



## Correction of Net sales split

**During the transition of IAR's business model from Perpetual to Subscription, it has been identified that the method previously used to report ARR resulted in an understatement of revenues from Support and Update services. As a result of a review, the reported ARR for Q1 2025 has been updated to 59% compared to the previously reported 53%.**

The correction pertains to note 2 in the quarterly report published on April 25, 2025, and note 4 in the 2024 annual report. Total Net sales remain unchanged and are accurately reported.

To ensure accurate and transparent financial disclosures, we are updating our reporting to reflect the corrected ARR and the revised split of Net sales as detailed below:

SEK m	2021	2022	2023	2024	Q12025
License-based revenue	168.3	199.7	179.5	168.6	47.6
Subscription			17.0	45.1	2.8
Support and software updates	169.5	201.2	243.4	257.6	70.7
Other	18.1	18.9	18.1	15.8	3.0
<b>Net sales</b>	<b>355.9</b>	<b>419.9</b>	<b>458.1</b>	<b>487.2</b>	<b>124.2</b>
ARR	47.6%	47.9%	56.9%	62.1%	59.2%

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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](http://www.iar.com).

### Attachments

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