



IAR completes the integration of its subsidiary in Cambridge and writes down goodwill

Uppsala, Sverige; 19 December 2023 – IAR Systems Group AB is making preliminary write-downs of SEK 262 million of goodwill related to the acquisition of Secure Thingz that took place in 2018, as well as activated intangible assets of a preliminary SEK 28 million. In total, this affects the group's balance sheet total by a preliminary SEK 290 million.

The adjustments are made in an effort to create a long-term sustainable solution for the group regarding transfer pricing and financing of the company Secure Thingz Ltd, located in Cambridge. The Cambridge company has been financed through loans from the parent company IAR Systems Group AB since the acquisition and, with today's transfer pricing rules, cannot attribute a sufficiently large share of the revenues attributed to its own IP to repay these in the foreseeable future. The Cambridge company will in the future be financed via a transfer pricing cost-plus solution instead of via loans. This also means that all IP in the group is concentrated to IAR Systems AB, which is in line with the reorganization around the development departments in Uppsala and Cambridge that was carried out in 2023. The changes also give the group a more efficient tax situation.

IAR has a strong financial position and had a cash balance of SEK 186 million as of Q3 2023. The R12 turnover was SEK 441 million as of Q3 with adjusted EBITDA of SEK 140 million (32%) and a cash conversion of 0.96x. The write-downs do not affect the cash flow.

"We continue to believe in good revenues within Safety, Security and Compliance. IAR has a strong financial position with robust underlying profitability and a solid balance sheet, even after the adjustments. This is a part of the cleaning work that has been going on for the past two years in IAR," says Richard Lind, CEO of IAR.

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About IAR

At IAR, we provide 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 the development of over one million embedded applications for a wide range of industries, including Automotive, Industrial Automation, IoT, MedTech, Military, and Public Safety sectors. With support for 15,000 devices from over 70 semiconductor partners, we are dedicated to fostering innovation and enabling our customers' success.

The company is 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.



Press Release

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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 2023-12-19 08:30 CET.

Attachments

[IAR completes the integration of its subsidiary in Cambridge and writes down goodwill](#)