IAR Systems completes review and carries out impairment of non-relevant products

Stockholm, Sweden—December 17, 2021— IAR Systems Group AB is carrying out a preliminary total impairment of SEK 116m on individual intangible development assets that are no longer relevant products, mainly within the area of security (SEK 94m) and to a lesser extent within embedded systems, as a result of a revised assessment of the rate of innovation and development, which also affects the amortization periods of certain intangible assets for the future. The impairment is of a non-recurring nature and will not affect cash flow.

"Management has reviewed both our established development tools business and our new security offering. The changes that have been made to the product offering, business model and sales strategy have given rise to impairment that will have a non-recurring effect of SEK 116m in the fourth quarter. Our financial position remains strong, with robust underlying profitability to bring IAR Systems back to solid growth," says Ann Zetterberg, CFO of IAR Systems.

After a review of future business and sales models for the company's various security offerings, IAR Systems has decided that the company will focus on fewer areas where it has the potential to generate healthy future income. The business model in IoT security differs from development tools since it focuses on security in device production, rather than in device development. IAR Systems and Secure Thingz recently announced several partnerships with several programming houses and leading cloud suppliers such as Microsoft to create a chain of unbroken security from design to production. In this chain, income arises at the time of production and is based on royalties rather than on licenses per user.

"We believe that we, in partnership with a number of other players, can now offer market-leading security technology with a model that maximizes security, production efficiency and time for our customers," Richard Lind, CEO of IAR Systems.

Ends

Editor's Note: *IAR Systems, IAR Embedded Workbench, Embedded Trust, C-Trust, C-SPY, C-RUN, C-STAT, IAR Visual State, IAR KickStart Kit, I-jet, I-jet Trace, I-scope, IAR Academy, IAR, and the logotype of IAR Systems are*

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About IAR Systems

IAR Systems supplies future-proof software tools and services for embedded development, enabling companies worldwide to create the products of today and the innovations of tomorrow. Since 1983, IAR Systems' solutions have ensured quality, reliability and efficiency in the development of over one million embedded applications. The company is headquartered in Uppsala, Sweden and has sales and support offices all over the world. Since 2018, Secure Thingz, a provider of advanced security solutions for embedded systems in the IoT, is part of IAR Systems. IAR Systems Group AB is listed on NASDAQ OMX Stockholm, Mid Cap. Learn more at www.iar.com.