



Remuneration Report 2024 I.A.R. Systems Group AB (publ)

Introduction

This report describes how the guidelines for remuneration to senior executives of I.A.R. Systems Group AB, adopted by the 2024 Annual General Meeting, were applied during 2024. The report also contains information on remuneration to the President and a summary of the company's outstanding share-related incentive programs. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board Rules on remuneration to senior executives and incentive programs.

Further information on remuneration to senior executives can be found in Note 6 (Personnel costs) on pages 69-72 in the annual report for 2024. Information on the remuneration committee's work in 2024 can be found in the corporate governance report on pages 43-47 in the annual report for 2024. Board fees are not covered by this report. Such fees are decided annually by the Annual General Meeting and are reported in Note 6 on page 71 of the Annual Report for 2024.

Developments in 2024

The Board of Directors and the President summarize the company's overall results in their report on pages 35-41 in the 2024 annual report.

The company's remuneration guidelines, scope, purposes and deviations

A prerequisite for the successful implementation of the company's business strategy and the safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified employees. This requires that the company can offer competitive remuneration. The company's remuneration guidelines enable senior executives to receive competitive remuneration. According to the remuneration guidelines, remuneration to senior executives must be market-based and may consist of the following components: fixed monthly salary, variable remuneration, pension benefits and other benefits. The variable compensation must be linked to financial or non-financial criteria. They can consist of individualized quantitative or qualitative goals. The



requirements must be designed to promote the company's business strategy and long-term interests, including its sustainability, by, for example, having a clear connection to the business strategy or promoting the executive's long-term development.

The guidelines are summarized on page 46 in the annual report for 2024 and in their entirety on the company's website <https://www.iar.com/investors/corporate-governance/remuneration/>. During 2024, the company has followed the applicable remuneration guidelines adopted by the general meeting. The board has the right to deviate from the above guidelines if the board judges that in an individual case there are special reasons that justify it.

The auditor's opinion on the company's compliance with the guidelines is available at <https://www.iar.com/investors/corporate-governance/>.

No compensation has been claimed back.

In addition to the remuneration covered by the remuneration guidelines, the company's general meetings have decided to introduce long-term share-based incentive programs.

Table 1 - Total remuneration to the CEO during 2024 (kSEK))(a)

	1		2		3	4	5	6
	Fixed remuneration		Variable remuneration					
Name of executive (position)	Basic salary (b)	Other benefits (c)	Single- year	Multi-year (d)	Extraordinary items	Pension cost	Total remuneration	Percentage of fixed or variable remuneration (e)
Cecilia Wachtmeister (CEO from August 2025)	1 553	47	0	0	0	183	1 783	100,0/0,0



Richard Lind (CEO up until July 2025)	1992	150	0	0	0	692	2 835	100,0/0,0
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(a) Except for multi-year variable remuneration, the table reports remuneration amounting to 2023. Multi-year remuneration is reported to the extent that it has been the subject of so-called vesting in 2023 and in that sense has been earned.

(b) Including holiday pay

(c) Car benefit, meal benefit and health care benefit

(d) Earned warrants as shown in column 10 in Table 2 below

(e) Pension costs (column 4), which in their entirety refer to Basic Salary and are defined-contribution, have been fully reported as fixed remuneration

Share-based compensation

Outstanding share-based incentive programs

As of 2024-12-31, the company has two outstanding incentive programs in which the CEO participates, LTI 2022, LTI 2023 and LTI 2024.

LTI 2022

This includes 140 employees, divided in into four groups in Sweden and abroad at different levels. The program covers 140 000 restricted stock units (RSU). The final number of RSUs that each participant is entitled to exercise under this program is dependent on the degree of satisfaction with performance conditions for the IAR Group. The performance conditions are based on the average annual growth of the IAR Group net sales and operating margin for the IAR Group for financial years 2022, 2023 and 2024. Each RSU gives the right to receive one share from series B shares in the company.

LTI 2023

This includes 140 employees, divided in into four groups in Sweden and abroad at different levels. The program covers 145 000 restricted stock units (RSU), where 141 000 of these have been assigned to employees within the group. The final number of RSUs that each participant is entitled to exercise under this program is dependent on the degree of satisfaction with performance conditions for the IAR Group. The performance conditions are based on the average annual growth of the IAR Group net sales and operating margin for the IAR Group for financial years 2023, 2024 and 2025. Each RSU gives the right to receive one share from series B shares in



the company.

LTI 2024

This includes 155 employees, divided in into four groups in Sweden and abroad at different levels. The program covers 145 000 restricted stock units (RSU), where 144 500 of these have been assigned to employees within the group. The final number of RSUs that each participant is entitled to exercise under this program is dependent on the degree of satisfaction with performance conditions for the IAR Group. The performance conditions are based on the average annual growth of the IAR Group net sales and operating margin for the IAR Group for financial years 2024, 2025 and 2026. Each RSU gives the right to receive one share from series B shares in the company.

Table 2 – RSUs (CEO)

Name of executive (position)	Principal terms and conditions for the share warrant programs							Opening balance	Information for the reported financial year				
	1	2	3	4	5	6	7		Closing balance				
	Program name	Performance period	Date of allocation	Vesting period	End och lock-in period	Period of utilization	Subscription price (SEK)		RSUs at the beginning of the year	Assigned RSUs	Vested RSUs	RSUs subject to performance conditions	Assigned RSUs that have not been vested
Cecilia Wachtmeister (CEO)	LTI 2024	2024-2026	Jul 2024	Jul 2024 – Jun 2027	N/A	2026/2027	N/A	0	10 000	0	10 000	10 000	N/A
Richard Lind (former CEO)	LTI 2022	2022-2024	Nov 2022	Sept 2022- Aug 2025	N/A	2025/2026	N/A	0	10 000	3 333	10 000	3 333	N/A



Richard Lind (former CEO)	LTI 2023	2023-2025	Sept 2023	Sept 2023- Aug 2026	N/A	2026/2027	N/A	0	10 000	0	10 000	6 667	N/A
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Application of performance conditions

During 2023 and 2024, the CEO has no variable compensation component, which is why the table “The CEO’s performance during the reported financial year:variable cash compensation” ist deleted from this report.

Table 3 – Performance of the CEO during the reported financial year: Warrant program

Program name		1	2	3	
Name of executive (position)		Description of criteria attributale to the compensation component	Relative weighting of performance criteria	a) b)	measured performance and actual allocation/compensation outcome
Cecilia Wachtmeister (CEO)	LTI 2024	IAR Group's growth in net sales 2024 and operating margin for 2024	33%	a)	Growth in net sales: 8,7 % Operating margin: 27,0 %
				b)	Assesd to be determined Q4 2027
		IAR Group's growth in net sales 2025 and operating margin for 2025	33%		N/A



		IAR Group's growth in net sales 2026 and operating margin for 2026	33%	N/A
Richard Lind (former CEO)	LTI 2022	IAR Group's growth in net sales 2022 and operating margin for 2022	33%	c) Growth in net sales: 8,6 % Operating margin: 18,0 % b) Assesd to be determined Q4 2025
		IAR Group's growth in net sales 2023 and operating margin for 2023	33%	a) Growth in net sales: 5,3 % Operating margin: 21,0 % b) Assesd to be determined Q4 2025
		IAR Group's growth in net sales 2024 and operating margin for 2024	33%	a) Growth in net sales: 8,7 % Operating margin: 27,0 % b) Assesd to be determined Q4 2025
	LTI 2023	IAR Group's growth in net sales 2023 and operating margin for 2023	33%	a) Growth in net sales: 5,3 % Operating margin: 21,0 % b) Assesd to be determined Q4 2026
		IAR Group's growth in net sales 2024 and operating margin for 2024	33%	a) Growth in net sales: 8,7 % Operating margin: 27,0 % b) Assesd to be determined Q4 2026
		IAR Group's growth in net sales 2025 and operating margin for 2025	33%	N/A

Table 4 – Changes in CEO remuneration and the company remuneration during the last two reported financial years (P/L) (kSEK)



	P/L vs P/L-1	P/L 2024
Remuneration to the CEO	960 (26,2%)	4 618
The Group's operating profit	323 107 (271,4%)	119 058
Average remuneration based on fulltime equivalents of employees* in the Group	30 (3,2%)	958

* Excluding members of Group Management

Stockholm March 2025

I.A.R. Systems Group AB (publ)

Board of Directors