IAR Systems signs exclusive agreement with Renesas for the all-inclusive solution Renesas Synergy

Uppsala, Sweden—April 6, 2016—IAR Systems Group AB today announces that the company has signed an agreement with Renesas Electronics Corporation concerning the Renesas Synergy™ Platform, an all-inclusive solution for innovative product development within new emerging technologies such as the Internet of Things. This agreement complements IAR Systems' current license-based business model with a business model based on royalty payments.

"Platform solutions are the way to go for the IoT and future embedded applications as they enable simplified development and quick return on investment. The Synergy Platform has a unique position in providing these values," says Stefan Skarin, CEO and President, IAR Systems Group AB.

With its current license-based business model, IAR Systems' revenue is tied to the customers' product development phase. The new agreement brings royalty-based revenue for the entire production time, which can continue on for many years. The full release of Renesas Synergy is planned for June 2016 and IAR Systems expects to start seeing revenue from the agreement during coming years, with a potential for future growth connected to an increase in the number of connected products.

"By 2020, there will be 50 billion connected products that all include at least one microprocessor. Renesas targets this market with the Synergy Platform and has the potential of gaining a large share of it," comments Stefan Skarin. "The agreement with Renesas is part of IAR Systems' strategic plan towards the future of embedded development and will strengthen us long-term."

The agreement signed by Renesas and IAR Systems is exclusive, and includes royalties for a special edition of IAR Embedded Workbench® only available within the platform. The Synergy Platform offers a complete, qualified platform where the customer buys processors, software and support from Renesas in one single, one-stop solution. The agreement covers all Renesas Synergy microcontrollers.

Ends

IAR Systems Contacts

Josefin Skarin, IR Contact, IAR Systems Group AB
Email: josefin.skarin@iar.com

Stefan Skarin, CEO and President, IAR Systems Group AB
Email: stefan.skarin@iar.com

About IAR Systems

IAR Systems provides developers of embedded systems with world-leading software tools for developing competitive products based on 8-, 16-, and 32-bit processors. Established in Sweden in 1983, the company has over 46,000 customers globally, mainly in the areas of industrial automation, medical devices, consumer electronics, telecommunication, and automotive products. IAR Systems has an extensive network of partners and cooperates with the world's leading semiconductor vendors. IAR Systems Group AB is listed on NASDAQ OMX Stockholm. For more information, please visit www.iar.com.