IAR Systems acquires Secure Thingz

Uppsala, Sweden—March 21, 2018—IAR Systems® has today entered into a share sale and purchase agreement to acquire 100 percent of the shares in Secure Thingz Inc., a provider of advanced security solutions for embedded systems in the Internet of Things (IoT). With the acquisition, IAR Systems secures its position as a frontrunner in offering solutions for security in embedded systems.

Founded in 2016, Secure Thingz develops and sells products and services for implementation of embedded security in connected devices. The company has provided security solutions for the development platform Renesas Synergy™ Platform through its Secure Deploy™ platform offerings, which is developed in order to solve the major security challenges faced by companies developing for the IoT. A renowned security expert and an Executive Board Member of the IoT Security Foundation, the company's founder Haydn Povey has held senior management roles at leading global technology companies for over 20 years, including more than 10 years within marketing and business development at Arm®. Haydn Povey will continue to head Secure Thingz as CEO.

According to the report "IoT Global Forecast & Analysis 2015-2025" from Machina Research, there will be 27 billion IoT connections in 2025. This rapidly growing market is facing major security challenges, enabling attacks such as IP theft, counterfeiting and overproduction, as well as data theft and potentially life threatening sabotage. Despite these threats, secure products today constitute only 4 percent of the total number of IoT products available on the market, according to ABI Research (IoT Perspective - From Design to Life Cycle Management). According to ABI Research, the total market for secure microcontrollers for IoT can reach 1.2 billion dollars in value in 2022. The same year, secure IoT products are predicted to represent almost 20 percent of new IoT units. The supply of secure microcontrollers is so far limited, but the processor manufacturers have acknowledged this demand and for example Renesas Electronics, NXP and STMicroelectronics have recently launched secure microcontrollers. These microcontrollers are characterized by for example cryptographic accelerators and protected memory areas for key and certificate storage, and the product launches will multiply during the next few years. To fully leverage these features to minimize the risk of security breaches, and to protect information and intellectual property, companies need to ensure that security is implemented throughout the development and manufacturing process.

In April 2017, IAR Systems announced that it was taking an initial 10 percent equity stake in Secure Thingz, and the stake subsequently has been expanded to approximately 20 percent. In February 2018,

– more –

the product [Embedded Trust™](#) was launched. Developed in partnership between IAR Systems and Secure Thingz, Embedded Trust enables secure development and makes security part of the development workflow. Embedded Trust enables companies to safeguard intellectual property against overproduction and counterfeiting, manage software updates in a robust way, and protect end users from malware intrusion and theft or loss of data.

"With the increasing number of connected devices, our customers are facing new challenges. One of the major challenges is how to deliver secure products in a world where even minor failures can lead to major consequences," comments Stefan Skarin, CEO, IAR Systems. "As a first step, our customers need help mainly protecting themselves against overproduction and IP theft, and we are responding to this need with a new offering that provides possibilities to create modern workflow where security is included from start. The acquisition of Secure Thingz is a step in our increased ambition for future growth through new technology, new markets, new business models, and new relationships. It also secures our position as a frontrunner in a changing industry."

"We are very excited to become a part of the highly competent IAR Systems team," says Haydn Povey, founder and incoming CEO, Secure Thingz. "We have already established a smooth cooperation with the development of Embedded Trust, and our combined resources within technology, sales and customer support will enable us to accelerate the development of the innovative security solutions that the digital products market so desperately needs."

Krishna Anne, outgoing CEO, Secure Thingz added, "This strategic partnership with IAR Systems will enable Secure Thingz to provide a wide-ranging solution for secure development, secure provisioning, programming, and secure lifecycle management in partnership with the silicon device vendors, market channel partners and programming partners. Secure Thingz has expanded rapidly over the last two years, and we are extremely proud of the team we brought together and the industry impact achieved."

"The acquisition of Secure Thingz enables us to provide new solutions for security in embedded systems and help our customers make security part of an integrated workflow," says Anders Holmberg, Director of Corporate Development, IAR Systems. "Our joint technical capacity and skillset will be unprecedented in the industry and we are building a strong foundation for future growth in the security segment."

Completion of the transaction is expected to occur on April 11, 2018.

Ends

IAR Systems Contacts

AnnaMaria Tahlén, Media Relations, IAR Systems

Tel: +46 18 16 78 00   Email: annamaria.tahlen@iar.com

Stefan Skarin, CEO and President, IAR Systems

Tel: +46 18 16 78 00   Email: stefan.skarin@iar.com

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. IAR Systems Group AB is listed on NASDAQ OMX Stockholm, Mid Cap. Learn more at www.iar.com.