



IAR strengthens profitability and increases effectiveness

Uppsala, Sweden; July 3, 2023 – IAR today announces implementing a cost-saving program aimed at enhancing profitability, increase operational efficiency, and create opportunities for sustained growth.

The cost-saving program will be achieved through a combination of measures, including staff reductions, decreased consultancy costs, and lowered non-personnel-related expenses. The staff reductions will occur through natural attrition and employment terminations in IAR's Cambridge office, United Kingdom.

IAR proposes the removal of a total of 25 headcounts, including consultants, with no rehiring of natural attrition. This initiative is expected to result in estimated annual savings of approximately SEK 27 million, with full effect by the end of Q3 2023. Total restructuring costs, mainly relating to the staff reductions, are estimated to be a maximum of SEK 4 million, most of which will impact results for Q3 2023 as a one-time charge.

The remaining 26 resources in the development team in Cambridge will be closely aligned with the Uppsala development team. By aligning the two teams, IAR has enabled synergies, improved collaboration, and accelerated the teams' ability to meet the evolving market demands in embedded safety, security, and compliance.

"The embedded solutions market has witnessed rapid and ongoing changes driven by updated regulations and legislation," says Richard Lind, CEO at IAR. "Today's announcement positions IAR to meet these shifts more effectively. By leveraging our strong foundation in safety and compliance, we are now integrating the security dimension further. These strategic actions will enable us to address better our customers' needs for embedded safety, security, and compliance solutions".

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About IAR

IAR provides world-leading software and services for embedded development, empowering companies globally to bring secure products that shape the future. Since its founding in 1983, our solutions have been instrumental in ensuring quality, security, reliability, and efficiency in developing over one million embedded applications for a wide range of industries, including industrial automation, IoT, automotive, and medical sectors. With support for 15,000 devices from over 70 semiconductor partners, we are dedicated to fostering innovation and enabling our customers' success.



Press Release

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Headquartered in Uppsala, Sweden, with a global presence of sales and support offices strategically located across the world. IAR is an I.A.R. Systems Group AB subsidiary, listed on NASDAQ OMX Stockholm, Mid Cap (ticker symbol: IAR B). To learn more, visit us at www.iar.com.

This information is information that IAR Systems Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-07-03 08:45 CEST.

Attachments

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