

Exercise of warrants and share capital increase

Uppsala, June 30, 2014

The Annual General Meeting May 3, 2011 decided to issue a maximum number of 1,168,856 warrants, each entitling the holder to subscribe for one class B share of IAR Systems Group AB (publ). Warrants of this series, TO4B 2011/2014, has been used by employees to subscribe for new B shares in IAR Systems Group AB (publ).

42,000 warrants were in June 2014 exercised to subscribe for new class B shares.

The share capital in IAR Systems Group AB (publ) is after the registration of the shares for the exercise of warrants SEK 125,765,614 divided among 12,576,561 shares, of which 100,000 A shares and 12,476,561 B shares. The total number of votes in IAR Systems Group AB (publ) is 13,476,561.

When the warrant program ended June 18, 2014 a further 55,500 warrants were exercised to subscribe for class B shares. The registration of these 55,500 new class B shares is ongoing and these shares are not included in the above share capital and number of shares.

About IAR Systems

IAR Systems is the world's leading supplier of software tools for developing embedded systems applications. The software enables over 19,000 large and small companies to develop premium products based on 8-, 16-, and 32-bit microcontrollers, 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

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