable customers to grow in their markets with the necessary confidence.

More than 500 million users
enjoy Kudelski Group's solutions every day.



COMPANY PORTFOLIO

› THE KUDELSKI GROUP

Digital Television

NAGRAVISION

The Kudelski Group is the world leader in the creation and delivery of state-of-the-art technologies to secure the revenues of content owners and service providers for digital television and interactive applications across all network types. The Group's solutions enable consumers to access content seamlessly over any device through a compelling viewing experience.

Public Access

SKIDATA

The Group is a global leader in Public Access solutions. The world's leading parking facilities, stadiums and mountain resorts use SKIDATA's people and vehicle management solutions featuring the latest in contactless access solutions to improve performance and safety.

Cybersecurity

KUDELSKI SECURITY

Leveraging its long-standing expertise in securing digital content as well as fighting piracy, the Group is a provider of cybersecurity solutions and services focused on protecting data, processes and systems for companies and organizations around the world, safeguarding their assets at a time of increasingly remote communications.

Internet of Things (IoT)

KUDELSKI IOT

The Group designs and delivers security technologies and services to support companies across the IoT value chain in creating sustainably secure innovations. In addition, it delivers asset tracking solutions for automotive retail and other industries.

Over 70 years
of innovation and evolution

500 million
users

3225
employees

Worldwide
presence

HISTORICAL MILESTONES

› THE KUDELSKI GROUP

1951

Stefan Kudelski founded 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 becomes 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.

2021

The Group accelerates its transformation and continues to demonstrate resilience in the face of COVID-19 for the second year, enhancing its contactless access solutions and developing vaccine certificate control technologies.

The Group enters the automotive industry with tracking devices, as well as keyless and secure access solutions for autonomous cars.



SKIDATA's Freeflow solution allows easy access to parking and more flexibility in payment.

FOUR RESILIENT BUSINESS PILLARS WITH STRONG SYNERGIES

› THE KUDELSKI GROUP



Digital Television



Public Access

DESCRIPTION

Long-standing expertise in content value chain with a robust product portfolio and value-added services.

Enabling clients to securely expand and transform their business.

World leader in public access and revenue management solutions for ski resorts, off-street parking and events.

MAIN FOCUS

Secure platform for broadcast, broadband and mobile networks, providing personalized viewing experiences.

Technology, data and expertise to improve the monetization of premium content.

Flexible solutions for every kind of enterprise

Secure by design

Integrated solutions to provide seamless, user-friendly access for people and vehicles to sites and installations such as car parks, skilifts, stadiums, arenas and amusement parks.

SKIDATA solutions allow infrastructure operators to maximize their revenues.

Secure by design

MARKET

Worldwide

Worldwide

SINCE

1951 (audio)
1995 (digital)

1977
(since 2001 in the Group)

MATURITY

High, with further development expected

High, with further development expected



Cybersecurity

Leading pure play cybersecurity business supporting enterprises to accelerate secure transformation, innovate and reduce risk.

End-to-end solutions to remove complexity and build board-level confidence.

Highly differentiated managed security services prevent, detect and respond to threats more effectively.

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

Switzerland / USA / Europe

2012

In development



Internet of Things

Strong skillset and services to design, implement, validate and manage secure IoT products as well as to create and deliver end-to-end IoT solutions.

Training, design, assessment and pre-certification services to ensure products are secure.

Guarantee security for any IoT use case – from chip to cloud.

End-to-end IoT solutions like asset tracking and passive keyless entry.

Secure by design

USA / Europe

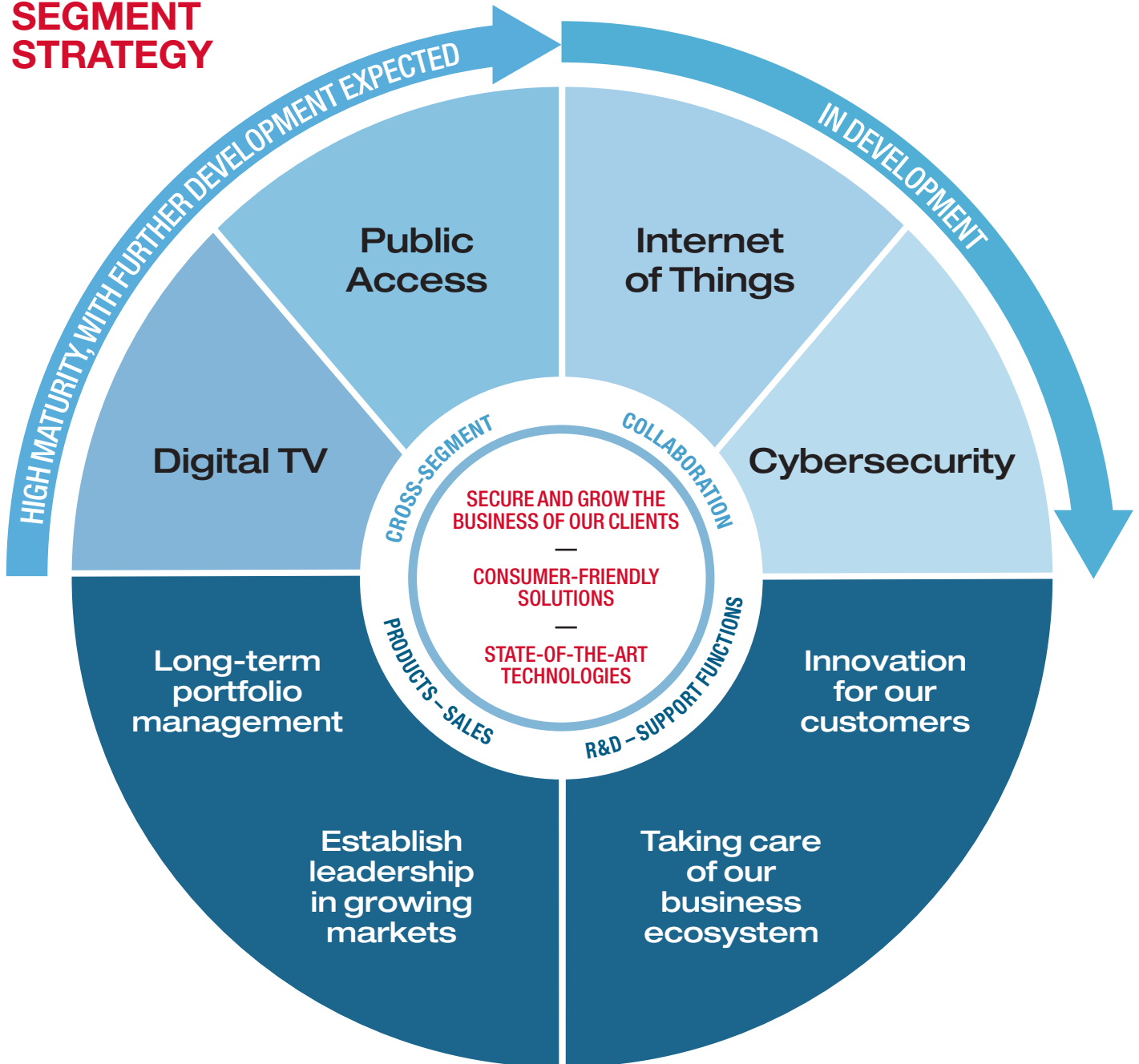
2017

In development

STRATEGIC FOCUS

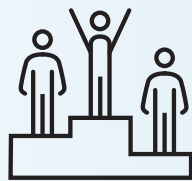
› THE KUDELSKI GROUP

SEGMENT STRATEGY



KUDELSKI GROUP PRINCIPLES

Capture more value in growing domains



**Core
businesses**

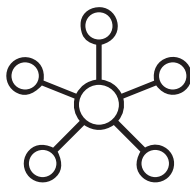


**Smart buildings
and airports**

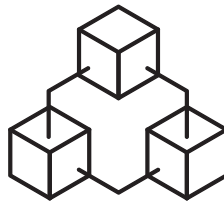


**Automotive
industry**

Targeted technology categories



Digitization



Blockchain



Artificial intelligence

**Asset tracking
devices**

**Transition to
mobile**

**Decentralized
finance (DeFi)**

**Non-fungible tokens
(NFT)**

**Business and security
optimization**

**Consumer
behavior**

CORPORATE SOCIAL RESPONSIBILITY

› THE KUDELSKI GROUP

Taking care of our employees and suppliers

We ensure optimal conditions in day-to-day life at work and we strive to increase our employees' skillsets in order to better grow together.

- The Kudelski Group's values, notably integrity and respect, promote fairness in personal and business dealings.
- The Group promotes personal and environmental health and safety by identifying, controlling and monitoring risks, adapting safety processes to best practices and ensuring appropriate response and crisis management systems are in place.
- The Group expands its training programs to develop its talent pool, promote self-development and address market needs. In this perspective, the Group created the Learning Hub, a digital learning platform.
- At the same time, the Group transformed its traditional Training Center into a Learning Lab, boosting the sharing of knowledge and the development of high-level expertise. This Lab is the result of creativity and cooperation between departments. It has proven to be very popular among employees.
- The Group cares about a good work/life balance, enabling flexible working hours and supporting healthy living through the promotion of sports and cultural activities.
- A company with a rich international heritage and strong family roots, the Kudelski Group promotes diversity, equity and avoids exclusion at the workplace, taking into account the local demography to respect its diversity.

Reducing our environmental footprint

We aim to reduce our environmental footprint through various initiatives related to energy consumption and waste management.

These initiatives include:

- Having optimized energy consumption thanks to well designed solutions and products.
- Continuously optimizing energy efficiency and promoting the use of renewable energy in buildings that we own and other locations by improving thermal insulation and ensuring natural lighting where possible.
- Giving access to clean energy through the installation of electric charging stations.
- Providing advanced video conferencing tools to optimize corporate travel.
- Promoting sustainability at the workplace by actively engaging employees and advising our customers with sustainable and energy-efficient solutions in mind.
- Working with local suppliers where possible, including for company restaurants.
- Replacing aging installations and vehicles with newer, energy efficient ones.
- Optimizing the use of energy in our data center premises.
- Reducing waste with a focus on lowering disposable material consumption.

Embedding sustainability and high-added value in our products

NAGRA's products have been sustainable by design for more than 70 years and this is a core value of our company.

- The Group's historical products, the NAGRA recorders, are renowned for their low power consumption, robustness and durability; decade-long owners of such devices are still using them today.
- Our digital TV solutions have been adopted by professionals, with unparalleled efficiency, for 20 to 30 years.
- Sustainability is built into the product design, enabling devices and solutions to be maintained easily over time.
- The Group's products are designed with high quality and reliability as well as optimal product lifecycle, extending the limits of obsolescence.

- As a key global player in digital security and a pioneer in patent protection, the Group plays an essential role in respecting and protecting content creation, copyrights and international regulations while helping people and companies preserve their reputation and develop their business.
- To address market needs in the most efficient manner, the Group constantly expands its product portfolio to include sustainable cloud-based solutions.
- The Group is a pioneer in parking management solutions offering charging stations for electric cars that are completely integrated into the operator's global management platform.

Supporting local communities

We get involved in the communities where we operate around the world including volunteering and supporting various social initiatives.

- In terms of recruitment, the Group seeks to hire local talent in order to remain as close as possible to its markets.
- The Group maintains a close relationship with local universities and high schools on both the scientific and recruitment fronts.
- The Group promotes apprenticeship programs both in Switzerland and the USA by hiring and accompanying apprentices until their graduation. The Group also welcomes interns to provide them with hands-on training within its various divisions.
- Volunteer time-off policies encouraging employees to be active members of their community are in place at selected locations.
- The Group supports charitable organizations serving the communities in which we operate.
- The Group is a partner of the Greater Phoenix Economic Council, the World Economic Forum and the Montreux Jazz Festival.

Building trust and responsibility

We actively promote fair business practices internally and with clients and partners.

- The requirement for uncompromisingly ethical behavior is fundamental for the Group.
- A fundamental responsibility of employees is to adhere to the Group's values, policies and procedures and to respect the appropriate legislation and local laws.
- The Group favors long-term relationships with partners rather than a short-term opportunistic approach.
- The Group actively supports its customers and the media industry in fighting illegal media distribution that harms content creators. It is a founding member of Latin America-based Alianza contra la Piratería de Televisión Paga, an industry association launched in 2013 that aims to fight pay-TV piracy in Latin America. The company is also involved in several anti-piracy alliances such as IBCAP (International Broadcaster Coalition Against Piracy, USA), CAOVP (Coalition Against Online Video Piracy), CAP (Coalition Against Piracy, APAC), AAPA (Audiovisual Anti-Piracy Alliance, Europe), ABTA (Brazil), Convergence (Africa), Broadcast Satellite Anti-Piracy Coalition (MENA) and Sygnal (Poland).
- The Group takes care of its employees by providing them with an appropriate work environment. It seeks to ensure that the performance and results of the Group are aligned with responsible HSE (Health, Safety and Environment) awareness and action.
- The Group encourages training and career development for women in the fields of technology and science.
- The Group promotes product architectures that enable data privacy by design and fully support GDPR structures.

WORLD-CLASS INTELLECTUAL PROPERTY PORTFOLIO

› THE KUDELSKI GROUP

The Kudelski Group has a long tradition of strategically building a strong global intellectual property (IP) portfolio, spanning 70 years of innovative and award-winning products.

With its annual investment in research and development approaching USD 150 million, the Group's IP portfolio represents a critical asset of the company that must be developed and protected. The Group's IP organization is responsible for setting the overall IP strategy, with a focus on protecting, developing, managing and licensing its worldwide patent portfolio and supporting the Group's innovation programs.

A large and focused patent portfolio

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, access control, watermarking, digital television and rights management, digital content distribution, and secure communication management, among other areas. Many of these patents relate to fundamental and valuable technologies with broad 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 changing market conditions. The Group regularly reviews its IP portfolio and pipeline with the goal of optimizing the strategic value of assets that are aligned with the Group's core businesses and that are expected to provide the best return on the Group's IP investment.

Deriving value from intellectual property

In 2021, the Group continued its expansion into licensing new verticals that use OTT/streaming video, such as social media, interactive fitness, retail and more traditional streaming services. In addition, it sought to renew and broaden existing agreements with select licensees and used its robust IP position to help incentivize additional business. The Kudelski Group seeks business relationships that extend beyond IP licensing. When appropriate, the Group's IP-based agreements will continue to incorporate product relationships, technology transfers and cross-licenses into the engagement.

The Group's IP will also continue to serve strategic defensive needs and be used to defend our customers.

Supporting the Group's emerging businesses

In 2021, the Group's IP organization continued to support the Group's growing cybersecurity and Internet of Things (IoT) businesses, by filing new patent applications covering promising technologies being developed by the Group in these areas, including cloud security, chipset security, augmented and virtual reality, and non-fungible tokens.

Going forward, the Group will continue to execute its plans to strategically invest in innovation as well as protect and license its IP portfolio. In 2021, the Group continued to develop new licensing programs in areas like cybersecurity and IoT by leveraging its existing IP assets outside of the pay-TV and OTT/streaming video markets.

World-class licensing

By having established cross licensing 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 the most valuable third-party IP needed for the future of its business.



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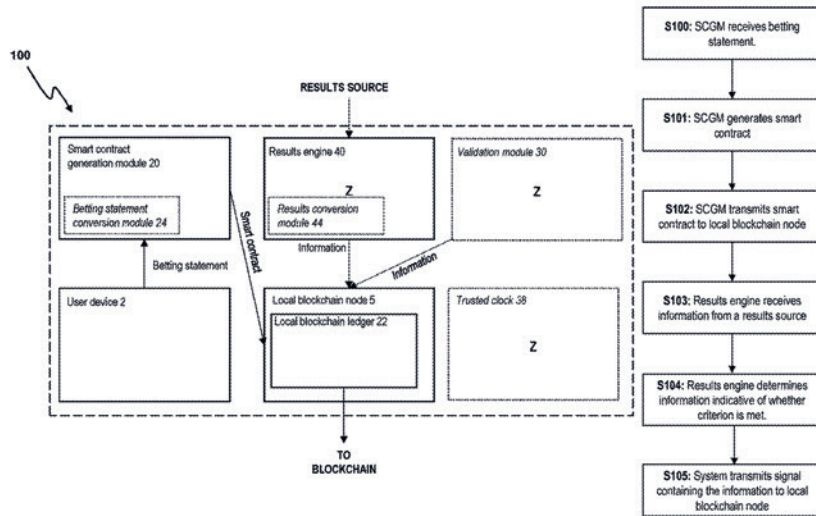
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(57) ABSTRACT

A localized electronic betting system includes: a smart contract generation module and a results engine located in a same low-latency environment as the smart contract generation module, wherein: the smart contract generation module is configured to receive a first betting statement from a first user device located within the low-latency environment, to generate a smart contract based on the first betting statement, the smart contract including a criterion to be met and configured to self-execute in response to a determination that the criterion is met, and to transmit the generated smart contract to a local blockchain node located within the low-latency environment; the results engine is configured, based on content received from a results source, to determine information indicative of whether the criterion in the first betting statement is met; and the localized betting system is configured to transmit a signal to the local blockchain node for storage on a local blockchain ledger or a local copy of a blockchain ledger, the signal containing the information indicative of whether the criterion is met. An equivalent method is also provided.



Going forward, the Group will continue to execute its plans to strategically invest in innovation as well as protect and license its IP portfolio.

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