

The Qt Company's offer to the shareholders of I.A.R. Systems Group AB (publ)

Financial Advisors

Nordea

Stifel

IMPORTANT INFORMATION

General

The Qt Company Ltd, a wholly owned subsidiary of Qt Group Plc (“**Qt Group**”), with business identity code 2637805-2 and domiciled in Espoo, Finland, (“**The Qt Company**”), has made a cash offer for all shares in I.A.R. Systems Group AB (publ) (a Swedish public limited liability company, with registration number 556400-7200) (“**IAR**” or the “**Company**”) in accordance with the conditions set out in this offer document (the “**Offer**”).

The Offer, as well as the agreements entered into between The Qt Company and the shareholders of IAR for the purpose of the Offer, shall be governed by and interpreted in accordance with Swedish law. Any dispute regarding the Offer or such agreements, or which arises in connection therewith, shall be settled exclusively by Swedish courts, and the District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

The Swedish Stock Market Self-Regulation Committee’s Takeover rules for Nasdaq Stockholm and Nordic Growth Market NGM (the “**Takeover Rules**”) and the Swedish Securities Council’s (Sw. *Aktiemarknadsnämnden*) rulings and statements on the interpretation and application of the Takeover Rules are applicable to the Offer. The Qt Company has, in accordance with the Swedish Takeover Act (Sw. *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), on 3 July 2025 contractually undertaken, in writing, to Nasdaq Stockholm AB (“**Nasdaq Stockholm**”) to comply with the Takeover Rules and to submit to any sanctions that can be imposed on The Qt Company by Nasdaq Stockholm in the event of a breach of the Takeover Rules. The Qt Company has on 4 July 2025 informed the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) about the Offer and the above-mentioned undertaking to Nasdaq Stockholm.

A Swedish language version of this offer document has been approved and registered by the SFSA in accordance with the regulations in Chapter 2 of the Swedish Takeover Act and Chapter 2 a of the Swedish Financial Instruments Trading Act (Sw. *lagen (1991:980) om handel med finansiella instrument*) (the “**Swedish Offer Document**”). The approval of the Swedish Offer Document and the registration with the SFSA do not imply that the SFSA guarantees that the factual information provided in the Swedish Offer Document is correct or complete. In the event of any discrepancy in content between the Swedish Offer Document and this English translation, the Swedish Offer Document shall prevail.

The information in this offer document is considered to be accurate, although not complete, only as of the day of the offer document. It is not implied that the information has been or will be accurate at any other time. Except as required by the Takeover Rules or applicable law or regulation, The Qt Company expressly disclaims any obligation or undertaking to publicly announce updates, revisions or amendments regarding the offer document. The information in the offer document is provided solely with respect to the Offer and is not permitted to be used for any other purpose.

The Qt Company does not guarantee that the information included herein with respect to IAR is accurate or complete and does not take any responsibility for such information being accurate or complete, other than what may follow from applicable law or regulations. Except where this is expressly stated in the offer document, no information in the offer document has been reviewed or audited by IAR’s auditor.

Nordea Bank Abp (“**Nordea**”) and Stifel Nicolaus Europe Limited (“**Stifel**”) are financial advisors to The Qt Company and no one else, in connection with the Offer. Nordea and Stifel are not responsible to anyone other than The Qt Company for advice in connection with the Offer, nor is Nordea and Stifel responsible for providing the protections afforded to clients of Nordea and Stifel to any other person in relation to such Offer. The information contained in the offer document has been provided by The Qt Company and, as regards such parts that relate to the Company, derives from IAR’s publicly available information. The information in this offer document has not been verified independently by Nordea or Stifel and does not constitute any recommendation from Nordea or Stifel to the recipients or to any other person. None of Nordea and Stifel, or any of their affiliates, or their or any of their affiliates’ respective employees, board members, officers, vendors, advisors, members, successors, representatives or agents, provides any guarantee, explicitly or implicitly, when it comes to the correctness or completeness of the information in this offer document, and each of them disclaims all liability (including direct, indirect, consequential damages or any other loss) as a result of such information.

The figures reported in the offer document have been rounded as appropriate. This means that some tables may not add up correctly. All information in the offer document regarding shareholdings in IAR is based on 12,739,297 shares in IAR, which excludes 320,994 shares of class B and 308,042 shares of class C held in treasury by IAR, unless stated otherwise.

Forward-looking statements

Statements in the offer document relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential and other effects of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as “anticipates”, “intends”, “expects”, “believes”, “estimates”, “plans”, “will be” or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual results and developments may differ materially from those expressed in, or implied or projected by these forward-looking statements due to many factors, many of which are outside the control of The Qt Company. Forward-looking statements appear in a number of places throughout this offer document and the information incorporated by reference into this offer document and may include statements regarding the intentions, beliefs or current expectations of The Qt Company or IAR concerning, amongst other things: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies, the expansion and growth of The Qt Company’s or IAR’s business operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation and industry changes on the business of The Qt Company or IAR.

Any forward-looking statements made herein speak only as of the date on which they are announced. Except as required by the Takeover Rules or applicable law or regulations, The Qt Company expressly disclaims any obligation or undertaking to publicly announce updates or revisions to any forward-looking statements contained in the offer document to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that The Qt Company or IAR have made or may make.

Offer restrictions

The offer document is not an offer, whether directly or indirectly, in Australia, Canada, Hong Kong, New Zealand, Japan, Singapore, South Africa, South Korea, Russia, Belarus or in any other jurisdictions where such offer pursuant to legislation and regulations in such relevant jurisdictions would be prohibited by applicable law (the “**Restricted Jurisdiction**”). Shareholders not resident in Sweden who wish to accept the Offer must make inquiries concerning applicable legislation and possible tax consequences. Shareholders should refer to the offer restrictions included in the section “*Offer restrictions*” on pages 59–60. The Offer, the information and documents contained in this offer document are not being made and have not been approved by an authorized person for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (the “**FSMA**”). Accordingly, the information and documents contained in this offer document are not being distributed to, and must not be passed on to, the general public in the United Kingdom, unless an exemption applies. The communication of the information and documents contained in this offer document is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is a communication by or on behalf of a body corporate which relates to a transaction to acquire day to day control of the affairs of a body corporate; or to acquire 50 per cent or more of the voting shares in a body corporate, within article 62 of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

Important notice to shareholders in the United States of America

Shareholders in the United States of America should also refer to the section “*Important notice to shareholders in the United States of America*” on pages 61–62.

Table of contents

The Offer to the shareholders of IAR.....	2
Background and reasons for the Offer.....	5
Recommendation from the Board of Directors of IAR	6
Terms and conditions	10
Information regarding The Qt Company and Qt Group	14
Description of IAR	15
IAR's financial information in summary	16
IAR's share capital and ownership structure.....	25
IAR's Board of Directors, management and auditors	27
IAR's articles of association.....	30
IAR's interim report for the period 1 January–30 June 2025	33
Statement from the Board of Directors of IAR	56
Tax issues in Sweden	57
Offer restrictions.....	59
Important notice to shareholders in the United States of America.....	61
Contact details	63

The Offer in brief

The Offer Price:	SEK 180 in cash for each share in IAR
The acceptance period: ¹	18 August – 25 September 2025
Expected settlement date:	2 October 2025

¹ The Qt Company reserves the right to extend the acceptance period, one or several times, as well as to postpone the time for settlement. If all relevant clearances, approvals and decisions are received in such time that the acceptance period can be closed before 25 September 2025, The Qt Company may announce an earlier end date of the acceptance period, provided that such announcement can be made not less than two weeks prior to the new date of expiry of the acceptance period. Please see “Acceptance period and right to extend or shorten the Offer” below.

The Offer to the shareholders of IAR

INTRODUCTION

On 4 July 2025, The Qt Company Ltd, a wholly owned subsidiary of Qt Group Plc (“**Qt Group**”), with business identity code 2637805-2 (“**The Qt Company**”), announced a public offer to the shareholders of I.A.R. Systems Group AB (publ), Reg. No. 556400-7200 (“**IAR**” or the “**Company**”) to tender all their shares² in IAR at a price of SEK 180 in cash per share (the “**Offer**”). The shares of class B in IAR are admitted to trading on Nasdaq Stockholm, Mid Cap, under the ticker IAR B.

CONSIDERATION

The Qt Company offers SEK 180 in cash per share in IAR (the “**Offer Price**”). The Offer comprises all issued and outstanding shares in IAR, corresponding to 12,739,297 shares³ in total as of the date of this offer document.

Should IAR, prior to settlement of the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, the Offer Price will be reduced accordingly.

No commission will be charged in connection with settlement of the Offer.

The Offer does not include any restricted stock units or stock options granted by IAR to its employees under any incentive program implemented by IAR. The Qt Company intends to procure reasonable treatment for participants in such programs in connection with the Offer.

A shareholder who wishes to accept the Offer but does not wish to wait for settlement may seek to sell its shares in the market. The Qt Company may acquire, or enter into agreements to acquire, shares in IAR (or any securities that are convertible into, exchangeable for or exercisable for such shares) outside the Offer, but in any event, at a price per share not higher

than the Offer Price. Any purchases made will be in accordance with Swedish law and the Swedish Stock Market Self-Regulation Committee’s Takeover rules for Nasdaq Stockholm and Nordic Growth Market NGM (the “**Takeover Rules**”) and will be disclosed in accordance with applicable rules.

PREMIUM

The Offer Price of SEK 180 per share represents a premium of⁴:

- approximately 66.4 per cent compared to the closing price of SEK 108.2 of IAR’s share on Nasdaq Stockholm on 3 July 2025, which was the last trading day prior to the announcement of the Offer;
- approximately 63.6 per cent compared to the volume-weighted average trading price of SEK 110.1 of IAR’s share on Nasdaq Stockholm during the last three months prior to the announcement of the Offer; and
- approximately 50.8 per cent compared to the volume-weighted average trading price of SEK 119.4 of IAR’s share on Nasdaq Stockholm during the last six months prior to the announcement of the Offer.

TOTAL VALUE OF THE OFFER

The Offer values IAR at approximately SEK 2,293 million, based on all 12,739,297 outstanding shares⁵ in IAR.

FINANCING OF THE OFFER

The Offer is not subject to any financing conditions. The cash consideration payable in respect of the Offer is financed in full by a combination of The Qt Company’s own funds

² Excluding 320,994 shares of class B and 308,042 shares of class C held in treasury by IAR.

³ Excluding 320,994 shares of class B and 308,042 shares of class C held in treasury by IAR.

⁴ Source for IAR’s share prices: Nasdaq Stockholm.

⁵ Excluding 320,994 shares of class B and 308,042 shares of class C held in treasury by IAR.

and committed debt financing to be provided by Nordea Bank Abp (“**Nordea**”) on terms which are customary for the financing of public offers on the Swedish market.

MANAGEMENT AND EMPLOYEES

The Qt Company and Qt Group recognize the accomplishments by the management and employees of IAR and aims to establish an organization that capitalizes on the combined expertise and resources, building on the strengths of both companies. The Qt Company and Qt Group have not planned any changes regarding the respective operations, management, or employees (including employment terms and conditions) of IAR and The Qt Company as a result of the Offer or for the locations where IAR and The Qt Company operate, respectively. Any decisions on integration will be based on a thorough assessment in conjunction with IAR, that can be initiated after potential completion of the Offer.

ACCEPTANCE LEVEL IN THE OFFER

Completion of the Offer is conditional upon, *inter alia*, the Offer being accepted to such extent that The Qt Company becomes the owner of shares in IAR representing more than 90 per cent of the total number of shares in IAR (on a fully diluted basis)⁶. The Qt Company reserves the right to waive the condition to complete the Offer at a lower level of acceptance. For further information, see the section “*Terms and conditions – Condition for completion of the Offer*”.

RECOMMENDATION FROM THE BOARD OF DIRECTORS OF IAR

The Offer is unanimously recommended by the Board of Directors of IAR.

Reference is made to a press release from the Board of Directors published on July 4, 2025. The recommendation can be found in its entirety further below in the offer document on pages 6–9.

THE QT COMPANY’S SHAREHOLDING IN IAR

Neither The Qt Company nor any closely related party to The Qt Company own any shares or other financial instruments in IAR that give financial exposure to IAR’s Shares, nor has The Qt Company or any closely related party to The Qt Company acquired or agreed to acquire any IAR’s shares or any financial instrument that give financial exposure to IAR’s shares during the six months preceding the announcement of the Offer.

The Qt Company may acquire, or enter into agreements to acquire, Shares in IAR (or any securities that are convertible into, exchangeable for or exercisable for such shares) outside the Offer, but in any event, at a price per share not more than the Offer Price. Any purchases made or agreed will be in accordance with Swedish law and the Takeover Rules and will be disclosed in accordance with applicable rules.

IRREVOCABLES AND SHAREHOLDER SUPPORT

IAR's shareholders, ALCUR Fonder, Andra AP-fonden, and Tredje AP-fonden, have undertaken to accept the Offer and thus to tender 1,362,548, 1,295,415 and 630,000 IAR shares, respectively, in the Offer, representing in aggregate approximately 25.8 per cent of the outstanding shares in IAR. The undertakings will terminate if the Offer has not been declared unconditional on or before 31 December 2025. The undertakings will also terminate if (i) a competing offer is announced exceeding the Offer Price per share by 10 per cent and (ii) The Qt Company does not, within five business days of announcement, match such competing offer.

IAR's shareholders, Fjärde AP-fonden, Aktia Nordic Small Cap Fund, and Aktia Nordic Micro Cap Fund, who in total hold 1,390,279 shares in IAR, corresponding to approximately 10.9 per cent of the outstanding shares, have confirmed their support for and are intending to accept the Offer.

⁶ Excluding 320,994 shares of class B and 308,042 shares of class C held in treasury by IAR.

DUE DILIGENCE IN CONNECTION WITH THE OFFER

The Qt Company has, in connection with the preparations of the Offer, conducted a customary due diligence review of IAR. IAR has confirmed that The Qt Company has not been provided with any inside information regarding IAR in connection with the due diligence review.

APPROVALS FROM AUTHORITIES

The completion of the Offer is conditional upon, *inter alia*, the receipt of all regulatory, governmental or similar clearances, approvals and decisions that are necessary for the Offer and the acquisition of IAR. The Qt Company has filed the transaction with the Inspectorate of Strategic Products in Sweden, the Investment Security Unit in the United Kingdom, and the Bureau of Foreign Investment Control in France for FDI approvals. Clearance by the Inspectorate of Strategic Products in Sweden has been received, and clearance by the Investment Security Unit in the United Kingdom, and the Bureau of Foreign Investment Control in France and any other relevant authorities is expected to have been received by the end of the acceptance period for the Offer.

GOVERNING LAW AND DISPUTES

The Offer and the agreements entered into between The Qt Company and IAR's shareholders in relation to the Offer, shall be governed by and be interpreted in accordance with Swedish law. Disputes concerning, or arising in connection with the Offer, shall be settled exclusively by Swedish courts, with the Stockholm District Court as first instance.

The Takeover Rules and the Swedish Securities Council's (Sw. *Aktiemarknadsnämnden*) rulings and statements on the interpretation and application of the Takeover Rules are applicable to the Offer. The Qt Company has, in accordance with the Swedish Takeover Act (Sw. *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), on 3 July 2025, undertaken, in writing, to Nasdaq Stockholm to comply with the Takeover Rules and to submit to any sanctions that can be imposed on The Qt Company by Nasdaq

Stockholm in the event of a breach of the Takeover Rules.

ADVISORS

The Qt Company has appointed Nordea as lead financial advisor and Stifel Nicolaus Europe Limited ("**Stifel**") as financial advisor and Krogerus Attorneys Ltd, Advokatfirman Vinge and Freshfields LLP are acting as legal advisors in connection with the Offer.

Background and reasons for the Offer

Qt Group has followed IAR's strategic and operational development closely over a period of time. Qt Group has a comprehensive product offering addressing each step of the product development process and a clear strategy to enhance its position as a multi-product company. To join forces with IAR, with its strength in embedded development solutions, the combined company would be able to provide a comprehensive, one-stop shop solution, unlocking significant value for both companies.

Complementary product portfolios expanding total addressable market: The product portfolios of Qt Group and IAR are complementary, where Qt Group has deep expertise in product development of mobile and desktop applications and embedded devices through every stage of the process, from user interface design to software development, quality assurance and deployment, whereas IAR has strong capabilities in embedded development solutions. Furthermore, IAR's commercial compiler offering would enable Qt Group to enter the sizable broader MCU (microprocessor) market, which is driven by, among other things, functional safety requirements. A combination would add value to IAR's current customer base through extension of offering to Qt Group's Software Quality Solutions, especially on the functional safety area.

A combination would enable Qt Group and IAR to jointly provide a comprehensive, one-stop shop solution, fully in line with Qt Group's strategy to enhance its position as a multi-product company. This would also result in more convenient purchasing processes and increased developer productivity.

Strengthened global reach and closer customer engagement: IAR and Qt Group maintain a strong international footprint with a presence across cities worldwide. By joining forces across sales and customer success functions, the joint company could establish a stronger market presence in current markets – positioned to serve global customers with local customer experiences. Together, the companies would enable a comprehensive offering in the embedded systems market towards shared MCU customers. This would enable closer engagement and cooperation with customers earlier in their decision-making processes, thus improving lead times for Qt Group's solutions.

Support SaaS transition and subscription revenue shift: IAR has initiated a shift towards a subscription-based model, to allow customers seamless access to IAR's full product portfolio and service suite. Qt Group believes it can support and facilitate this transition, leveraging its experience from subscription-based models to drive long-term growth and customer value.

For further information, please refer to the information in this offer document, which has been prepared by the Board of Directors of The Qt Company in connection with the Offer. The description of IAR on page 15 in the offer document has been reviewed by the Board of Directors of IAR. The Board of Directors of The Qt Company confirms that, to the best of its knowledge, the information in this offer document regarding The Qt Company corresponds to the actual conditions.

15 August 2025

The Qt Company Ltd

The Board of Directors

Recommendation from the Board of Directors of IAR



Press Release

04 July 2025 07:45:00 CEST

Statement by the board of directors of I.A.R. Systems Group AB in relation to the public offer from The Qt Company Ltd

The board of directors of I.A.R. Systems Group AB unanimously recommends the shareholders of I.A.R. Systems Group AB to accept the public cash offer from The Qt Company Ltd, a wholly owned subsidiary of Qt Group Plc, announced on 4 July 2025.

Background

On 4 July 2025, The Qt Company Ltd (**"The Qt Company"** or the **"Bidder"**), a wholly owned subsidiary of Qt Group Plc (**"Qt Group"**), announced a public offer to the shareholders of class B shares (the **"Shares"** or, individually, a **"Share"**) in I.A.R. Systems Group AB (**"IAR"** or the **"Company"**) to tender all their Shares in the Company to the Bidder at a price of SEK 180 in cash per Share (the **"Offer"**)[1].

This statement regarding the Offer is made by the board of directors of IAR pursuant to Rule II.19 of the Swedish Stock Market Self-Regulation Committee's Takeover rules for Nasdaq Stockholm and Nordic Growth Market NGM (the **"Takeover Rules"**).

The board of directors has engaged SEB Corporate Finance as financial adviser and Setterwalls Advokatbyrå as legal adviser in relation to the Offer.

Summary of the Offer

The Bidder offers SEK 180 in cash for each Share in the Company, which values all outstanding Shares of IAR at approximately SEK 2,293 million[2]. The price per Share in the Offer represents a premium of:

- approximately 66.4 per cent compared to the closing price of SEK 108.2 of IAR's Share on Nasdaq Stockholm on 3 July 2025, which was the last trading day prior to the announcement of the Offer;
- approximately 63.6 per cent compared to the volume-weighted average trading price of SEK 110.1 of IAR's Share on Nasdaq Stockholm during the last three months prior to the announcement of the Offer; and
- approximately 50.8 per cent compared to the volume-weighted average trading price of SEK 119.4 of IAR's Share on Nasdaq Stockholm during the last six months prior to the announcement of the Offer.

The Offer does not include any restricted stock units or stock options granted by IAR to its employees under any incentive program implemented by IAR. The Bidder intends to procure reasonable treatment for participants in such programs in connection with the Offer.



Press Release

04 July 2025 07:45:00 CEST

Completion of the Offer is conditional upon, but not limited to, the Offer being accepted to such an extent that The Qt Company becomes the owner of Shares in IAR representing more than 90 per cent of the total number of shares on a fully diluted basis as well as the receipt of all regulatory, governmental or similar clearances, approvals and decisions that are necessary for the Offer and the Bidder's acquisition of IAR. The Bidder has reserved the right to waive, in whole or in part, these and other conditions for completion of the Offer. The Bidder has also reserved the right to extend the acceptance period, one or several times, and to postpone the time for settlement.

The Bidder has, in connection with the preparation of the Offer, conducted a due diligence review of IAR. In connection with this review, the Bidder has met with IAR's management. No inside information has been provided to the Bidder in connection with the due diligence review.

IAR's shareholders, ALCUR Fonder, Andra AP-fonden, and Tredje AP-fonden, together representing approximately 25.8 per cent of the outstanding Shares have undertaken to accept the Offer. In addition, IAR's shareholders, Fjärde AP-fonden, Aktia Nordic Small Cap Fund and Aktia Nordic Micro Cap Fund, together representing approximately 10.9 per cent of the outstanding Shares, have confirmed their support for and are intending to accept the Offer.

The Bidder expects to publish the offer document relating to the Offer on or around 15 August 2025. The acceptance period for the Offer is anticipated to commence on or around 18 August 2025 and to expire on or around 25 September 2025, subject to any extensions. If all relevant clearances, approvals and decisions are received in such time that the acceptance period can be closed before 25 September 2025, the Bidder may announce an earlier end date of the acceptance period, provided that such announcement can be made not less than two weeks prior to the new date of expiry of the acceptance period.

For further information regarding the Offer, please refer to the press release announced by the Bidder today, available on the Bidder website www.nordic-software-offer.com, and the offer document relating to the Offer, which will be published before the acceptance period commences.

The board of directors' recommendation

In December 2024, IAR announced its new 3-5 year financial targets, aiming for 20% revenue growth and 20% operating margin. These reflect a broadened growth strategy designed to expand IAR's addressable market both technically and geographically. As a key component of this transformation, IAR has introduced a new cloud-enabled offering, marking a shift from selling standalone, perpetually licensed products to delivering its entire toolbox through an integrated platform model.

While the board of directors continues to express strong confidence in IAR's strategic direction and future prospects, it is important for shareholders to recognize that projections of future performance involve inherent uncertainties, as they are influenced by events and conditions that are partly beyond the Company's control.

The board of directors has assessed the Offer using standard methodologies typically applied in the evaluation of public offers for listed companies. This assessment has included an analysis of IAR's valuation relative to comparable publicly traded companies and similar historical transactions, as well as a review of bid premiums in prior public offers. The board has also considered the stock market's expectations regarding IAR's future performance and formed its own view of the Company's long-



Press Release

04 July 2025 07:45:00 CEST

term intrinsic value, based on anticipated future cash flows. In addition, the board has evaluated IAR's long-term growth potential alongside the associated risks and execution challenges. Furthermore, the board has noted that the Offer is structured as an all-cash consideration which, subject to successful completion, offers IAR's shareholders a de-risked and near-term opportunity to monetise their investment at a substantial premium to recent market trading levels.

The board of directors highlights that the Offer price represents a premium of 66.4 per cent over the closing price, and premiums of 63.6 per cent and 50.8 per cent over the volume-weighted average trading prices during the last three and six months, respectively, preceding the announcement of the Offer. The bid premiums are thus in line with other public cash offers announced on Nasdaq Stockholm in recent times.

Based on the above, the board of directors unanimously recommends IAR's shareholders to accept the Offer.

Nicolas Hassbjer, Chairman of the Board of IAR: *"Following a comprehensive assessment, the Board believes that the Offer not only provides attractive value for IAR's shareholders, but also brings together two highly complementary businesses."*

The board of directors' opinion on the Offer's impact on the Company and its employees

Pursuant to the Takeover Rules, the board of directors is required to, based on the Bidder's statement in its announcement of the Offer, present its opinion on the impact that the implementation of the Offer will have on the Company, particularly in terms of employment, and its opinion regarding the Bidder's strategic plans for the Company and the effects it is anticipated that such plans will have on employment and the locations where the Company conducts its operations. In its press release announcing the Offer, the Bidder states:

"The Qt Company and Qt Group recognize the accomplishments by the management and employees of IAR and aims to establish an organization that capitalizes on the combined expertise and resources, building on the strengths of both companies. The Qt Company and Qt Group have not planned any changes regarding IAR's operations or its management or employees as a result of the Offer (including employment terms and conditions) or for the locations where IAR operates. Any decisions on integration will be based on a thorough assessment in conjunction with IAR, that can be initiated after potential completion of the Offer."

The board of directors assumes that this description is accurate and has in the relevant aspects no reason to take a different view.

Other

This statement shall be governed by and construed in accordance with Swedish law. Disputes arising from this statement shall be settled exclusively by Swedish courts.

--



Press Release

04 July 2025 07:45:00 CEST

Uppsala, 4 July 2025

I.A.R. Systems Group AB

The board of directors

For more information, please contact:

Nicolas Hassbjer, Chairman of the Board

E-post: nicolas@tequity.se

Hanna Laurentz, Head of Corporate Communications

E-post: investorrelations@iar.com

Tel: +46 735 125137

[1] There are currently no outstanding class A shares in the Company.

[2] Excluding 322,955 Shares of class B and 308,042 shares of class C held in treasury by IAR.

About IAR

At IAR, we provide world-leading software and services for embedded development, empowering companies globally to bring secure products that shape the future. Since its founding in 1983, our solutions have been instrumental in ensuring quality, security, reliability, and efficiency in the development of over one million embedded applications for a wide range of industries, including Automotive, Industrial Automation, IoT, MedTech, and Safety sectors. With support for 15,000 devices from over 70 semiconductor partners, we are dedicated to fostering innovation and enabling our customers' success.

The company is headquartered in Uppsala, Sweden, with a global presence of sales and support offices strategically located across the world. IAR is an I.A.R. Systems Group AB subsidiary, listed on NASDAQ OMX Stockholm, Mid Cap (ticker symbol: IAR B). To learn more, visit us at www.iar.com.

This information is information that IAR Systems Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2025-07-04 07:45 CEST.

Attachments

[Statement by the board of directors of I.A.R. Systems Group AB in relation to the public offer from The Qt Company Ltd](#)

Terms and conditions

CONSIDERATION

The Qt Company offers SEK 180 in cash per IAR's share. The Offer comprises all issued and outstanding shares in IAR, corresponding to 12,739,297 shares⁷ in total as of the date of this offer document.

Should IAR, prior to the settlement of the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, the Offer Price will be reduced accordingly.

The Offer values IAR at approximately SEK 2,293 million, based on all 12,739,297 outstanding shares⁸ in IAR.

No commission will be charged in connection with the settlement of the Offer.

The Offer does not include any restricted stock units or stock options granted by IAR to its employees under any incentive program implemented by IAR. The Qt Company intends to procure reasonable treatment for participants in such programs in connection with the Offer.

A shareholder who wishes to accept the Offer but does not wish to wait for settlement may seek to sell its shares in the market. The Qt Company may acquire, or enter into agreements to acquire, shares in IAR (or any securities that are convertible into, exchangeable for or exercisable for such shares) outside the Offer, but in any event, at a price per share not higher than the Offer Price. Any purchases made will be in accordance with Swedish law and the Takeover Rules and will be disclosed in accordance with applicable rules.

CONDITION FOR COMPLETION OF THE OFFER

Completion of the Offer is conditional upon:

- (i) the Offer being accepted to such an extent that The Qt Company becomes the owner of shares in IAR representing more than 90 per cent of the total

number of shares in IAR on a fully diluted basis⁹;

- (ii) the receipt of all regulatory, governmental or similar clearances, approvals and decisions that are necessary for the Offer and the acquisition of IAR, including from authorities charged with the screening of foreign direct investments (FDI), in each case on terms which, in The Qt Company's opinion, are acceptable;
- (iii) no circumstances having occurred which have a material adverse effect or could reasonably be expected to have a material adverse effect on IAR's financial position, prospects or operations, including IAR's sales, results, liquidity, equity ratio, equity or assets;
- (iv) neither the Offer nor the acquisition of IAR being rendered wholly or partially impossible or significantly impeded as a result of legislation or other regulation, any decision of a court or public authority, or any similar circumstance;
- (v) IAR not taking any action that is likely to impair the prerequisites for making or completing the Offer;
- (vi) no information made public by IAR or disclosed by IAR to The Qt Company being materially inaccurate, incomplete or misleading, and IAR having made public all information which should have been made public by IAR; and
- (vii) no other party announcing an offer to acquire shares in IAR on terms more favourable to the shareholders of IAR than the Offer.

The Qt Company reserves the right to withdraw the Offer in the event that it becomes clear that any of the above conditions is not satisfied or cannot be satisfied. However, with regard to conditions (ii)–(vii) above, the Offer may only

⁷ Excluding 320,994 shares of class B and 308,042 shares of class C held in treasury by IAR.

⁸ Excluding 320,994 shares of class B and 308,042 shares of class C held in treasury by IAR.

⁹ Excluding 320,994 shares of class B and 308,042 shares of class C held in treasury by IAR.

be withdrawn where the non-satisfaction of such condition is of material importance to The Qt Company's acquisition of IAR or if otherwise approved by the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*).

The Qt Company reserves the right to waive, in whole or in part, one or more of the conditions above, including, with respect to condition (i) above, to complete the Offer at a lower level of acceptance.

ACCEPTANCE

Shareholders in IAR whose shares are directly registered with Euroclear Sweden AB ("**Euroclear**") who wish to accept the Offer must, during the period from 18 August 2025 up to and including 25 September 2025, at 15:00 CEST, sign and submit a duly completed acceptance form to Nordea Bank Abp, filial i Sverige (the "**Settlement Agent**") by mail to:

Nordea Bank Abp, filial i Sverige
Issuer Services L850
SE-105 71 Stockholm
Sweden

The acceptance form must be sent either by email to the email address issuerservices.se@nordea.com or by mail, preferably in the enclosed pre-paid envelope, in ample time before the last day of the acceptance period so that it may be received by the Settlement Agent no later than 15:00 CEST on 25 September 2025.

The securities account (Sw. *värdepapperskonto* (VP-konto)) and the current number of shares held in IAR as of 15 August 2025 are pre-printed on the acceptance form, which has been sent out together with a pre-paid reply envelope to shareholders in IAR who are directly registered with Euroclear. Shareholders should verify that the pre-printed information on the acceptance form is correct.

Please note that acceptance forms which are incomplete or incorrectly completed may be disregarded.

Nominee-registered holdings

Shareholders in IAR whose holdings are registered in the name of a nominee, i.e. a bank or other nominee, will not receive a pre-printed

acceptance form. Acceptance must be made in accordance with instructions from the relevant nominee.

Pledged shares

If shares in IAR are pledged in the Euroclear system, both the shareholder and the pledgee must sign the acceptance form and confirm that the pledge will be terminated should the Offer be completed. The pledge on the relevant shares in IAR must accordingly be de-registered in the Euroclear system at the time of delivery of the shares to The Qt Company.

OFFER DOCUMENT AND ACCEPTANCE FORM

This offer document and acceptance form are available on the following websites: The Qt Company's website (www.nordic-software-offer.com) and via the Settlement Agent's website (www.nordea.se/prospekt). The Swedish version of this offer document is also available on the Swedish Financial Supervisory Authority's website (www.fi.se).

ACCEPTANCE PERIOD AND RIGHT TO EXTEND OR SHORTEN THE OFFER

The acceptance period for the Offer is from 18 August 2025 to 25 September 2025.

The Qt Company reserves the right to extend the acceptance period, one or several times, as well as to postpone the time for settlement.

If all relevant clearances, approvals and decisions are received in such time that the acceptance period can be closed before 25 September 2025, The Qt Company may announce an earlier end date of the acceptance period, provided that such announcement can be made not less than two weeks prior to the new date of expiry of the acceptance period.

Notice of such extension, shortening or postponement will be published by The Qt Company by press release in accordance with applicable laws and regulations.

CONFIRMATION OF ACCEPTANCE

Once the Settlement Agent has received and registered a duly completed acceptance form, the shares in IAR will be transferred to a new blocked securities account (Sw. *appportkonto*)

which has been opened for each shareholder. In connection hereto, Euroclear will send a notification (“**VP-notice**”) showing the number of shares in IAR that has been removed from the original securities account and a VP-notice showing the number of shares in IAR that have been entered in the newly opened blocked securities account.

SETTLEMENT

Settlement is expected to be initiated on or around 2 October 2025. Settlement will be effected by distribution of a contract note to those who have accepted the Offer. If the holding is registered in the name of a nominee, settlement will be provided for by the nominee.

The settlement amount will be paid to the yield account which is connected to the shareholder's securities account. In connection with the settlement, the shares in IAR will be removed from the blocked securities account which will then be terminated. No notice evidencing the removal from the blocked securities account will be sent.

Note that, even if the shares in IAR are pledged, payment will be made to the yield account or in accordance with the instructions on the contract note.

RIGHT TO WITHDRAW ACCEPTANCE

Shareholders of IAR have the right to withdraw their acceptance of the Offer. To be valid, such withdrawal must have been received in writing by the Settlement Agent (address: Nordea Bank Abp, filial i Sverige, Issuer Services L850, SE-105 71 Stockholm, Sweden) before The Qt Company has announced that the condition for the Offer has been fulfilled or, if such announcement has not been made during the acceptance period, not later than 15:00 CEST on the last day of the acceptance period. If the condition for the Offer, which The Qt Company has reserved the right to waive, remains during an extension of the Offer, the right to withdraw an acceptance will apply in the same manner throughout any such extension of the Offer. Shareholders of IAR holding nominee-registered shares wishing to withdraw acceptance shall do so in accordance with instructions from the nominee.

COMPULSORY REDEMPTION PROCEEDINGS AND DELISTING

If The Qt Company, whether in connection with the Offer or otherwise, acquires shares resulting in The Qt Company holding more than 90 per cent of the total number of shares in IAR, The Qt Company intends to commence compulsory redemption proceedings under the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)) to acquire all remaining shares in IAR and to promote the delisting of IAR's class B shares from Nasdaq Stockholm.

IMPORTANT INFORMATION REGARDING NID AND LEI AT ACCEPTANCE

NID code requirement for natural persons

A National ID or National Client Identifier (“**NID code**”) is a global identification code for natural persons. According to Directive 2014/65/EU of the European Parliament and of the Council, as amended (“**MiFID II**”), all investors must, as of 3 January 2018, have a NID code in order to execute a securities transaction. For natural persons who only have Swedish citizenship, the NID code consists of the designation “SE” followed by the individual's personal identity number. If the person in question has more than one citizenship or is a citizen of a country other than Sweden, the NID code will be a different type of number. The NID code must be provided on the acceptance form if the relevant IAR shareholder holds other citizenship than Swedish. If the NID code is not provided, the Settlement Agent may not be able to execute the transaction for the natural person concerned. For more information on how to obtain a NID code, shareholders should contact their custodian or nominee.

LEI code requirement for legal entities

The Legal Entity Identifier (“**LEI**”) is a global identification code for legal entities. Under MiFID II, with effect from 3 January 2018, legal entities must have a LEI code in order to execute a securities transaction. If an active LEI code is missing, the Settlement Agent may not be able to execute the transaction. Registration of LEI codes can be done by any of the providers in the market. It is important to

register a LEI code well in advance as it must be confirmed on the acceptance form.

INFORMATION ABOUT PROCESSING OF PERSONAL DATA

Those who participate in the Offer will provide personal data to the Settlement Agent. Personal data provided to the Settlement Agent will be processed in data systems to the extent required to provide services and administer matters in the Settlement Agent. Personal data obtained from a party other than the customer to whom the processing relates may also be processed. Personal data may also be processed in data systems at companies and organizations with which the Settlement Agent cooperate. Information regarding the processing of personal data is provided by the Settlement Agent's branch offices, which also accept requests for correction of personal data. Information regarding addresses may be obtained by the Settlement Agent through automatic data runs at Euroclear. For detailed information about the Settlement Agent's handling of personal information, please refer to the Settlement Agent's privacy policy available on the Settlement Agent's website (www.nordea.com/en/privacy-policy).

For administrative questions regarding the Offer, please contact your bank or the nominee registered as holder of your shares.

OTHER INFORMATION

Nordea Bank Abp, filial i Sverige acts as settlement agent in relation to the Offer, which means that it performs certain administrative services relating to the Offer. This does not mean that a person who accepts the Offer (a **"Participant"**) will be automatically regarded as customer of the Settlement Agent. A Participant will be regarded as customer only if the Settlement Agent has provided advice to the Participant or has otherwise contacted the Participant personally regarding the Offer. If a Participant is not regarded as customer, the rules regarding the protection of investors pursuant to the Swedish Securities Market Act (Sw. *lagen (2007:528) om värdepappersmarknaden*) will not be applicable to the acceptance. This means, *inter alia*, that neither customer categorization nor the appropriateness test will be performed

with respect to the Offer. The Participant is therefore responsible for ensuring that it has sufficient experience and knowledge to understand the risks associated with the Offer.

QUESTIONS CONCERNING THE OFFER

For transactional technical questions regarding the Offer, please contact the Settlement Agent via email to issuerservices.se@nordea.com. Information is also available on The Qt Company's website (www.nordic-software-offer.com) and on the Settlement Agent's website (www.nordea.se/prospekt). For administrative questions about the Offer, please contact your custodian or nominee where you hold your shares.

Information regarding The Qt Company and Qt Group

Qt Group is a public limited company incorporated and existing under the laws of Finland with its shares listed on Nasdaq Helsinki. Qt Group is a global software company, trusted by industry leaders and over 1.5 million developers worldwide to create applications and smart devices that users love. Qt Group helps its customers to increase productivity through the entire product development lifecycle: from UI design and software development to quality management and deployment. Qt Group's customers are in more than 70 different industries in over 180 countries. Qt Group employs over 800 people, and its net sales were approximately EUR 209.1 million in 2024. More information is available at www.qt.io.

The Qt Company is a limited company incorporated and existing under the laws of Finland domiciled in Espoo, Finland and a wholly owned subsidiary of Qt Group. The Qt Company is the main operating company of Qt Group. The Qt Company has subsidiaries in Norway, Germany, the United Kingdom, France, the United States, India, China and South Korea, as well as a branch in Japan.

Description of IAR

The following information is a general description of IAR. The information in this description is, unless otherwise stated, based on publicly available information mainly derived from IAR's website, annual report for the financial year 2024 and the interim report for the financial period 1 January–30 June 2025. The information in this description has been reviewed by the Board of Directors of IAR (see the section titled "*Statement from the Board of Directors of IAR*" on page 56).

IAR was established in 1983 and is headquartered in Uppsala, Sweden, with a global presence of sales and support offices strategically located across the world. IAR is listed on Nasdaq Stockholm, Mid Cap (ticker: IAR B).

IAR offers a comprehensive suite of software tools and services designed to support the development of embedded systems throughout the product lifecycle. IAR's core offering centres around solutions to support the development of embedded applications across various industries including automotive, industrial automation, IoT, MedTech, military, and public safety. The software suite is widely used for programming microcontrollers (MCUs) and microprocessors (MPUs), enabling developers to create reliable, high-quality code for a variety of devices, which provides support for a broad coverage of architectures and a strong independent position in the industry.

In addition to development tools, IAR offers embedded security solutions that help customers protect intellectual property, ensure device authenticity, and comply with increasingly complex security and safety regulations.

IAR's business model is transitioning from traditional perpetual licenses to an all-inclusive, cloud-based subscription model, providing customers with greater flexibility, access to the full product portfolio, and enhanced support for modern, continuous integration workflows. The tools support 15,000 devices from over 70 semiconductor partners.

The customer base is global, with primary markets in North America, Europe, and Asia, and includes over 4,500 customers and more than 30,000 developers.

More information is available at www.iar.com.

IAR's financial information in summary

The information below regarding IAR has been retrieved from the audited annual reports for the financial years 2024, 2023 and 2022 as well as from the interim report for the period 1 January–30 June 2025 with comparative figures for 2024 (which has neither been revised nor reviewed by IAR's auditor) unless otherwise stated.

IAR's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), as well as the interpretations by the IFRS Interpretations Committee ("IFRIC") as adopted by the European Union. In addition, Recommendation RFR 1 "Supplementary Accounting Rules for Groups" (Sw. *Kompletterande redovisningsregler för koncerner*) from the Swedish Financial Reporting Board (Sw. *Rådet för hållbarhets- och finansiell rapportering*) and the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen (1995:1554)*) have been applied. The interim report for the period 1 January–30 June 2025 for IAR has been prepared in accordance with IAS 34 (Interim Financial Reporting) and the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen (1995:1554)*).

IAR's audited annual reports and the interim report for the period 1 January–30 June 2025 are available on IAR's website (www.iar.com).

Complete information on IAR's financial development and financial position is available in the annual reports for the financial years 2024, 2023 and 2022.

Figures stated in this section are rounded to million SEK whereas the calculations are performed using an extended set of decimals. Percentages are displayed with one decimal and are also rounded. Some calculations may appear to sum incorrectly due to rounding.

CONSOLIDATED INCOME STATEMENT

	1 January–31 December		
	2024	2023	2022
SEK millions	<i>Audited</i>		
Net sales	487.2	458.1	419.9
Other income	0.1	2.7	2.9
Capitalized work on own account	49.2	36.1	50.2
Goods for resale	-13.2	-13.4	-12.8
Other external expenses	-58.1	-61.3	-58.2
Personnel costs	-290.8	-278.6	-273.0
Depreciation of property, plant and equipment	-5.8	-5.7	-4.8
Depreciation of right-of-use assets	-20.5	-20.7	-20.7
Amortization of intangible assets	-29.0	-30.6	-27.8
Impairment of intangible assets	-	-29.4	-
Impairment of goodwill	-	-261.3	-
Operating profit/loss	119.1	-204.1	75.7
Financial income	8.0	1.6	0.3

Financial expenses	-2.7	-0.9	-2.5
Profit/loss before tax	124.4	-203.4	73.5
Income taxes	10.8	-25.6	-15.7
Profit/loss for the year	135.2	-229.0	57.8
<i>Profit/loss for the year attributable to:</i>			
Owners of the Parent Company	135.2	-229.0	57.8
<i>Comprehensive income for the year attributable to:</i>			
Owners of the Parent Company	136.7	-218.9	80.5
<i>Earnings per share calculated on profit for the year attributable to owners of the Parent Company, SEK</i>			
– basic	10.20	-16.84	4.23
– diluted	9.98	-16.84	4.20

	1 January–30 June	
	2025	2024
SEK millions	<i>Unaudited</i>	
Net sales	233.5	243.0
Other income	0.0	0.0
Capitalized work on own account	22.7	21.1
Goods for resale	-9.0	-6.0
Other external expenses	-35.7	-27.6
Personnel costs	-155.6	-142.8
Depreciation of property, plant and equipment	-2.8	-2.9
Depreciation of right-of-use assets	-10.0	-10.0
Amortization of intangible assets	-13.0	-15.3
Operating profit	30.1	59.5
Financial income	0.9	3.9
Financial expenses	-0.9	-1.6
Profit before tax	30.1	61.8
Tax	-8.9	23.1
Profit for the period	21.1	84.9
Comprehensive income for the period attributable to owners of the Parent Company	21.1	84.9
Earnings per share for the period, basic, SEK	1.65	6.34
Earnings per share for the period, diluted, SEK	1.62	6.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1 January–31 December		
	2024	2023	2022 ¹⁰
SEK millions	<i>Audited</i>		
Profit/loss for the year	135.2	-229.0	57.8
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of net investment in foreign operations	-	1.9	5.9
Exchange differences on translation of foreign subsidiaries	1.5	8.6	18.0
Tax effect, items reported in comprehensive income	-	-0.4	-1.2
Total comprehensive income for the year	136.7	-218.9	80.5

	1 January–30 June	
	2025	2024
SEK million	<i>Unaudited</i>	
Profit for the period	21.1	84.9
Other comprehensive income for the period		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Translation differences	-5.2	1.8
Total other comprehensive income	-5.2	1.8
Comprehensive income for the period	15.9	86.7
Comprehensive income for the period attributable to owners of the Parent Company	15.9	86.7

¹⁰ Derived from the annual report for 2023.

CONSOLIDATED BALANCE SHEET

	31 December		
	2024	2023	2022
SEK millions		<i>Audited</i>	
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	117.5	117.5	366.6
Other intangible assets	205.3	181.7	204.1
Total intangible assets	322.8	299.2	570.7
Property, plant and equipment			
Leasehold improvements	2.8	3.8	2.9
Equipment	10.4	12.1	13.9
Right-of-use assets	41.8	49.0	68.2
Total property, plant and equipment	55.0	64.9	85.0
Financial assets			
Other non-current receivables	3.3	3.2	3.7
Total financial assets	3.3	3.2	3.7
Deferred tax assets	30.7	7.4	3.2
Total non-current assets	411.8	374.7	662.6
Current assets			
Inventories	8.5	9.7	11.3
Current receivables			
Trade receivables	101.9	78.0	66.6
Current tax assets	5.1	7.7	0.3
Other current receivables	16.9	10.9	5.1
Prepaid expenses and accrued income	24.6	21.6	28.1
Total current receivables	148.5	118.2	100.1
Cash and cash equivalents	155.4	197.4	148.2
Total current assets	312.4	325.3	259.6
TOTAL ASSETS	724.2	700.0	922.2
EQUITY AND LIABILITIES			
Equity			
Share capital	139.7	139.7	139.7
Other contributed capital	228.1	228.1	228.1
Translation reserves	72.0	70.5	60.4
Retained earnings including profit for the year	22.7	-14.9	238.6
Total equity	462.5	423.4	666.8
Non-current liabilities			

Lease liabilities	24.8	34.9	50.3
Other non-current liabilities	2.0	1.5	1.5
Deferred tax liabilities	28.4	42.6	30.3
Total non-current liabilities	55.2	79.0	82.1
Current liabilities			
Trade payables	8.2	6.9	8.4
Lease liabilities	20.1	16.8	19.0
Current tax liabilities	7.2	18.0	3.1
Other liabilities	13.1	5.8	9.6
Deferred income	131.4	126.8	115.3
Accrued expenses	26.5	23.3	17.9
Total current liabilities	206.5	197.6	173.3
TOTAL EQUITY AND LIABILITIES	724.2	700.0	922.2

	30 June	
	2025	2024
SEK millions	<i>Unaudited</i>	
Assets		
Non-current assets		
Goodwill	117.5	117.5
Other intangible assets	214.7	189.3
Property, plant and equipment	11.5	14.8
Right-of-use assets	31.4	44.0
Financial assets	3.2	3.1
Deferred tax assets	29.5	28.5
Total non-current assets	407.8	397.2
Current assets		
Inventories	10.6	9.3
Other current assets	57.3	60.4
Trade receivables	77.2	80.0
Cash and cash equivalents	131.1	160.5
Total current assets	276.2	310.2
Total assets	683.9	707.4
Equity and liabilities		
Total equity	435.9	440.9
Non-current liabilities		
Lease liabilities	15.7	27.5
Other non-current liabilities	6.8	1.7
Deferred tax liabilities	32.4	24.6

Total non-current liabilities	54.9	53.8
Current liabilities		
Trade payables	8.4	6.8
Lease liabilities	14.9	19.3
Deferred income	130.6	133.2
Other current liabilities	39.3	53.4
Total current liabilities	193.1	212.7
Total equity and liabilities	683.9	707.4

CONSOLIDATED CASH FLOW STATEMENT

	1 January–31 December		
	2024	2023	2022
SEK millions	<i>Audited</i>		
Operating activities			
Incoming payments from customers	469.2	443.6	412.8
Outgoing payments to suppliers and employees	-300.5	-287.3	-267.6
Cash flow from operating activities before interest and income taxes paid	168.7	156.3	145.2
Interest received	4.0	1.6	0.2
Interest paid	-2.7	-2.6	-1.7
Tax relief received	6.9	12.9	11.2
Income taxes paid	-41.5	-24.1	-27.2
Cash flow from operating activities	135.4	144.1	127.7
Investing activities			
Investments in intangible assets	-51.5	-36.3	-50.2
Investments in property, plant and equipment	-3.0	-5.8	-9.3
Divestments of financial assets	0.0	0.3	-
Cash flow from investing activities	-54.5	-41.8	-59.5
Financing activities			
Share warrants	-	-	0.1
Share buybacks	-86.6	-9.6	-
Dividend	-20.0	-20.5	-
Amortization of financial liabilities	-18.8	-19.1	-39.6
Cash flow from financing activities	-125.4	-49.2	-39.5
Cash flow for the year	-44.5	53.1	28.7
Cash and cash equivalents at beginning of year	197.4	148.2	113.4
Exchange difference in cash and cash equivalents			
– attributable to cash and cash equivalents at beginning of year	2.3	-5.7	5.4
– attributable to cash flow for the year	0.2	1.8	0.7

Cash and cash equivalents at end of year	155.4	197.4	148.2
	1 January–30 June		
	2025	2024	
SEK millions	<i>Unaudited</i>		
Incoming payments from customers and other incoming payments	268.8		238.4
Outgoing payments to suppliers and employees	-170.9		-152.0
Interest received	0.9		2.3
Interest paid	-0.9		-1.4
Tax relief received	-		-
Income taxes paid	-32.2		-19.0
Cash flow from operating activities	65.6		68.4
Investments in property, plant and equipment	-1.3		-1.7
Investments in intangible assets	-23.5		-22.1
Cash flow from investing activities	-24.9		-23.9
Amortization of financial liabilities	-10.0		-9.6
Share buybacks	-29.3		-51.8
Dividend	-19.1		-20.0
Cash flow from financing activities	-58.4		-81.4
Cash flow for the period	-17.6		-37.0
Cash and cash equivalents at beginning of period	155.4		197.4
Exchange difference in cash and cash equivalents	-6.7		0.1
Cash and cash equivalents at end of period	131.1		160.5

KEY FIGURES, CAPITAL STRUCTURE AND DATA PER SHARE

	1 January–31 December		
	2024	2023	2022
	<i>Audited</i>		
PERFORMANCE MEASURES			
Gross margin, %	97.3	96.6	97.0
Net sales, SEK m	487.2	458.1	419.9
Operating expenses, SEK m	-361.1	-662.2 ¹¹	-347.1
Operating profit/loss, SEK m	119.1	-204.1	75.7

¹¹ Derived from the annual report for 2024.

Operating margin, %	24.4	-44.6	18.0
Adjusted operating margin, %	27.0	21.0	18.3 ¹²
ARR in relation to net sales, %	62,1 ¹³	56,9 ¹⁴	47,9 ¹⁵
Profit margin, %	25.5	-44.4	17.5
Cash flow ratio, %	27.8	31.5	30.4
EBITDA margin, %	35.8	31.3	30.7
Adjusted EBITDA margin, %	38.3	33.4	31.0 ¹⁶
Cash conversion rate, multiple	0.73	0.94	0.98 ¹⁷
Return on equity, %	30.5	-42.0	9.2
Return on capital employed, %	25.9	-33.4	11.0
CAPITAL STRUCTURE			
Equity, SEK m	462.5	423.4	666.8
Capital employed, SEK m	507.3	475.1	736.1
Net cash, SEK m	110.5	145.7	78.9
Net debt/equity ratio, multiple	-0.2	-0.3	-0.1
Equity/assets ratio, %	63.9	60.5	72.3
DATA PER SHARE			
Average number of shares outstanding, million	13.26	13.66 ¹⁸	13.65
Average number of shares outstanding, diluted, million	13.55	13.80	13.75
Number of shares at end of period, million ¹⁹	13.66	13.66	13.66
Earnings per share (basic), SEK	10.20	-16.84	4.23
Earnings per share (diluted), SEK	9.98	-16.84	4.20
Equity per share, SEK ²⁰	33.86	31.00	48.81
Cash flow from operating activities per share, SEK	10.21	10.55	9.36
Dividend	1.5	1.5	1.5 ²¹
EMPLOYEES			
Average number of employees	206	202	203
<hr/>			
<hr/>			
1 January – 30 June			
<hr/>			
		2025	2024
<hr/>			
<i>Unaudited</i>			
<hr/>			

¹² Derived from the annual report for 2023.

¹³ Derived from the press release "Correction of Net sales" published by IAR on 18 June 2025.

¹⁴ Derived from the press release "Correction of Net sales" published by IAR on 18 June 2025.

¹⁵ Derived from the press release "Correction of Net sales" published by IAR on 18 June 2025.

¹⁶ Derived from the annual report for 2023.

¹⁷ Derived from the annual report for 2023.

¹⁸ Derived from the annual report for 2024.

¹⁹ Excluding 308,042 class C shares that are held in treasury.

²⁰ Excluding 308,042 class C shares that are held in treasury.

²¹ Derived from the annual report for 2023.

PERFORMANCE MEASURES

Gross margin, %	96.2	97.5
EBITDA, %	23.9	36.1
Adjusted EBITDA, %	28.8	38.0
Operating margin, %	12.9	24.5
Adjusted operating margin, %	17.7	26.4
ARR in relation to net sales, %	64.8	63.4
Profit margin, %	12.9	25.4
Cash flow ratio, %	28.1	28.1
Cash conversion rate, multiple	0.98	0.74
Equity/assets ratio, %	63.7	62.3
Return on equity, %	4.7	19.6
Return on capital employed, %	6.4	13.2
Capital employed, SEK m	466.5	487.7
Net cash, SEK m	100.4	113.7
Net debt/equity ratio, multiple	-0.2	-0.3
No. of employees at end of period	227	215
Average no. of employees	211	204
Sales per employee, SEK m	1.1	1.2

Share data

Equity per share, SEK	33.38	32.28
No. of shares at end of period, million	13.06	13.66
Average no. of shares outstanding, million	12.85	13.38
Average number of shares outstanding, diluted, million	13.06	13.62
Cash flow from operating activities per share, SEK	5.11	5.11
Earnings per share, basic, SEK	1.65	6.34
Earnings per share, diluted, SEK	1.62	6.23

IAR's share capital and ownership structure

GENERAL

The shares of class B in IAR are admitted to trading on Nasdaq Stockholm, Mid Cap, under the ticker IAR B and ISIN code SE0005851706.

SHARE CAPITAL

As of the date of this offer document, the number of shares in IAR amounts to 13,368,333, of which 13,060,291 are shares of class B and 308,042 are shares of class C. The quota value per share is approximately SEK 10.44882 per share. Each share of class B and class C entitles the holder to one vote at general meetings. Shares of class C are not entitled to dividend. Shares of class A and class B may be issued in each class up to a maximum number corresponding to one hundred percent of the entire share capital. Shares of class C may not exceed 2,000,000 shares. Shares of class C held by the Company may, upon decision by the Board of Directors, be converted into class B shares.

SHAREHOLDERS

The table below shows the ten largest shareholders of IAR, based on information published at IAR's website, www.iar.com.

Shareholder	Number of shares	% of capital and votes	Verified
Alcur Fonder	1,352,570	10.12	2025-06-24
Andra AP-fonden	1,295,415	9.69	2025-07-29
Aktia Asset Management	800,279	5.99	2025-07-29
Arbetsmarkedets Tillægspension (ATP)	650,000	4.86	2025-07-29
Tredje AP-fonden	630,000	4.71	2025-07-29
I.A.R. Systems Group AB	629,036	4.71	2025-07-29
Fjärde AP-fonden	590,000	4.41	2025-07-29
Avanza Pension	477,593	3.57	2025-07-29
Nicolas Hassbjer	354,314	2.65	2025-07-29
Anders Bladh (Ribbskottet AB)	350,000	2.62	2025-07-29
10 largest shareholders	7,129,207	53.33	
Others	6,239,126	46.67	
Total number of shares	13,368,333		2025-07-31

Source: IAR's website (www.iar.com).

CONVERTIBLES AND WARRANTS ETC.

IAR has not issued any convertibles, warrants or other securities.

DIVIDEND POLICY

The Board of Directors of IAR intends to propose an annual dividend, or other similar transfer of value, corresponding to 30–50 percent of profit after tax. In addition, the Board may recommend a further transfer of capital to the shareholders, provided that the Board considers this action to be justified in view of anticipated future cash flow and the Company's investment plans.

SHAREHOLDERS' AGREEMENT ETC.

The Board of Directors of IAR is not aware of any material agreements between major shareholders or between major shareholders and The Qt Company or the Company.

SHARES HELD IN TREASURY

As of the date of this offer document, IAR holds 320,994 shares of class B and 308,042 shares of class C in treasury.

AUTHORIZATION FOR THE BOARD OF DIRECTORS OF THE COMPANY TO RESOLVE ON NEW SHARE ISSUES

At the annual general meeting held on 28 April 2025, the Board of Directors of the Company was authorized to, on one or several occasions during the period until the next annual general meeting, either applying or disapplying the shareholders' preemptive rights, to resolve on the issue of new shares and/or convertibles entailing the issue of, or conversion to, a maximum total of 1,520,000 shares of class B, corresponding to a dilution effect of approximately 10.0 per cent of the share capital and about 10.0 per cent of the number of votes after dilution.

The motive for the authorization and any disapplication of the shareholders' preemptive rights is to enable issues to be conducted in a timely manner in order to finance acquisitions or investments in new or existing operations. In

the event that the shareholders' preemptive rights are disappplied, issues of new shares and issues of convertibles supported by this authorization are to be conducted at market price in accordance with the market conditions prevailing on the date on which the shares and/or convertibles are issued. Payment for subscribed shares and/or convertibles is to be made in cash, through non-cash consideration or in the form offsetting.

AUTHORIZATION FOR THE BOARD OF DIRECTORS OF THE COMPANY TO RESOLVE ON REPURCHASES AND TRANSFERS OF TREASURY SHARES

At the annual general meeting held on 28 April 2025, the Board of Directors of the Company was authorized to, on one or several occasions during the period until the next annual general meeting, to resolve on the purchase of a maximum number of shares of class B whereby the holding of treasury shares at no time exceeds 10 per cent of all registered shares in the Company. The shares are to be acquired on Nasdaq Stockholm at a price that is within the registered price interval at any given time, defined as the interval between the highest bid price and the lowest ask price. The motive for the authorization is to give the Board of Directors greater freedom of action in optimizing the Company's capital structure.

The Board of Directors of the Company was furthermore authorized to, on one or several occasions during the period until the next annual general meeting, to resolve on the transfer of, at most, all class B treasury shares held by the Company at any given time (i) on Nasdaq Stockholm or (ii) in a manner other than a transfer on a regulated market, whereby the Board of Directors shall be able to decide on the transfer of shares for payment in cash disapplying the shareholders' preemptive rights or as consideration for the acquisition of companies or operations. The transfer of shares on a regulated market may take place only at a price that is within the registered price interval at any given time. The transfer of shares in a manner other than through a transfer on a regulated market disapplying the shareholders' preemptive right, or as consideration for the acquisition of companies or operations, may take place only at a price corresponding to the

prevailing market value at the time of each issue. The motive for the authorization is to give the Board of Directors greater freedom of action and scope to continuously adapt the Company's capital structure as well as the opportunity to finance future acquisitions. The motive for authorizing the Board of Directors, in connection with the transfer of shares in a manner other than through a transfer on a regulated market, to decide on the transfer of shares disapplying the shareholders' preemptive rights is that the Company can thereby dispose of the shares in a more timely manner in the event that the liquidity of the Company's share on the regulated market is limited on the date of transfer.

MATERIAL AGREEMENTS

IAR's annual report for the financial year 2024 does not refer to any material agreements to which IAR is a party and which would be affected, amended or terminated as a consequence of the change of control in IAR as a result of a public offer.

IAR's Board of Directors, management and auditors

BOARD OF DIRECTORS²²

Nicolas Hassbjer

Birth: 1967

Title: Chairman of the Board

Shareholding: 354,314 shares of class B.

Education: Honorary doctorate in information technology.

Nicolas is currently chairman of Yaskawa Robotics Nordic, Ferroamp and Slottsmöllans Fastighets AB, chairman and CEO of Tequity, deputy chairman of the Chalmers University of Technology Foundation as well as board member of Consafe Logistics and LumenRadio. He is the founder and has previously been the CEO and deputy chairman of HMS Networks. Nicolas has extensive experience in international sales, IoT and embedded systems.

Nicolas is independent of the Company and its management and the major shareholders.

Michael Ingelög

Birth: 1971

Title: Board member

Shareholding: 10,000 shares of class B.

Education: BSc in business administration from Uppsala University.

Michael is currently CEO and founder of MiMain, chairman and co-founder of Stabelo and Optio Investment Partners AB, as well as board member of a number of smaller companies. Michael has previously held senior positions in the finance sector, including at Svenska Handelsbanken, UBS, Deutsche Bank and Credit Suisse.

Michael is independent of the Company and its management and the major shareholders.

Sabina Lindén

Birth: 1979

Title: Board member

Shareholding: 1,896 shares of class B.

Education: Bachelor of Human Resource Management from the University of Gothenburg.

Sabina is currently Group Chief Human Resource Officer at Unident Group, and has board assignments in Sigicom AB, Lumen Radio, and WOW Foundation. Sabina has previously been the HR Director at HMS Networks AB for more than ten years.

Sabina is independent of the Company and its management and the major shareholders.

Fred Wikström

Birth: 1970

Title: Board member

Shareholding: 35,400 shares of class B.

Education: LL.M. from Stockholm University.

Fred currently manages his own investments and is a corporate finance and M&A consultant. Fred is a co-founder of POC and has over 15 years of experience of starting, developing and operating companies.

Fred is independent of the Company and its management and the major shareholders.

²² Shareholdings referred to in this section include holdings by related natural or legal persons.

Sofia Persson Björk**Birth:** 1977**Title:** Board member**Shareholding:** -**Education:** Engineering degree with a focus on electrical engineering from Lund University of Technology.

Sofia is currently Head of Engineering at Megger and chairman of Svensk Elektronik, Sweden's leading trade association for industrial electronics. Sofia has previously been board member of Innovative Centre for Embedded Systems - ICES, Royal Institute of Technology. Sofia has extensive, broad, and international experience from leading roles in technology companies such as AFRY and Data Respons Solutions. She has over 20 years of experience in technology, product development, and leadership, with a focus on embedded systems, industrial automation, and robust data communication.

Sofia is independent of the Company and its management and the major shareholders.

EXECUTIVE MANAGEMENT²³**Cecilia Wachtmeister****Birth:** 1966**Title:** Chief Executive Officer**Shareholding:** 11,500 shares of class B.**Education:** MSc in industrial engineering from the Institute of Technology at Linköping University. Ericsson Executive Program at Stanford University.

Cecilia is currently a board member of HMS Networks AB and Smart Eye AB. Cecilia has previously been Executive Vice President at KAMBI Plc and has several years' experience from various senior positions at Ericsson AB, both in Sweden and abroad.

Anders Holmberg**Birth:** 1967**Title:** Chief Technology and Engineering Officer**Shareholding:** -**Education:** BSc in mathematics and computer science, Uppsala University.

Anders has worked at IAR since 2000, mainly in advanced solutions for developing embedded systems. Anders has previously had career in parallel computers and supercomputers and as a university lecturer, technical consultant, C/C++ developer and development manager.

Ann Zetterberg**Birth:** 1967**Title:** Chief Financial Officer**Shareholding:** 1,076 shares of class B.**Education:** BSc in business administration from Stockholm University.

Ann has more than 20 years of experience as a CFO, including at Accent Equity Partners and the technology firm Brighter. She has board experience primarily in the mining industry, as a board member of Endomines and chairman of the board of Viscaria.

Dannielle Iversen**Birth:** 1986**Title:** Chief Commercial Officer**Shareholding:** -**Education:** BS.b.a. concentrating on business economics and information technology management from California State University.

Dannielle has worked at IAR since 2008 and held several global roles with responsibility for sales, business operations, sales enablement, customer service and US operations.

²³ Shareholdings referred to in this section include holdings by related natural or legal persons.

Thomas Andersson**Birth:** 1976**Title:** Chief Product Officer**Shareholding:** -**Education:** MSc in engineering physics from Uppsala University.

Thomas has over 20 years of experience from global companies in the telecom, embedded software and defense industry before joining IAR's production management organization. Thomas' main focus has been strategic product management and system development.

Emilia Waldenvik**Birth:** 1993**Title:** Chief Human Resources Officer**Shareholding:** -**Education:** BSc in HR and working life from Uppsala University

Emilia has many years of experience in personnel matters in HR roles from various types of companies.

AUDITORS

At IAR's annual general meeting held on 28 April 2025, Deloitte AB was elected as auditor for the period until the next annual general

meeting. Authorized public accountant Andreas Frountzos is the auditor in charge.

OTHER

According to IAR's annual report for the financial year 2024, the CEO is, in the event of dismissal by the Company, entitled to full salary during a notice period of six months. If employment is terminated by the CEO, the notice period is six months. In the event of termination by the Company, the CEO is, in addition to the salary during the notice period, entitled to severance pay corresponding to six times the fixed monthly salary at the end of the employment period.

Except as set out above, IAR's annual report for the financial year 2024 does not refer to any agreements between IAR and its board members or employees which stipulate a right of compensation if their employment is terminated due to their own resignation, if their employment terminates without cause or as a consequence of a public offer regarding the shares in IAR.

IAR's articles of association

This is a non-official translation of the Swedish language version of the articles of association available on IAR's website (www.iar.com).

Articles of association of I.A.R. Systems Group AB (publ) Reg. No. 556400-7200

- § 1 The business name of the company is I.A.R. Systems Group AB (publ).
- § 2 The registered office of the Board of Directors shall be situated in the Municipality of Uppsala, Sweden. General meetings may be held in Uppsala or Stockholm.
- § 3 The company shall, itself and through subsidiaries and associated companies, conduct sales, development and maintenance of computer systems and software, conduct consulting activities in these areas, manage real and movable property and engage in activities compatible therewith.
- § 4 The share capital shall amount to not less than SEK 70,000,000 and not more than SEK 280,000,000.
- § 5 The number of shares in the company shall be not less than 7,000,000 and not more than 28,000,000. The shares shall be issued in three classes, class A, class B and class C. Shares of class A carry ten votes per share and class B and class C shares carry one vote per share. In all other respects, class A and class B shares shall, subject to these articles of association, carry the same rights. Shares of class C shall not entitle the holder to dividends.

Shares of class A and class B may be issued in each class up to a maximum number corresponding to one hundred percent of the entire share capital. Class C shares may not exceed 2,000,000 shares.

If the company decides to issue new shares of class A, class B and class C by way of a cash issue or set-off share issue, holders of class A, class B and class C shares shall have preferential rights to subscribe for new shares of the same class in proportion to the number of shares previously held by the holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered to all shareholders for subscription (subsidiary preferential rights). If the shares thus offered are not sufficient for the subscription made with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of shares they already own and, to the extent that this cannot be done, by drawing lots.

If the company decides to issue only shares of a certain class through a cash issue or set-off share issue, all shareholders, regardless of whether their shares are class A, class B or class C shares, shall have preferential rights to subscribe for new shares in proportion to the number of shares they already own.

If the company decides to issue warrants or convertibles through a cash issue or set-off share issue, the shareholders shall have preferential rights to subscribe for warrants as if the issue concerned the shares that may be newly subscribed for due to the warrant right and preferential rights to subscribe for convertibles as if the issue concerned the shares for which the convertibles may be exchanged.

The above shall not restrict the possibility of deciding on a cash issue or set-off share issue with deviation from the shareholders' preferential rights.

In the event of an increase in the share capital by means of a bonus issue involving the issue of new shares, new shares of each class shall be issued in proportion to the number of shares of the same class already in issue. In this connection, old shares of a given class shall carry entitlement to new shares of the same class. Shares of class C do not entitle the holder to participate in a bonus issue. The above shall not imply any restriction on the possibility of issuing shares of a new class through a bonus issue, following the necessary amendment of the articles of association.

In the event of the dissolution of the company, shares of class C entitle the holder to an equal share in the company's assets as other shares, but not to a higher amount than the quota value of the share.

A reduction of the share capital, but not below the minimum capital, may, at the request of holders of class C shares or by decision of the company's Board of Directors, be effected by redemption of class C shares. Requests from shareholders shall be made in writing to the Board of Directors of the company and the Board shall deal with the matter expeditiously. When a reduction decision is made, an amount corresponding to the reduction amount shall be allocated to the reserve fund if the necessary funds are available. The redemption amount per class C share shall be the quota value of the share. Payment of the redemption amount shall be made as soon as possible after the registration of the reduction of the share capital.

At the request of the holder of class A shares, class A shares may be converted into class B shares. The request for conversion must be made in writing to the company's Board of Directors. The request shall state the number of shares to be converted. Conversion shall be reported for registration without delay and is executed when registration has taken place.

Class C shares held by the company may be converted into class B shares following a decision by the Board of Directors. The conversion shall be notified for registration without delay and is effective when registration has taken place.

- § 6 The shareholder or nominee who on the record date is entered in the share register and registered in a CSD register pursuant to Chapter 4 of the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479) or who is registered in a CSD account pursuant to Chapter 4, Section 18, first paragraph 6-8 of the said act shall be presumed to be authorised to exercise the rights pursuant to Chapter 4, Section 39 of the Swedish Companies Act (2005:551).
- § 7 The Board of Directors shall consist of not less than three and not more than ten members with not more than two deputies. The company shall have a minimum of one and a maximum of two auditors, with or without deputy auditors, or a registered auditing firm.
- § 8 Notice of a general meeting shall be published in the Official Swedish Gazette (Sw. *Post-och Inrikes tidningar*) and on the company's website. The fact that notice has been given shall be announced in Svenska Dagbladet. Shareholders who wish to participate in the proceedings of the general meeting must notify the company no later than the date stated in the notice of the meeting. This day may not be a Sunday, other public holiday,

Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday before the meeting.

Shareholders may bring one or two assistants to a general meeting, but only if the shareholder has given notice of this in accordance with the previous paragraph.

§ 9 The annual general meeting shall be held annually within six months of the end of the previous financial year. The following matters shall be dealt with at the annual general meeting:

1. Election of the chairman of the meeting.
2. Drawing up and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to verify the minutes.
5. Verification of whether the meeting has been duly convened
6. Presentation of the annual report and the auditor's report and, where applicable, the consolidated financial statements and the auditor's report for the group.
7. Matters concerning:
 - a. adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet;
 - b. allocation of the company's profit or loss according to the adopted balance sheet;
 - c. discharge from liability of the members of the Board of Directors and the managing director, if appointed.
8. Determination of the remuneration of the Board of Directors and, where applicable, the auditors
9. Determination of the number of members and deputy members of the Board of Directors
10. Election of the Board of Directors and deputy members and, where applicable, auditors and deputy auditors.
11. Other matters that are incumbent on the meeting in accordance with the Swedish Companies Act (2005:551) or the articles of association.

§ 10 The company's financial year shall be the calendar year.

This article of association has been approved at the annual general meeting on 25 April 2024.

IAR's interim report for the period 1 January–30 June 2025



Summary

Increased demand for subscription offering in currency headwinds

Summary of the period

While the deals completed during the period showed a solid positive trend and the share of sales under the subscription offering progressed according to plan, exchange rates had a greater impact than normal. Sales in the quarter amounted to SEK 109.4m (123.2), corresponding to growth of -11.2%, or -4.5% in local currency. Foreign exchange effects had a negative impact of a full SEK 8.3m on net sales. As a result of the change in business model from perpetual license to subscriptions, which shifts a large share of income forward in time, income decreased SEK 10.1m. Adjusted for foreign exchange effects, growth was -2.4% in EMEA, -2.9% in APAC and -8.2% in North America. Sales in the first half-year amounted to SEK 233.5m (243.0), corresponding to growth of -3.9%, or -0.8% in local currency. Foreign exchange effects had a negative impact of SEK 7.5m on net sales, and the impact of the change in business model was the same as in the quarter. Adjusted for foreign exchange effects, growth was -6.8% in EMEA, +20.6% in APAC and -14.6% in North America.

An adjusted EBITDA margin of 28.8% (38.0) and an adjusted operating margin of 17.7% (26.4) were posted for the first half-year. The lower margin was attributable to foreign exchange effects, increased personnel costs and the impact on income from the change in business model from perpetual to subscriptions.

In early July, the Finnish software company Qt made an offer for IAR of SEK 180 per share. The EBIT and EBITDA margins were impacted by certain costs related to this process.

Second quarter, April-June 2025

- Net sales were SEK 109.4m (123.2), with growth of -11.2%, or -4.5% in local currency.
- EBITDA of SEK 17.3m (40.7), corresponding to an EBITDA margin of 15.8% (33.0).
- Adjusted EBITDA of SEK 25.5m (43.2), corresponding to an adjusted EBITDA margin of 23.3% (35.1).
- Operating profit of SEK 4.6m (27.3), corresponding to an operating margin of 4.2% (22.2).
- Adjusted operating profit of SEK 12.7m (29.8), corresponding to an adjusted operating margin of 11.7% (24.2).
- Capitalized work on own account amounted to SEK 9.9m (10.8).
- In a year-on-year comparison, currency translation had a negative impact of SEK 8.3m on net sales and a negative impact of SEK 6.3m on operating profit for the period, based on income and costs in local subsidiaries.
- Cash flow from operating activities amounted to SEK 41.9m (35.7).

The January-June 2025 period

- Net sales were SEK 233.5m (243.0), with growth of -3.9% and -0.8% in local currency.
- EBITDA of SEK 55.9m (87.7), corresponding to an EBITDA margin of 23.9% (36.1).
- Adjusted EBITDA of SEK 67.2m (92.3), corresponding to an adjusted EBITDA margin of 28.8% (38.0).
- Operating profit of SEK 30.1m (59.5), corresponding to an operating margin of 12.9% (24.5).
- Adjusted operating profit of SEK 41.4m (64.1), corresponding to an adjusted operating margin of 17.7% (26.4).
- Capitalized work on own account amounted to SEK 22.7m (21.1).
- In a year-on-year comparison, currency translation had a negative impact of SEK 7.5m on net sales and a negative impact of SEK 6.4m on operating profit for the period, based on income and costs in local subsidiaries.
- Cash flow from operating activities amounted to SEK 65.6m (68.4).

The company ended the quarter with a stable and growing order book and expanding pipeline, driven by opportunities related to the subscription offering.

Cecilia Wachtmeister, CEO

Q2 in brief:

- **Full launch of our modernized cloud-based product portfolio**
- **Cancellation of 600,000 class B treasury shares**

Group summary

	3 months Apr-Jun		6 months Jan-Jun		Full-year
	2025	2024	2025	2024	2024
Net sales, SEK m	109.4	123.2	233.5	243.0	487.2
EBITDA, SEK m*	17.3	40.7	55.9	87.7	174.3
Adjusted EBITDA, SEK m*	25.5	43.2	67.2	92.3	186.7
Operating profit, SEK m*	4.6	27.3	30.1	59.5	119.1
Adjusted operating profit, SEK m*	12.7	29.8	41.4	64.1	131.5
Earnings per share, basic, SEK**	0.16	1.19	1.65	6.34	10.20
Earnings per share, diluted, SEK**	0.15	1.17	1.62	6.23	9.98
Cash flow from operating activities, SEK m*	41.9	35.7	65.6	68.4	135.4
Net cash, SEK m*	100.4	113.7	100.4	113.7	110.5
Gross margin, %*	94.0	97.6	96.2	97.5	97.3

*For definitions and calculations of alternative performance measures, refer to pages 17 and 20.

** Definition in accordance with IFRS.

CEO Statement

Comments from the CEO

The second quarter marked an important milestone in IAR's ongoing transformation journey. With our new platform now widely available, we are continuing to transition to a modern subscription-based business model. We have seen early indications that the change has been well received by existing and new customers alike. During the quarter, 21% of the value of completed deals came from subscription, with nearly a quarter of subscription income attributable to new customers – a clear sign that our updated platform and packaging are attractive.

We welcomed approximately 80 new customers during the quarter, 55 more than in the same period last year, with a particularly strong trend in the APAC region. A total of 17 new subscription contracts were signed under our new offering.

Several customers who commenced their subscriptions in Q1 or Q2 have already chosen to extend their contracts, adding more users and increasing their capacity. These early additional sales demonstrate that the subscription model not only meets customer needs, but also offers greater income potential over time.

As expected, income recognition for subscriptions, combined with foreign exchange losses due to a stronger SEK, impacted reported income. Income decreased 11.2% in Q2 and 3.9% in H1 compared with 2024. However, sales activity remained strong. Adjusted for foreign exchange effects (SEK 8.3m) and lower income as a result of delayed recognition due to the change in business model (SEK 10.1m), we achieved growth of 3.7% compared with Q2 2024, despite the comparison against a record-breaking quarter.

Broader market presence and growing opportunities

One of our strategic cornerstones for 2025 is to expand IAR's global presence. In Q2, we intensified our efforts to establish commercial channel partnerships, particularly with key players in the ecosystem, in order to better match the purchasing processes and workflows of future customers. We broadened our presence by connecting several technically competent regional partners and increased our visibility in strategic digital marketplaces. We also launched

“Several subscription customers have already chosen to extend their contracts, reflecting growing demand during the customer journey.”

two digital e-commerce channels through partnerships with Digi-Key and Mouser during the period.

The company ended the quarter with a stable and growing order book (+6%, SEK 138.7m compared with SEK 131.3 in Q2 2024) and expanding pipeline, increasingly driven by opportunities related to the subscription offering. Given the increased interest in Zephyr, RISC-V and new support for Arm technology, along with growing numbers of evaluation licenses and price inquiries, we have good growth prospects for the second half of the year.

North America: Signs of stabilization in an uncertain climate

Macroeconomic and political uncertainty continue to delay decision-making, thereby prolonging sales cycles. While customers remain cautious, they prioritize tools that deliver clear returns and help to ensure compliance. Combined with the postponement of several major deals until Q3, the transition to a subscription-based business model contributed to a decline in reported income in local currency of 8%, despite an increase in the value of deals completed of 2%.

On a positive note, we landed a major five-year renewal with one of our largest customers and noted increased activity in the US West Coast. We have a strong pipeline for Q3, which we interpret as an early signal of recovery.

EMEA: Strategic progress and growing pipeline

EMEA delivered a varied, but promising quarter. The highlights included a five-year subscription contract with a leading

Swedish industrial company transitioning from traditional licensing, driven by CI/CD and security needs. A strong performance in DACH as well as Northern and Central Europe was underpinned by important contract renewals and extensions related to security tools.

One particularly important deal involved a Dutch subcontractor to the automotive industry that significantly expanded its use of certified tools. Deals completed increased 13%, while reported income decreased 2% in local currency, primarily as a result of delayed recognition of subscription income. The Q3 pipeline remains solid, with growing demand.

APAC: Record-breaking growth and market expansion

APAC reported a year-on-year increase in deals completed of 3%, while reported income decreased 3% in local currency due to delayed income recognition. Three subscription contracts were signed in the region, marking an important milestone for this traditionally cautious market.

More than 50 new customers were added, driven by the company's major success in China and new business in South-East Asia, including Thailand and Indonesia. The performance in Japan was unchanged, and Korea and Taiwan continued to face trade-related headwinds.

Outlook

On July 4, the Finnish company Qt published an offer to acquire IAR. The bidding process will continue for most of Q3, which means that IAR will continue to operate as usual. Information regarding the offer is available on IAR's website under Corporate governance. As we enter the second half of 2025, our focus is on accelerating the transition to a subscription-based business model, expanding our customer base and increasing use of our platform.

We noted several strong signals during the quarter: positive customer feedback, a growing global pipeline and momentum in all regions. We are seeing signs of recovery in the US, China is continuing to exceed our expectations, and although EMEA may slow due to seasonal patterns, the fundamentals in the region remain strong.

A warm thank you to the entire IAR team – your dedication and flexibility have been crucial to the progress we have achieved and to our ability to adapt and our long-term strength.

Cecilia Wachtmeister, CEO

Financial information

Financial information

Net sales

Sales in the quarter amounted to SEK 109.4m (123.2), corresponding to growth of -11.2%, or -4.5% in local currency. Foreign exchange effects had a negative impact of a full SEK 8.3m on net sales, and as a result of the change in business model from perpetual licenses to subscriptions, which shifts a large share of income forward in time, income decreased SEK 10.1m. This affects the total order book, which as of June 30, 2025 amounts to SEK 138.7m (131.3). 68% of the order book will be recognized as income in 2025, 25% in 2026 and the remainder by 2029. APAC accounted for 32.0% of net sales for the quarter, corresponding to SEK 35.0m (39.3) and growth of -10.8%. Foreign exchange effects had an impact of SEK -3.1m on sales, and growth in APAC was -2.9% in local currency. Net sales for the quarter declined -1.7% in Japan, -12.7% in Korea and -54.1% in Taiwan, while China increased 4.5%. China and Japan accounted for the majority of sales in APAC. EMEA accounted for 36.9% of net sales for the quarter, or SEK 40.3m (43.5), and posted negative growth of -7.3%. Adjusted for foreign exchange effects of SEK -2.2m, net sales in EMEA decreased -2.4% during the quarter. The EMEA markets declined overall during the quarter, except for DACH which displayed positive growth. North America accounted for 30.8% of net sales for the quarter, or SEK 33.7m (40.1), and posted negative growth of -15.9%. Adjusted for foreign exchange effects of SEK -3.1m, net sales in the US decreased -8.2% during the quarter.

IAR's strategy for increased growth

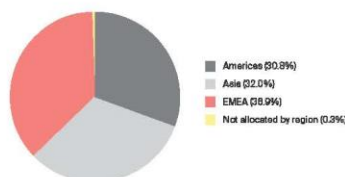
In December, IAR introduced a new strategy for driving long-term growth with the goal of achieving 20% growth in sales (in local currency) annually and an operating margin of at least 20% in the next three to five years. To reach these targets, we are focusing on increasing our addressable market and our market reach via three strategic pillars:

1. Technological expansion through open source
By promoting interoperability through open source, we can address the portion of the market using more powerful microprocessor chips (MPUs), opening up new markets and business opportunities.
2. Commercial expansion
We are strengthening our focus on verticals where we already have a strong position and a competitive offering: the automotive industry, medical technology and industrial automation. These segments are characterized by high security and compliance requirements, which gives us a natural competitive edge. At the same time, we are investing in our sales organization, internally as well as by expanding our network of distributors.
3. Transformation of the business model
We are transitioning from selling individual products with perpetual ownership to offering our entire toolbox as a subscription service. This will alter our income structure as well as customer value.

Effects of the transformed business model

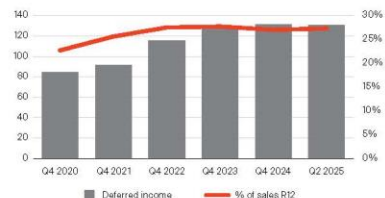
The subscription offering is priced in an entirely new way, primarily based on the number of automated workflows in simultaneous use. The transformation from selling perpetual licenses to selling a subscription offering is impacting sales in multiple ways across different time perspectives. In the short term, sales may decrease or level off, but in the long term we will see growth. Since we are not only switching our business model, but adding entirely new customer value to our offering, we will not experience a significant decline in income in the short term. The new subscription service offers clear added value for customers in the form of Support and upgrades (SUA). Customers that currently pay for SUA separately are therefore likely to pay more per year when moving to a cloud-based subscription. This is expected to have a positive impact on the income trend. Realized income will be shifted forward in time, since 85% of a perpetual license sold is recognized at the time of the sale, while income from a subscription in the cloud is distributed evenly over the term of the contract. The price of a subscription for the first year will be lower than a perpetual license, but it is recurring income and, over time, will generate greater income. The transformation has good potential to gradually increase sales as well as the share of recurring income, which is already over 50%.

Breakdown of income Q2 2025

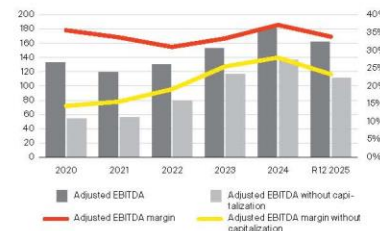


*For definitions and calculations of alternative performance measures, refer to pages 17 and 20

Deferred income, SEKm



Adjusted EBITDA and Adjusted EBITDA margin*



Financial information

Business model

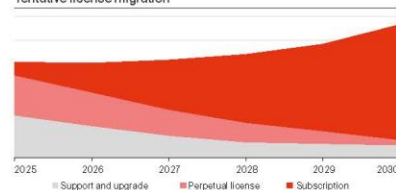
Through a perpetual license, the customer makes a one-time purchase of an IAR solution, giving them full ownership of the software license. The subscription-based model enables an ongoing customer dialogue throughout the entire journey, which strengthens customer loyalty and increases customer retention. The model offers a lower initial cost for the customer and a high degree of flexibility and customization. For IAR, this model provides predictable income over the term of the contract and creates an opportunity to grow in existing customer organizations as well as towards their third-party partners and end customers. This will expand IAR's addressable market within previously established customer relationships, which will accelerate growth compared with only acquiring new customers.

This is assuming a tentative transformation from perpetual licenses to subscriptions in the cloud. It is not a forecast and does not include all of IAR's income streams, but rather illustrates what a gradual transformation could look like. Income could decline in the short term in the case of a faster transformation.

Sale of the subscription offering

Our new cloud-enabled subscription offering was launched at Embedded World in Nuremberg in March, and 21% of deals completed in Q2 pertained to subscription business. Having received many questions from investors about our financial transformation and the company's future growth, we decided to provide a customer example. While this example should not be regarded as an average customer, after Q2 we can see that the increase in income presented below for a customer switching to the subscription offering is not a one-off exception. As a cloud-based subscription customer, this example customer will pay around 2.5 times what they paid in average annual fees for the past three years for support and upgrades, or 1.5 times their total average payments for the last three years for support, upgrades and perpetual licenses.

Tentative license migration



	Perpetual license	Cloud-based subscription
Contractual terms and conditions	<ul style="list-style-type: none"> One-time payment for the purchase of a license customized for a specific chip Price per license IAR sells a license that the customer owns 	<ul style="list-style-type: none"> Agreement for a certain period of time, often several years, that includes the entire toolbox of licenses regardless of chip type Price per user and simultaneous workflows IAR sells a service connected to the cloud
Effects for customers	<ul style="list-style-type: none"> One-time cost, no hidden fees Investment cost (CapEx) 	<ul style="list-style-type: none"> Flexibility for changing needs Access to Functional Safety & Security Access to new products and services Operating cost (OpEx)
Effects for IAR	<ul style="list-style-type: none"> Weaker long-term customer loyalty Risk of unauthorized license use Poor insight into how customers are using the licenses and which licenses are still being used One-time transaction with possibility of income from additional services (support and upgrades) 85% of income recognized at the time of the sale and the rest spread evenly over the remaining 11 months 	<ul style="list-style-type: none"> Stronger long-term customer loyalty through subscriptions Higher share of recurring income More complex sales process Better customer data and insight into what customers are using Income distributed evenly throughout the term of the contract
Segment	<ul style="list-style-type: none"> All segments 	<ul style="list-style-type: none"> Focus on medium and large enterprises

Long-term targets, 3–5 years

20%

Annual growth in local currency

20%

Operating margin

Financial information

Net sales

Net sales for the second quarter of 2025

Net sales for the second quarter decreased compared with the same quarter last year and amounted to SEK 109.4m (123.2). Currency translation had a negative impact of a full SEK 8.3m on net sales for the quarter, and as a result of the change in business model from perpetual licenses to subscriptions, which shifts a large share of income forward in time, income decreased SEK 10.1m.

Net sales for the January-June 2025 period

Net sales for the first half-year decreased compared with the same period last year and amounted to SEK 233.5m (243.0). Currency translation had a negative impact of a full SEK 7.5m on net sales for the period, and as a result of the change in business model from perpetual licenses to subscriptions, which shifts a large share of income forward in time, income decreased SEK 10.1m.

Deferred income June 30, 2025

Deferred income in the form of accrued support agreements decreased SEK 0.8m during the first half-year and amounted to SEK 130.6m (133.2) on June 30, 2025. The total order book for the Group as of June 30, 2025 amounts to SEK 138.7m (131.3).

Earnings

Earnings for the second quarter of 2025

The gross margin for the quarter was 94.0% (97.6). The lower gross margin was due to commission related to a major deal in China.

EBITDA for the quarter amounted to SEK 17.3m (40.7), corresponding to an EBITDA margin of 15.8% (33.0). Adjusted EBITDA for the quarter amounted to SEK 25.5m (43.2), corresponding to an adjusted EBITDA margin of 23.3% (35.1). An adjustment was made for non-recurring items (including restructuring costs and impairment of intangible assets) and the recognized costs for the LTI 2022, LTI 2023 and LTI 2024 incentive programs. If the performance conditions for these programs are not met and thus no shares are allotted to the holders of these restricted stock units (RSUs), these RSU costs will nevertheless be recognized in pace with expected earnings. This will have no impact on cash flow besides potential social security expenses.

Operating profit for the quarter amounted to SEK 4.6m

(27.3), corresponding to an operating margin of 4.2% (22.2). The decline in operating profit was attributable to foreign exchange losses of SEK 6.3m, increased personnel costs and the impact on income due to the change to a subscription-based business model, which entails that a larger share of income, SEK 10.1m, was shifted forward in time compared with the previous model.

Adjusted operating profit for the quarter amounted to SEK 12.7m (29.8), corresponding to an adjusted operating margin of 11.7% (24.2).

A total of SEK 9.9m (10.8) was capitalized for software development costs during the quarter. Of the internally generated costs that were capitalized, SEK 7.9m (9.0) pertained to personnel costs.

Net financial items for the quarter amounted to SEK -0.2m (-3.0). The decrease noted compared with the year-earlier quarter was primarily due to minor foreign exchange effects and to lower interest rates.

Tax cost for the quarter was SEK -2.4m (-9.5) and the effective tax rate for the quarter was -54.8% (-35.0). The increase in the effective tax rate was mainly attributable to the adjustment of deferred tax assets related to tax loss carryforwards in the UK subsidiary.

Earnings for the January-June 2025 period

The gross margin for the first half-year amounted to 96.2% (97.6).

EBITDA for the first half-year amounted to SEK 55.9m (87.7), corresponding to an EBITDA margin of 23.9% (36.1). Adjusted EBITDA for the period amounted to SEK 67.2m (92.3), corresponding to an adjusted EBITDA margin of 28.8% (38.0).

Operating profit for the period amounted to SEK 30.1m (59.5), corresponding to an operating margin of 12.9% (24.5). The decline in operating profit was partly attributable to higher foreign exchange losses in the operations of SEK -6.4m, increased personnel costs and the impact on income due to the change to a subscription-based business model, which entails that a larger share of income, SEK 10.1m, was shifted forward in time compared with the previous model. Adjusted operating profit for the quarter amounted to SEK 41.4m (64.1), corresponding to an adjusted operating margin of 17.7% (26.4).

A total of SEK 22.7m (21.1) was capitalized for software development costs during the period. Of the internally generated costs that were capitalized, SEK 18.7m (17.6) pertained to

personnel costs.

Net financial items for the first half-year amounted to SEK 0.0m (2.3). The decrease noted compared with the year-earlier period was primarily due to minor foreign exchange effects and to lower interest rates.

Tax cost for the first half-year was SEK -8.9m (+23.1) and the effective tax rate for the period was -29.7% (37.4). The increased tax cost/decreased tax income for the period compared with the year-earlier period was primarily due to the company's revised assessment in the first quarter of 2024 concerning the historical tax loss carryforwards for the UK subsidiary.

Financial position

During the year, we continued to focus on investments in our major product areas. Investments in software during the first half-year totaled SEK 23.5m (22.1). Investments in property, plant and equipment for the first half-year totaled SEK 1.3m (1.7).

The Group had unutilized bank overdraft facilities of SEK 50.0m as of June 30, 2025. Utilized credit is reported as a liability to credit institutions in the balance sheet.

Other interest-bearing liabilities in the balance sheet pertain to current and non-current lease liabilities and amounted to SEK 30.6m (46.8) as of June 30, 2025. Lease liabilities recognized in the balance sheet pertain to commitments for leases and the largest portion is connected to leases for our offices.

The equity/assets ratio at June 30, 2025 was 63.7% (62.3). Repurchases of own shares totaling SEK 29.3m (51.8) in 2025 had a negative impact on the equity/assets ratio for the Group.

Cash flow and liquidity

Cash flow from operating activities amounted to SEK 41.9m (35.7) for the second quarter and SEK 65.6m (68.4) for the first half-year. Our customers' ability to pay remained adequate during 2025, and we did not note any indications of payment problems at our customers or increased bad debt losses during the period.

Cash flow from investing activities totaled SEK -10.7m (-12.1) for the second quarter and SEK -24.9m (-23.9) for the first half-year. Most of these investments pertain to the capitalization of development costs for software.

Cash flow from financing activities totaled SEK -29.9m

Financial information

(-56.9) for the second quarter and SEK -58.4m (-81.4) for the first half-year. Cash flow from financing activities primarily comprised the repurchase of own shares but to some extent also the amortization of lease liabilities related to IFRS 16 and right-of-use assets, which was mainly attributable to IAR's office premises.

Cash and cash equivalents

Cash and cash equivalents at the end of the period totaled SEK 131.1m (160.5). The Group's total available cash and cash equivalents at the end of the period amounted to SEK 181.1m (210.5). As of June 30, 2025, the Group had net cash of SEK 100.4m (113.7). The company's interest-bearing liabilities consist exclusively of lease liabilities, the majority of which is linked to rented offices.

Employees

The number of employees at IAR at the end of the period was 227 (215). The average number of employees during the year was 211 (204).

Parent Company

The activities of the Parent Company consist of Group management, finance and IR/PR functions. The Parent Company's net sales for the first half-year amounted to SEK 6.5m (6.5). Earnings after financial items amounted to a loss of SEK -1.4m (9.8). The decrease in earnings was primarily due to lower foreign exchange gains than in the year-earlier period.

Investments in property, plant and equipment amounted to SEK 0.0m (0.0) for the year. Cash and cash equivalents at June 30, 2025 totaled SEK 23.0m (52.4). The number of employees in the Parent Company at the end of the quarter was two (two).

Key events during the second quarter

No key events.

Key events after the end of the second quarter

The Finnish software company Qt made an offer for IAR of SEK 180 per share.

Significant risks and uncertainties

The market for IAR's software is evolving rapidly and forecasts

about future developments are thus uncertain. I.A.R. Systems Group's assessment is that no significant risks and uncertainties have changed or arisen aside from those described in the 2024 Annual Report under "Administration report" on pages 35-42 and in Note 2 on pages 64-66.

Future outlook

During the fourth quarter of 2024, the Board revised IAR's long-term financial targets. The revised targets for the Group are for sales to grow by 20% annually in local currency in the next three to five years and for the operating margin to exceed 20%.

Review

This report has not been reviewed by the company's auditor.

Financial calendar

Interim report July-September 2025, October 23, 2025

Year-end report January-December 2025, February 11, 2026

This information is inside information that I.A.R. Systems Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, on August 14, 2025, at 1:00 p.m. CEST.

Contact person: Ann Zetterberg, CFO, I.A.R. Systems Group AB, Email: ann.zetterberg@iar.com

Submission of the report

The Board of Directors and CEO of I.A.R. Systems Group AB hereby submit the interim report for the period and certifies that the report provides a true and fair picture of the business and the Group's and the Parent Company's financial position and results.

Nicolas Hassbjer
Board Chairman

Fred Wikström
Board member

Sofia Persson Björk
Board member

Michael Ingelög
Board member

Sabina Lindén
Board member

Cecilia Wachtmeister
CEO

Income statement

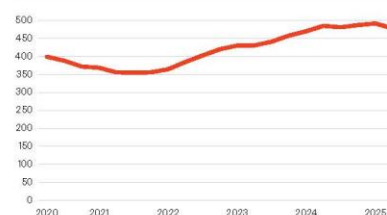
Condensed consolidated income statement

SEK m	Note	3 months Apr-Jun		6 months Jan-Jun		Full-year
		2025	2024	2025	2024	2024
Net sales	1, 2	109.4	123.2	233.5	243.0	487.2
Other income		0.0	0.0	0.0	0.0	0.1
Capitalized work on own account		9.9	10.8	22.7	21.1	49.2
Goods for resale		-6.5	-2.9	-9.0	-6.0	-13.4
Other external expenses		-17.8	-16.8	-35.7	-27.6	-58.1
Personnel costs		-77.7	-73.6	-155.6	-142.8	-290.9
Depreciation of property, plant and equipment		-1.4	-1.5	-2.8	-2.9	-5.8
Depreciation of right-of-use assets		-4.9	-5.0	-10.0	-10.0	-20.5
Amortization of intangible assets		-6.4	-6.9	-13.0	-15.3	-29.0
Operating profit		4.6	27.3	30.1	59.5	119.1
Financial income		0.3	1.0	0.9	3.9	8.0
Financial expenses		-0.5	-4.0	-0.9	-1.6	-2.7
Profit before tax		4.4	24.3	30.1	61.8	124.4
Tax		-2.4	-8.5	-8.9	23.1	10.8
Profit for the period		2.0	15.8	21.1	84.9	135.2
Comprehensive income for the period attributable to owners of the Parent Company		2.0	15.8	21.1	84.9	135.2
Earnings per share for the period, basic, SEK		0.16	1.19	1.65	6.34	10.20
Earnings per share for the period, diluted, SEK		0.15	1.17	1.62	6.23	9.98

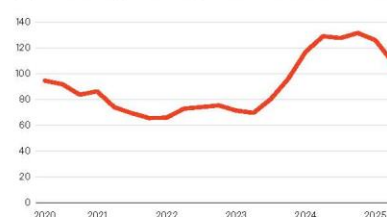
Statement of comprehensive income

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year
	2025	2024	2025	2024	2024
Profit for the period	2.0	15.8	21.1	84.9	135.2
Other comprehensive income for the period					
Items that may be reclassified subsequently to profit or loss:					
Translation differences	-0.3	3.4	-5.2	1.8	1.5
Total other comprehensive income	-0.3	3.4	-5.2	1.8	1.5
Comprehensive income for the period	1.7	19.2	15.9	86.7	136.7
Comprehensive income for the period attributable to owners of the Parent Company	1.7	19.2	15.9	86.7	136.7

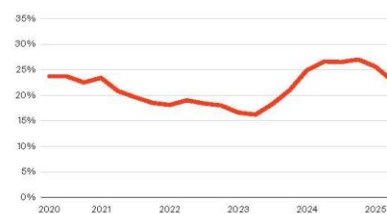
Net sales rolling 12 months, Q2 2020-Q2 2025



Adjusted operating profit, rolling 12 months, Q2 2020-Q2 2025



Adjusted operating margin, rolling 12 months, Q2 2020-Q2 2025



Balance sheet

Condensed consolidated balance sheet

SEK m	Note	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
Assets				
Non-current assets				
Goodwill	3	117.5	117.5	117.5
Other intangible assets	4	214.7	189.3	205.3
Property, plant and equipment		11.5	14.8	13.2
Right-of-use assets		31.4	44.0	41.8
Financial assets	7	3.2	3.1	3.3
Deferred tax assets	6	29.5	28.5	30.7
Total non-current assets		407.8	397.2	411.7
Current assets				
Inventories		10.6	9.3	8.5
Other current assets	7	57.3	60.4	46.7
Trade receivables	7	77.2	80.0	101.9
Cash and cash equivalents	7	131.1	160.5	155.4
Total current assets		276.2	310.2	312.5
Total assets		683.9	707.4	724.2
Equity and liabilities				
Total equity		435.9	440.9	462.5
Non-current liabilities				
Lease liabilities	7	15.7	27.5	24.8
Other non-current liabilities		6.8	1.7	2.0
Deferred tax liabilities	5	32.4	24.6	28.4
Total non-current liabilities		54.9	53.8	55.1
Current liabilities				
Trade payables	7	8.4	6.8	8.2
Lease liabilities	7	14.9	19.3	20.1
Deferred income		130.6	133.2	131.4
Other current liabilities	7	39.3	53.4	46.9
Total current liabilities		193.1	212.7	206.6
Total equity and liabilities		683.9	707.4	724.2

Changes in equity, Group

SEKm	Share capital	Other contributed capital	Translation reserves	Retained earnings	Total equity
Opening balance, January 1, 2024	139.7	228.1	70.5	-14.9	423.4
Comprehensive income for the period			1.5	135.2	136.7
Transactions with owners					
Share-based remuneration				9.1	9.1
Share buybacks				-86.6	-86.6
Dividend				-20.0	-20.0
Total transactions with owners				-97.6	-97.6
Opening balance, January 1, 2025	139.7	228.1	72.0	22.7	462.5
Comprehensive income for the period			-5.2	21.1	15.9
Transactions with owners					
Share-based remuneration				5.9	5.9
Share buybacks				-29.3	-29.3
Cancellation of shares	-6.0			6.0	0.0
Bonus issue	6.0			-6.0	0.0
Dividend				-19.1	-19.1
Total transactions with owners				-42.5	-42.5
Closing balance, June 30, 2025	139.7	228.1	66.8	1.3	435.9

Cash flows

Condensed consolidated cash flow statement

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year
	2025	2024	2025	2024	2024
Incoming payments from customers and other incoming payments	139.1	115.9	268.8	238.4	469.2
Outgoing payments to suppliers and employees	-84.5	-72.8	-170.9	-152.0	-300.5
Interest received	0.3	1.0	0.9	2.3	4.0
Interest paid	-0.5	-0.8	-0.9	-1.4	-2.7
Tax relief received	-	-	-	-	6.9
Income taxes paid	-12.4	-7.7	-32.2	-19.0	-41.5
Cash flow from operating activities	41.9	35.7	65.6	68.4	135.4
Investments in property, plant and equipment	-0.5	-1.0	-1.3	-1.7	-3.0
Investments in intangible assets	-10.2	-11.1	-23.5	-22.1	-51.5
Cash flow from investing activities	-10.7	-12.1	-24.9	-23.9	-54.5
Amortization of financial liabilities	-4.8	-4.6	-10.0	-9.6	-18.7
Share buybacks	-6.0	-32.2	-29.3	-51.8	-86.6
Dividend	-19.1	-20.0	-19.1	-20.0	-20.0
Cash flow from financing activities	-29.9	-56.9	-58.4	-81.4	-125.4
Cash flow for the period	1.4	-33.2	-17.6	-37.0	-44.5
Cash and cash equivalents at beginning of period	132.1	195.8	155.4	197.4	197.4
Exchange difference in cash and cash equivalents	-2.4	-2.1	-6.7	0.1	2.5
Cash and cash equivalents at end of period	131.1	160.5	131.1	160.5	155.4

Cash and cash equivalents, Group

SEK m	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
Cash and cash equivalents at end of period	131.1	160.5	155.4
Unutilized overdraft facilities	50.0	50.0	50.0
Total available cash and cash equivalents	181.1	210.5	205.4

Key performance measures

Group

	3 months Apr-Jun		6 months Jan-Jun		Full-year
	2025	2024	2025	2024	2024
Gross margin, %	94.0	97.6	96.2	97.5	97.3
EBITDA, %	15.8	33.0	23.9	36.1	35.8
Adjusted EBITDA, %	23.3	35.1	28.8	38.0	38.3
Operating margin, %	4.2	22.2	12.9	24.5	24.4
Adjusted operating margin, %	11.7	24.2	17.7	26.4	27.0
ARR in relation to net sales, %	71.1	62.5	64.8	63.4	62.1
Profit margin, %	4.0	19.7	12.9	25.4	25.5
Cash flow ratio, %	38.4	29.0	28.1	28.1	27.8
Cash conversion rate, multiple	1.65	0.83	0.98	0.74	0.73
Equity/assets ratio, %			63.7	62.3	63.9
Return on equity, %	0.4	3.5	4.7	19.6	30.5
Return on capital employed, %	1.0	5.6	6.4	13.2	25.9
Capital employed, SEK m			466.5	487.7	507.3
Net cash, SEK m			100.4	113.7	110.5
Net debt/equity ratio, multiple			-0.2	-0.3	-0.2
No. of employees at end of period			227	215	223
Average no. of employees	211	202	211	204	206
Sales per employee, SEK m	0.5	0.6	1.1	1.2	2.4

For definitions and calculations of performance measures, refer to pages 17 and 20.

Share data

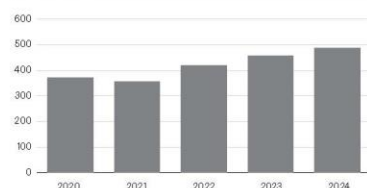
	3 months Apr-Jun		6 months Jan-Jun		Full-year
	2025	2024	2025	2024	2024
Equity per share, SEK			33.38	32.28	33.86
No. of shares at end of period, million			13.06	13.66	13.66
Average no. of shares outstanding, million	12.76	13.31	12.85	13.38	13.26
Average number of shares outstanding, diluted, million	12.97	13.54	13.06	13.62	13.55
Cash flow from operating activities per share, SEK	3.29	2.68	5.11	5.11	10.21
Earnings per share, basic, SEK*	0.16	1.19	1.65	6.34	10.20
Earnings per share, diluted, SEK*	0.15	1.17	1.62	6.23	9.98

*Definition in accordance with IFRS. Refer also to definitions on pages 17 and 18.

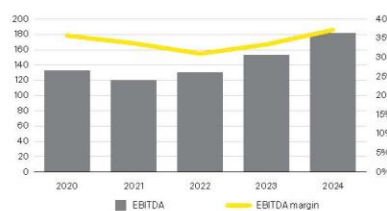
Multi-year overview

	Net sales, SEK m	EBITDA, SEK m	EBITDA margin, %	Operating profit, SEK m	Operating margin, %	Earnings per share, SEK***	Return on equity, %	Cash flow from operating activities per share, SEK	Equity per share, SEK	Share price, SEK	Market capitalization, SEK m
2024	487.2	174.3	35.8	119.1	24.4	10.20	30.5	10.21	33.86	126.50	1,728
2023	458.1	143.6	31.3	96.1*	21.0*	-16.84	-42.0	10.55	31.00	123.80	1,691
2022	419.9	129.0	30.7	75.7	18.0	4.23	9.2	9.36	48.81	150.40	2,054
2021	355.9	119.9*	33.7*	65.7**	18.5**	-4.94	-11.2	9.65	42.88	117.80	1,608
2020	372.0	132.7	35.7	83.8	22.5	4.35	9.9	8.69	44.97	139.80	1,906

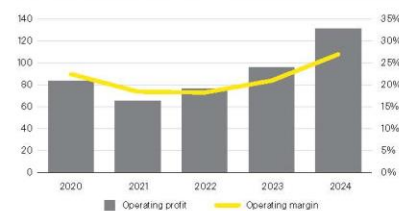
Net sales, SEK m



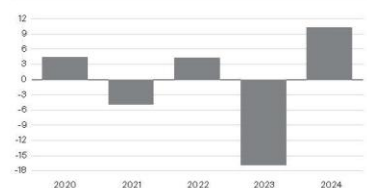
EBITDA and EBITDA margin*



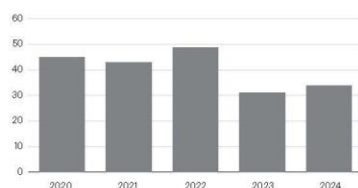
Operating profit and operating margin*



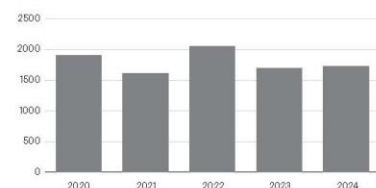
Earnings per share, SEK



Equity per share, SEK



Market capitalization, SEK m



* Adjusted for non-recurring items, refer to Reconciliations on page 92 of I.A.R. Systems Group AB's 2023 Annual Report.
 ** Adjusted for non-recurring items, refer to Reconciliations on page 45 of I.A.R. Systems Group AB's 2021 Annual Report.
 *** Definition in accordance with IFRS.

Quarterly overview

		Net sales, SEK m	EBITDA, SEK m	EBITDA margin, %	Operating profit, SEK m	Operating margin, %	Earnings per share, SEK**	Return on equity, %	Cash flow from operating activities per share, SEK	Equity per share, SEK	Share price, SEK	Market capitalization, SEK m
2025	Q2	109.4	17.3	15.8	4.6	4.2	0.16	0.4	3.29	33.38	110.60	1,444
	Q1	124.2	38.6	31.1	25.5	20.5	1.49	4.2	1.84	33.41	116.00	1,585
2024	Q4	132.0	46.9	35.5	33.4	25.3	2.81	8.1	3.01	33.86	126.50	1,728
	Q3	112.3	39.9	35.5	26.3	23.5	1.04	3.1	2.10	32.65	163.00	2,227
	Q2	123.2	40.7	33.0	27.3	22.2	1.19	3.5	2.65	32.28	168.50	2,302
	Q1	119.7	46.9	39.2	32.1	26.8	5.12	15.4	2.43	34.60	138.80	1,896
2023	Q4	125.9	44.5	35.3	32.1*	25.5*	-18.79	-45.9	2.70	31.00	123.80	1,691
	Q3	116.3	43.4	37.3	28.9	24.8	1.02	2.0	3.79	50.53	82.30	1,124
	Q2	108.2	30.5	28.2	11.2	10.4	0.45	0.9	2.15	50.01	84.90	1,160
	Q1	107.7	25.3	23.5	11.4	10.6	0.47	1.0	1.91	49.63	126.80	1,732
2022	Q4	108.8	32.4	29.8	16.5	15.2	1.07	2.2	1.89	48.81	150.40	2,054
	Q3	106.1	34.2	32.2	22.1	20.8	1.04	2.6	3.48	47.73	140.00	1,909
	Q2	107.6	31.9	29.6	19.6	18.2	1.05	2.3	1.91	46.00	114.00	1,556
	Q1	97.4	30.3	31.1	17.3	17.8	0.88	2.0	2.11	43.85	132.00	1,802
2021	Q4	91.6	29.2*	31.9*	15.2**	16.6**	-7.72	-16.7	2.97	42.88	117.80	1,608
	Q3	87.9	35.0	39.8	20.9	23.8	1.17	2.4	3.04	49.89	100.00	1,364
	Q2	87.4	25.9	29.6	12.6	14.4	0.68	1.4	2.02	48.39	140.20	1,913
	Q1	88.9	29.8	33.5	17.0	19.1	0.94	2.0	1.61	48.38	132.40	1,806
2020	Q4	90.7	32.5	35.8	19.0	20.9	0.88	1.9	2.04	44.97	139.80	1,906
	Q3	88.9	36.8	41.4	25.4	28.6	1.37	3.1	2.40	45.43	161.00	2,195
	Q2	100.1	36.8	36.8	25.0	25.0	1.29	2.9	3.15	44.10	114.80	1,565
	Q1	92.3	26.6	28.8	14.4	15.6	0.81	1.8	1.10	45.14	116.40	1,587

* Adjusted for non-recurring items, refer to Reconciliations on page 92 of I.A.R. Systems Group AB's 2023 Annual Report.

** Adjusted for non-recurring items, refer to Reconciliations on page 45 of I.A.R. Systems Group AB's 2021 Annual Report.

*** Definition in accordance with IFRS.

Parent Company

Condensed income statement

SEK m	6 months Jan-Jun		Full-year
	2025	2024	2024
Net sales	6.5	6.5	13.1
Operating expenses	-8.3	-7.7	-15.6
Operating loss	-1.8	-1.2	-2.5
Profit from financial items	0.4	11.0	83.8
Profit/loss before tax	-1.4	9.8	81.3
Tax	0.1	-2.0	-16.8
Profit/loss for the period	-1.2	7.8	64.5

Statement of comprehensive income

SEK m	6 months Jan-Jun		Full-year
	2025	2024	2024
Profit/loss for the period	-1.2	7.8	64.5
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss:			
Total other comprehensive income	-	-	-
Comprehensive income for the period	-1.2	7.8	64.5

Condensed balance sheet

SEK m	Note	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
ASSETS				
Non-current assets				
Shares in subsidiaries		243.1	177.3	237.8
Other financial assets		0.6	0.3	0.4
Receivables from subsidiaries		0.0	68.6	0.0
Total non-current assets		243.7	246.1	238.2
Current assets				
Other current assets		16.9	7.5	4.0
Cash and cash equivalents		23.0	52.4	53.7
Total current assets		39.9	59.9	57.7
Total assets		283.7	306.0	295.9
Equity and liabilities				
Restricted equity		139.7	139.7	139.7
Non-restricted equity		93.3	108.7	137.0
Total equity		233.0	248.4	276.6
Current liabilities				
Trade payables		0.4	0.6	1.1
Liabilities to subsidiaries		48.2	55.0	16.1
Other current liabilities		2.1	2.0	2.0
Total current liabilities		50.7	57.6	19.3
Total equity and liabilities		283.7	306.0	295.9

Notes

1. Accounting policies

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations issued by the IFRS Interpretations Committee (IFRIC) as adopted for application in the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied. This consolidated interim report has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and IAS 34 Interim Financial Reporting. The accounts of the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The accounting standards applied for the Group and the Parent Company are the same as those applied in preparation of the most recent annual report. New or revised standards and new interpretations from the International Accounting Standards Board (IASB) and the IFRS Interpretation Committee (IFRIC) and amendments to RFR 2 effective as of January 1, 2025 have not had any material impact on the financial statements of the Group or the Parent Company.

Disclosures in accordance with IAS 34 Interim Financial Reporting are included in both the notes and in other parts of the interim report.

2. Net sales

Net sales are distributed as follows:

SEK m	3 months Jan-Mar		6 months Jan-Jun		Full-year
	2025	2024	2025	2024	2024
License-based revenue	28.4	42.6	76.1	82.3	168.6
Subscription	16.6	12.3	19.3	27.4	45.1
Support and software updates	61.1	64.7	131.9	126.5	257.6
Other	3.2	3.7	6.2	6.7	15.8
Net sales	109.4	123.2	233.5	243.0	487.2
At a point in time	47.9	58.5	101.2	116.5	229.6
Over time	61.5	64.7	132.3	126.5	257.6
Net sales	109.4	123.2	233.5	243.0	487.2

The distribution of income for historical periods in the tables to the left has been adjusted in accordance with the press release published on June 18, 2025 to ensure accurate and transparent financial reporting of historical periods.

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year
	2025	2024	2025	2024	2024
Americas	33.7	39.3	65.0	78.7	156.5
Asia	35.0	43.5	88.7	75.9	162.3
Europe	40.3	40.1	79.2	87.6	165.8
Not allocated by region	0.3	0.4	0.6	0.7	2.6
Net sales	109.4	123.2	233.5	243.0	487.2

3. Goodwill

Goodwill for the Group at June 30, 2025 amounted to SEK 117.5m (117.5). Goodwill is recognized at cost less accumulated impairment. Goodwill is tested annually or when a requirement for impairment is indicated. Impairment testing carried out on December 31, 2024 did not indicate any impairment requirement.

4. Other intangible assets

Other intangible assets for 2025 increased SEK 9.4m and amounted to SEK 214.7m (189.3) on June 30, 2025. A total of SEK 9.9m (10.8) was capitalized for software development costs during the quarter and SEK 22.7m (21.1) during the first half-year. Of the internally generated costs that were capitalized during the quarter, SEK 7.9m (9.0) pertained to personnel costs, and the corresponding figure for the first half-year was SEK 18.7m (17.6).

5. Deferred tax

The deferred tax asset attributable to loss carryforwards is recognized only to the extent that it is probable that the loss carryforwards can be utilized against future taxable profits. As of June 30, 2025, the Group had accumulated loss carryforwards outside Sweden of SEK 191.9m (197.7), of which the tax effect, corresponding to 25%, from SEK 72.0m of these loss carryforwards is recognized as deferred tax assets in the consolidated balance sheet. The items deferred tax assets

and deferred tax liabilities also include deferred tax assets or liabilities that will be recognized in a net amount when they are connected to the same tax subject.

Deferred tax assets are recognized in the balance sheet in an amount of SEK 29.5m (28.5), and deferred tax liabilities are recognized in an amount of SEK 32.4m (24.6). On June 30, 2025, SEK 3.5m (6.7) was recognized as estimated tax relief related to research and development costs in the UK for 2024. This is expected to increase the loss carryforwards by the same amount linked to the UK subsidiary when the final decision is made about tax relief, which is expected to take place in the second half of 2025.

6. Pledged assets

SEK m	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
To secure pensions	18.2	20.2	19.7
To secure liabilities to credit institutions	1.5	1.4	2.4
Total pledged assets	19.7	21.6	22.1

In addition to the above pledged assets in the Group, the Parent Company I.A.R. Systems Group AB has committed financial support as needed to the Group company Secure Thingz Ltd.

7. Information about measurement at fair value

For cash and cash equivalents, trade receivables, trade payables and other current operating receivables and liabilities, the carrying amount is a good approximation of fair value since the maturity is short. For borrowings, the carrying amount is a good approximation of fair value since the interest rate is variable and the credit margin is relatively unchanged. No financial instruments measured at fair value in the Group were acquired/reclassified in the year. All of the Group's financial assets and financial liabilities are measured and recognized at amortized cost.

Notes, cont.

8. Related party transactions

No transactions with related parties that significantly affected the Parent Company's or Group's financial position were carried out during the period.

9. Incentive programs

As of June 30, 2025, the Group has two categories of incentive programs outstanding. There are three long-term incentive programs for key IAR Systems Group employees (LTI 2022, LTI 2023 and LTI 2024) and one program that pertains to the portion of the remuneration for the acquisition of Secure Thingz that entails the exchange of an existing stock option program for employees in Secure Thingz (Exchange Allotment 2018). LTI 2025 was distributed in Q3 2025.

Long-term incentive programs LTI 2022, LTI 2023 and LTI 2024

These three programs include restricted stock units (RSUs) that were allotted to employees at four different levels within the Group. At the end of the programs, if the performance conditions for each period in each program have been met, the allotted RSUs can be exchanged for shares in IAR Systems Group AB, free of charge. The performance conditions for each program are presented in the table below. RSUs are vested equally over the duration of each program. One third of the allotted RSUs are vested annually according to the vesting periods for each program listed in the following table. The total costs for all of the LTI programs, including social security expenses, amounted to SEK 3.3m (2.5) for the current quarter and to SEK 6.5m (4.6) for the first half-year. Vested RSUs can be exercised after the end of the final vesting period and after the Board has determined that the performance conditions for the respective program have been fulfilled, which is expected to take place in the quarter after the end of each program. For more information about each program and the resolutions passed regarding them, refer to the company's website: iar.com.

Exchange Allotment 2018

This pertains to the part of remuneration for the acquisition that entails the exchange of an existing stock option program for employees in Secure Thingz. Stock option holders exchange their stock options in Secure Thingz for new stock options in I.A.R. Systems Group AB. The economic value of the new stock options is to correspond to the value of the existing stock options. A total of 575,000 stock options in Secure Thingz have been exchanged for 73,413 stock options in I.A.R. Systems Group AB in accordance with the approval from the EGM held on June 15, 2018. Of the 73,413 stock options, 27,450 have an exercise price of SEK 6.50 and 45,963 have an exercise price of SEK 26.00. The vesting of the stock options in the stock option program continued until October 2022 and the program extends until 2027. Vested stock options can be exercised on an ongoing basis until 2027 at the latest. A total of 47,038 stock options were exercised and 23,822 stock options were forfeited.

RSUs

	LTI 2022	LTI 2023	LTI 2024
Number of RSUs in the program	140,000	145,000	144,500
Allotted RSUs	140,000	141,000	144,500
Number of employees allotted RSUs	140	140	155
Fair value per RSU at allotment date	63.89	39.86	116.08
Allotment date	Nov 7, 2022	Sep 1, 2023	Jul 1, 2024
Program's duration	Nov 7, 2022-Aug 31, 2025	Sep 1, 2023-Aug 31, 2026	Jul 1, 2024-Jun 30, 2027
Vesting periods	Nov 7, 2022-Aug 31, 2023	Sep 1, 2023-Aug 31, 2024	Jul 1, 2024-Jun 30, 2025
	Sep 1, 2023-Aug 31, 2024	Sep 1, 2024-Aug 31, 2025	Jul 1, 2025-Jun 30, 2026
	Sep 1, 2024-Aug 31, 2025	Sep 1, 2025-Aug 31, 2026	Jul 1, 2026-Jun 30, 2027
Performance condition, operating margin	20%	20%	20%
Performance condition, net sales increase	10-15%	5-20%	5-20%

Incentive programs

	Total	Subscribed/Allotted	Exercised Jun 30, 2025	Forfeited Jun 30, 2025	Qualified Jun 30, 2025	Qualified after Jun 30, 2025
LTI 2024						
RSUs	144,500	144,500	0	8,062	0	136,438
LTI 2023						
RSUs	145,000	141,000	0	21,395	44,667	74,938
LTI 2022						
RSUs	140,000	140,000	0	19,604	83,916	36,480
Exchange allotment 2018						
Stock options	73,413	73,413	47,038	23,822	2,553	0

Definitions

Certain financial performance measures are presented in this interim report that are not defined in accordance with IFRS. The company believes that these performance measures provide valuable supplementary information to investors and the company's management since they facilitate evaluations

of the company's earnings trend and financial position. These financial performance measures are not always comparable with the measures used by other companies since not all companies calculate financial performance measures in the same way. Accordingly, these financial performance

measures must not be regarded as a replacement for the measures defined in accordance with IFRS. The tables below present performance measures that are not defined in accordance with IFRS, unless otherwise stated. The following section "Reconciliations" presents reconcil-

Key performance measures	Definition/Calculation	Use
Gross margin	Net sales less the cost of goods sold as a percentage of net sales.	Measures the company's profitability after cost of goods and is used to follow up cost-efficiency and the effect of changes to the product mix.
EBITDA	Earnings before interest, taxes, depreciation and amortization.	This measure basically shows the earnings-generating cash flow in operations. It provides an overview of the business's ability to generate, in absolute terms, resources for investments and payments to investors and is used as a comparison over time.
EBITDA margin	Earnings before interest, tax, depreciation and amortization (EBITDA) in relation to sales, expressed as a percentage.	Aims to show the profitability ratio for current operations.
Adjusted EBITDA	EBITDA according to the above definition, excluding items affecting comparability.	The measure shows the profit-generating cash flow in the operations, excluding costs that complicate comparison with Group earnings in previous periods. This is to more clearly indicate growth in the underlying operations.
Adjusted EBITDA margin	Adjusted EBITDA according to the above definition in relation to sales, expressed as a percentage.	Aims to show the profitability ratio for current operations excluding costs for items affecting comparability such as long-term incentive programs.
Equity, Group	Recognized equity including 79.4% of untaxed reserves. Average equity is calculated as equity at the beginning of the year plus equity at the end of the year divided by two.	Measures the company's net value.
Equity per share	Equity divided by the number of shares at the end of the period.	Measures the company's net value per share.
Sales growth in local currency	Net sales in local currency compared to sales in local currency in the corresponding period last year.	Measures the company's sales growth in local currency and allows the assessment of growth without the influence of foreign exchange effects.
Cash flow	Cash flow from operating activities as a percentage of net sales.	Measures the company's cash generation in relation to net sales.
Cash flow from operating activities per share	Cash flow from operating activities divided by the average number of shares outstanding during the period.	Measures the company's cash generation in relation to the number of shares outstanding in the company.
Net cash	Cash and cash equivalents less interest-bearing liabilities.	A measure of the ability to use available cash and cash equivalents to pay off all liabilities if they were due for payment on the date of the calculation and thereby a measure of the risk in relation to the company's capital structure.
Net interest-bearing liabilities	Interest-bearing liabilities less cash and cash equivalents.	A measure used to follow the liability trend and see the size of the need for refinancing. This measure is one component in calculating net cash and the net debt/equity ratio.

Definitions, cont.

Key performance measures	Definition/Calculation	Use
Net debt/equity ratio	Net interest-bearing liabilities divided by equity.	This measure reflects the relationship between the Group's two forms of financing. A measure to show the proportion of loan capital in relation to the capital invested by the owners and accordingly a measure of financial strength and also the gearing effect of loans. A higher net debt/equity ratio entails a higher financial risk and higher financial gearing.
Earnings per share*	Profit for the period after tax divided by the average number of shares during the period.	A measure of the company's profitability after tax per share. This key ratio is important in assessing the value of a share.
Return on equity	Profit after tax as a percentage of average equity.	Return on equity shows the total accounting returns on capital invested by the owners and reflects the effects of both the profitability of operations and financial gearing. This measure is mainly used to analyze the profitability of owners over time.
Return on capital employed	Profit before tax plus financial expenses as a percentage of average capital employed.	Return on capital employed shows how well operations use the capital tied up in the business. This measure is mainly used to study the Group's profitability over time.
Interest-bearing liabilities	Borrowings in banks or the equivalent.	This measure is one component in calculating net cash and the net debt/equity ratio.
Operating margin	Operating profit as a percentage of net sales.	This measure reflects the operating profitability of the business. It is useful for following up profitability and efficiency in operations before taking into account capital tied up. This key ratio is used both internally in governance and follow-up of operations and to compare with other companies.
Operating profit	Profit before tax less financial income plus financial expenses.	Used to calculate the operating margin.
Adjusted operating profit	Operating profit according to the above definition, excluding items affecting comparability.	Aims to show the profitability ratio for current operations excluding costs for items affecting comparability such as long-term incentive programs, impairment of assets and/or other non-recurring items affecting comparability.
Adjusted operating margin	Adjusted operating profit according to the above definition in relation to sales, expressed as a percentage.	Aims to show the profitability ratio for current operations excluding costs for items affecting comparability such as long-term incentive programs.
Equity/assets ratio	Equity as a percentage of total assets.	This key ratio shows the proportion of assets financed with equity and can be used as an indication of the company's long-term solvency.
Capital employed	Total assets less non-interest-bearing liabilities. Average capital employed is calculated as capital employed at the beginning of the year plus capital employed at the end of the year divided by two.	The capital made available to the company by shareholders and lenders. This shows the net capital invested in operating activities with the addition of financial assets.
Profit margin	Profit before tax as a percentage of net sales.	Profit margin shows the earnings capacity of the business from operating activities regardless of the tax situation in relation to the company's net sales and can be used to in a comparison with other companies in the same industry.
Cash conversion rate	Cash flow from operating activities divided by adjusted EBITDA.	Cash conversion rate shows the company's ability to convert earnings in operations into cash flows.
ARR in relation to net sales	Annual recurring revenue (ARR) in relation to net sales.	This key ratio shows what portion of the company's net sales is recurring. Recurring revenue is defined as revenue for support and update services as well as time-limited and subscription licenses.

* Definition in accordance with IFRS.

Reconciliations

Gross margin is calculated as net sales less the cost of goods sold as a percentage of net sales.

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year 2024
	2025	2024	2025	2024	
Net sales	109.4	123.2	233.5	243.0	487.2
Goods for resale	-6.5	-2.9	-9.0	-6.0	-13.2
Gross profit	102.9	120.3	224.6	237.0	474.0
Gross margin, %	94.0	97.6	96.2	97.5	97.3

EBITDA is calculated as operating profit before depreciation of property, plant and equipment, and amortization of intangible assets.

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year 2024
	2025	2024	2025	2024	
Operating profit	4.6	27.3	30.1	59.5	119.1
Depreciation of property, plant and equipment	1.4	1.5	2.8	2.9	5.8
Depreciation of right-of-use assets	4.9	5.0	10.0	10.0	20.5
Amortization of intangible assets	6.4	6.9	13.0	15.3	29.0
EBITDA	17.3	40.7	55.9	87.7	174.3

EBITDA margin is calculated as EBITDA as a percentage of net sales.

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year 2024
	2025	2024	2025	2024	
Net sales	109.4	123.2	233.5	243.0	487.2
EBITDA	17.3	40.7	55.9	87.7	174.3
EBITDA margin, %	15.8	33.0	23.9	36.1	35.8

Adjusted EBITDA is calculated as operating profit before depreciation of property, plant and equipment, amortization of intangible assets and items affecting comparability.

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year 2024
	2025	2024	2025	2024	
Operating profit	4.6	27.3	30.1	59.5	119.1
Depreciation of property, plant and equipment	1.4	1.5	2.8	2.9	5.8
Depreciation of right-of-use assets	4.9	5.0	10.0	10.0	20.5
Amortization of intangible assets	6.4	6.9	13.0	15.3	29.0
Due diligence expenses	2.0	-	2.0	-	-
Costs for the long-term incentive program	3.3	2.5	6.5	4.6	11.4
Restructuring expenses	2.9	-	2.9	-	1.0
Adjusted EBITDA	25.5	43.2	67.2	92.3	186.7

Adjusted EBITDA margin is calculated as adjusted EBITDA as a percentage of net sales.

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year 2024
	2025	2024	2025	2024	
Net sales	109.4	123.2	233.5	243.0	487.2
Adjusted EBITDA	25.5	43.2	67.2	92.3	186.7
Adjusted EBITDA margin, %	23.3	35.1	28.8	38.0	38.3

Operating margin is calculated as operating profit as a percentage of net sales.

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year 2024
	2025	2024	2025	2024	
Net sales	109.4	123.2	233.5	243.0	487.2
Operating profit	4.6	27.3	30.1	59.5	119.1
Operating margin, %	4.2	22.2	12.9	24.5	24.4

Adjusted operating profit is calculated as operating profit adjusted for items affecting comparability and non-recurring items.

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year 2024
	2025	2024	2025	2024	
Operating profit	4.6	27.3	30.1	59.5	119.1
Due diligence expenses	2.0	-	2.0	-	-
Costs for the long-term incentive program	3.3	2.5	6.5	4.6	11.4
Restructuring costs	2.9	-	2.9	-	1.0
Adjusted operating profit	12.7	29.8	41.4	64.1	131.5

Adjusted operating margin is calculated as adjusted operating profit as a percentage of net sales.

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year 2024
	2025	2024	2025	2024	
Net sales	109.4	123.2	233.5	243.0	487.2
Adjusted operating profit	12.7	29.8	41.4	64.1	131.5
Adjusted operating margin, %	11.7	24.2	17.7	26.4	27.0

Profit margin is calculated as profit before tax as a percentage of net sales.

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year 2024
	2025	2024	2025	2024	
Net sales	109.4	123.2	233.5	243.0	487.2
Profit before tax	4.4	24.3	30.1	61.8	124.4
Profit margin, %	4.0	19.7	12.9	25.4	25.5

Cash flow ratio is calculated as cash flow from operating activities as a percentage of net sales.

SEK m	3 months Apr-Jun		6 months Jan-Jun		Full-year 2024
	2025	2024	2025	2024	
Net sales	109.4	123.2	233.5	243.0	487.2
Cash flow from operating activities	41.9	35.7	65.6	68.4	135.4
Cash flow ratio, %	38.4	29.0	28.1	28.1	27.8

Equity/assets ratio is calculated as equity as a percentage of total assets.

SEK m	Jun 30, 2025		Jun 30, 2024		Dec 31, 2024
	2025	2024	2025	2024	
Equity	435.9	440.9	462.5	462.5	462.5
Total assets	683.9	707.4	724.2	724.2	724.2
Equity/assets ratio	63.7	62.3	63.9	63.9	63.9

Reconciliations, cont.

Average equity is calculated as equity at the beginning of the period plus equity at the end of the period divided by two.

SEK m	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Equity	435.9	456.4	462.5	440.9	472.6	423.4
SEK m	3 months Apr-Jun 2025		6 months Jan-Jun 2025		Full-year 2024	
Average equity	446.2	456.8	449.2	432.2	442.9	

Return on equity is calculated as profit after tax as a percentage of average equity.

SEK m	3 months Apr-Jun 2025		6 months Jan-Jun 2025		Full-year 2024	
Profit after tax	2.0	15.8	21.1	84.9	135.2	
Average equity	446.2	456.8	449.2	432.2	442.9	
Return on equity, %	0.4	3.5	4.7	19.6	30.5	

Net debt/equity ratio is calculated as net interest-bearing liabilities divided by equity.

SEK m	Mar 31, 2025	Mar 31, 2025	Dec 31, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Interest-bearing liabilities	30.6	34.9	44.8	46.8	51.9	51.7
Cash and cash equivalents	-131.1	-132.1	-155.4	-160.5	-195.8	-197.4
Net interest-bearing liabilities	-100.4	-97.2	-110.5	-113.7	-143.9	-145.7
Net debt/equity ratio, multiple	-0.23	-0.2	-0.2	-0.3	-0.3	-0.3

Return on capital employed is calculated as profit before tax plus financial expenses as a percentage of average capital employed.

SEK m	3 months Apr-Jun 2025		6 months Jan-Jun 2025		Full-year 2024	
Profit before tax	4.4	24.3	30.1	61.8	124.4	
Financial expenses	0.5	4.0	0.9	1.6	2.7	
Profit before tax plus financial expenses	4.9	28.3	31.0	63.4	127.1	
Return on capital employed, %	1.0	5.8	6.4	13.2	25.9	

ARR in relation to net sales is calculated as recurring revenue in relation to total net sales.

SEK m	3 months Apr-Jun 2025		6 months Jan-Jun 2025		Full-year 2024	
ARR	77.7	77.0	151.2	154.0	302.7	
Net sales	109.4	123.2	233.5	243.0	487.2	
ARR in relation to net sales, %	71.1	62.5	64.8	63.4	62.1	

Net cash is calculated as cash and cash equivalents less interest-bearing liabilities.

SEK m	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
Cash and cash equivalents	131.1	160.5	155.4
Interest-bearing liabilities	-30.6	-46.8	-44.8
Net cash	100.4	113.7	110.5

Capital employed is calculated as total assets less non-interest-bearing liabilities. Average capital employed is calculated as capital employed at the beginning of the period plus capital employed at the end of the period divided by two.

SEK m	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Total assets	683.9	690.5	724.2	707.4	737.7	700.0
Non-interest-bearing liabilities	-217.4	-199.2	-216.9	-219.9	-213.2	-224.9
Capital employed	466.5	491.3	507.3	487.7	524.5	475.1
SEK m	3 months Apr-Jun 2025		6 months Jan-Jun 2025		Full-year 2024	
Average capital employed	478.9	506.1	486.9	481.4	491.2	

Equity per share is calculated as equity divided by the number of shares at the end of the period.

SEK m	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
Equity	435.9	440.9	462.5
No. of shares at end of period, million	13.06	13.66	13.66

Cash flow from operating activities per share is calculated as cash flow from operating activities divided by the average number of shares outstanding.

SEK m	3 months Apr-Jun 2025		6 months Jan-Jun 2025		Full-year 2024	
Cash flow from operating activities	41.9	35.7	65.6	68.4	135.4	
Average no. of shares outstanding, million	12.76	13.31	12.85	13.38	13.26	
Cash flow from operating activities per share	3.29	2.68	5.11	5.11	10.21	

The cash conversion rate is calculated as cash flow from operating activities divided by adjusted EBITDA.

SEK m	3 months Apr-Jun 2025		6 months Jan-Jun 2025		Full-year 2024	
Cash flow from operating activities	41.9	35.7	65.6	68.4	135.4	
Adjusted EBITDA	25.5	43.2	67.2	92.3	186.7	
Cash conversion rate, multiple	1.65	0.83	0.98	0.74	0.73	

The share

The IAR Systems Group Share

I.A.R. Systems Group's class B share is quoted on the Mid Cap list of Nasdaq Stockholm. During 2025, the share price varied from a low of SEK 100.4 (126.2) to a high of SEK 143.5 (179.5). I.A.R. Systems Group's market capitalization on June 30, 2025 was SEK 1,444m (2,302). The number of shareholders in I.A.R. Systems Group on June 30, 2025 was 6,228 (6,689). Of these shareholders, 358 (347) held more than 1,000 shares each. Foreign shareholders held approximately 27.6% (26.4) of the share capital and votes.

I.A.R. Systems Group AB's share capital at June 30, 2025 amounted to SEK 139,683,334, divided between 13,368,333 shares, of which 13,060,291 are class B shares and 308,042 are class C shares. All of the class C shares and 320,994 class B shares are held in treasury, of which 227,996 class B shares were acquired during the current year under the buyback program that the Board approved on August 29,

2023. In the second quarter of 2025, following the resolution of the 2025 Annual General Meeting (AGM), 600,000 class B treasury shares were also canceled.

Class C shares are not included in the information submitted regarding the I.A.R. Systems Group AB share and these shares do not entitle the holder to dividends.

The aim of the company's treasury holding is to ensure the delivery of shares to employees through the exercise of stock options and RSUs according to the Group's incentive programs (and, in terms of cash flow, to ensure payment of future social security expenses attributable to these programs), and to provide the Board with greater freedom when it comes to the Group's capital structure. As for the incentive programs, prior to any delivery of shares according to the Group's employee ownership program, the company converts the class C shares into class B shares. A total of 51,646 class C

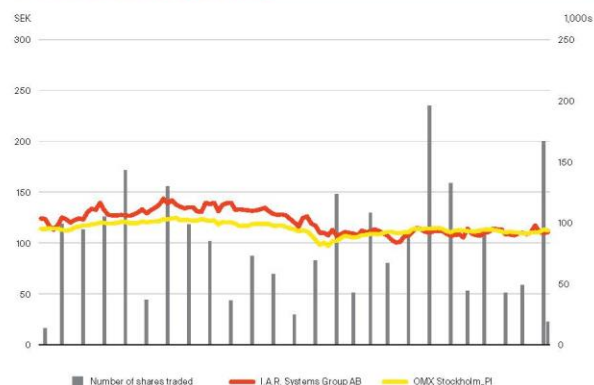
shares have been converted into class B shares to be delivered under an incentive program since the original buyback of 359,688 class C shares.

Refer to Note 9 for information about the Group's current incentive programs on the reporting date.

2025 AGM

The AGM of I.A.R. Systems Group AB was held on April 28, 2025. For more information about the AGM and the resolutions passed, refer to the company's website: www.iar.com.

IAR Systems Group AB, January-June 2025



The share

Shareholder type

	No. of shares	No. of shareholders	Share of capital, %	Share of votes, %
Funds	4,087,085	22	31.3	31.3
Pension and insurance companies	3,401,839	12	26.0	26.0
Private individuals	3,320,450	5,951	25.4	25.4
Other	2,250,917	243	17.2	17.2
Total *	13,060,291	6,228	100.0	100.0

* excluding 308,042 class C shares held in treasury

Geographical distribution

	No. of shareholders	No. of shareholders, %	Share of capital, %	Share of votes, %
Sweden	6,032	96.9	72.4	72.4
Finland	31	0.5	10.3	10.3
UK	12	0.2	4.6	4.6
Denmark	29	0.5	4.4	4.4
Germany	17	0.3	2.1	2.1
Other countries	107	1.7	6.3	6.3
Total *	6,228	100.0	100.0	100.0

* excluding 308,042 class C shares held in treasury

Breakdown of shareholdings

	No. of shareholders	No. of shareholders, %	Share of capital, %	Share of votes, %
1-500	5,568	89.4	3.2	3.2
501-1,000	302	4.9	1.8	1.8
1,001-10,000	289	4.6	6.1	6.1
10,001-	69	1.1	88.9	88.9
Total *	6,228	100.0	100.0	100.0

* excluding 308,042 class C shares held in treasury

Largest individual shareholders

	No. of shares	Share of capital, %	Share of votes, %
1. Alcur Fonder	1,352,570	10.4	10.4
2. Andra AP-fonden	1,295,415	9.9	9.9
3. Aktia Asset Management	800,279	6.1	6.1
4. Avanza Pension	701,371	5.4	5.4
5. Tredje AP-fonden	630,000	4.8	4.8
6. Fjärde AP-fonden	590,000	4.5	4.5
7. Arbetsmarknads Tilläggspension	580,320	4.4	4.4
8. Nicolas Hassbjer with companies	354,314	2.7	2.7
9. Ribbskottet	350,000	2.7	2.7
10. Northern Trust Company, London branch	323,683	2.5	2.5
Other	6,082,439	46.6	46.6
Total *	13,060,291	100.0	100.0

* excluding 308,042 class C shares held in treasury



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

Corporate identification number 656400-7200
Strandbodgatan 1A, Box 23051, SE-753 23 Uppsala
www.iar.com

Cecilia Wachtmeister, CEO, cecilia.wachtmeister@iar.com
Ann Zetterberg, CFO, ann.zetterberg@iar.com

Statement from the Board of Directors of IAR

The description of IAR on the page 15 of this offer document has been reviewed by the Board of Directors of IAR. It is the opinion of the Board of Directors of IAR that this short description provides an accurate and fair, although not complete, picture of IAR.

15 August 2025

I.A.R. Systems Group AB (publ)
The Board of Directors

Tax issues in Sweden

The following is a summary of certain Swedish tax consequences that may arise from the Offer. The summary is based on current Swedish tax legislation and is intended only as general information for shareholders who are resident in Sweden for tax purposes, unless otherwise indicated. The summary does not deal comprehensively with all tax consequences that may occur in this context. For instance, it does not deal with the rules that in certain cases apply in the corporate sector with respect to tax-exempt capital gains on “shares held for business purposes” (Sw. näringsbetingade aktier). Nor does this description deal with the rules that apply where shares are held by a partnership, held as inventory by a legal person or held in an investment savings account (Sw. investeringssparkonto) or endowment insurance (Sw. kapitalförsäkring). It does not cover the special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies or to shares acquired by means of such shares, the special rules that may be applicable to private individuals who make or reverse a so-called investor deduction (Sw. investeraravdrag), foreign companies conducting business through a permanent establishment in Sweden, or foreign companies that have been Swedish companies.

Special tax consequences that are not described below may also apply for certain categories of shareholders, such as investment companies, mutual funds, banks, brokers and other financial traders holding shares as trading assets. Each shareholder is recommended to consult a tax advisor for information with respect to the special tax consequences that may arise from the Offer, including the applicability and effect of foreign tax legislation, provisions in tax treaties and other rules that may be applicable.

GENERAL INFORMATION ON TAXATION IN CONNECTION WITH SALE OF SHARES

Shareholders who accept the Offer and sell their shares in IAR will generally be subject to capital gains taxation. The capital gain or capital loss is calculated as the difference between the sales proceeds, after deduction for sales expenses, and the acquisition cost for tax purposes. The acquisition cost is determined according to the “average method”. This means that the acquisition cost for all shares of the same type and class are added together and determined collectively, with respect to changes to the holding. For listed shares (such as the IAR shares) the acquisition cost may, as an alternative, be determined as 20 per cent of the net sale revenue under the “standard rule” (Sw. schablonmetoden).

INDIVIDUALS

For private individuals resident in Sweden for tax purposes, capital income, such as interest income, dividends and capital gains, is taxed in the capital income category. The tax rate for the capital income category is 30 per cent. Capital losses on listed shares and other listed securities that are taxed in the same manner as shares (not mutual funds (Sw. värdepappersfonder) or hedge funds (Sw. specialfonder) containing Swedish receivables only (Sw. räntefonder)) are, however, fully deductible against taxable capital gains on such assets or on non-listed shares in Swedish limited liability companies and foreign legal entities. If a capital loss on listed shares could not be deducted as above, 70 per cent of the loss may be deducted from other income from capital. Should a deficit arise in the income from capital category, a reduction of the tax on income from employment and from business operations, as well as the real-estate tax and the municipal real-estate fee, is allowed. Such tax reduction amounts to 30 per cent of any deficit not exceeding SEK 100,000 and 21 per cent of any remaining deficit. Deficits may not be carried forward to a later fiscal year.

LIMITED LIABILITY COMPANIES

For limited liability companies, capital gains on shares are normally taxed as income from business operations at a rate of 20.6 per cent. For the calculation of capital gains and losses, see the section “General information on taxation in connection with sale of shares” above. A tax-deductible capital loss

on shares incurred by a corporate shareholder may only be offset against taxable gains on shares or other securities that are taxed in the same manner as shares. Such capital losses may however, under certain circumstances, also be offset against capital gains on such securities within the same group of companies, provided the requirements for group contributions (tax consolidation) are met (Sw. *Koncernbidrag*). Capital losses on shares or other securities that are taxed in the same manner as shares, which have not been deducted from capital gains within a certain fiscal year, may be carried forward and be offset against such capital gains in future fiscal years without any limitation in time.

SHAREHOLDERS RESIDING OUTSIDE OF SWEDEN

Generally, shareholders who are not fiscally resident in Sweden and do not carry out business operations from a permanent establishment in Sweden are not subject to Swedish taxation on a sale of shares. These shareholders may nonetheless be subject to tax in their residence state. However, as far as individuals are concerned, capital gains on the sale of shares may be subject to Swedish tax if the individual has been resident or habitually stayed in Sweden at any time during the calendar year of the sale or any of the ten preceding calendar years. The applicability of this provision may however be limited under tax treaties that Sweden has concluded with other countries.

Offer restrictions

Important information for shareholders outside Sweden and for banks, brokers, dealers, nominees and other intermediaries holding shares for persons with residence outside Sweden.

The offer document is not an offer, whether directly or indirectly, in Australia, Canada, New Zealand, Hong Kong, Japan, Singapore, South Africa, South Korea, Russia, Belarus or in any other jurisdictions where such offer pursuant to legislation and regulations in such relevant jurisdictions would be prohibited by applicable law (the “**Restricted Territories**”). Shareholders not resident in Sweden who wish to accept the Offer must make inquiries concerning applicable legislation and possible tax consequences.

The Offer is not being made, directly or indirectly, in or into the Restricted Territories by use of mail or any other communication means or instrumentality (including without limitation, facsimile transmission electronic mail telex, telephone and the Internet) of interstate or foreign commerce or of any facility of national securities exchange or other trading venue of the Restricted Territories and the Offer cannot be accepted by any such use or by such means, instrumentality or facility of, in or from, the Restricted Territories. Accordingly, the offer document and any documentation relating to the Offer are not being and should not be sent, mailed or otherwise distributed or forwarded in or into the Restricted Territories.

The offer document is not being, and must not be, sent to shareholders with registered addresses in the Restricted Territories. Banks, brokers, dealers and other nominees holding shares for persons in the Restricted Territories must not forward the offer document or any other document received in connection with the Offer to such persons. Persons receiving such documents or information (including custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory by use of mail or any means, within a Restricted Territory in connection with the Offer.

Any failure to comply with these restrictions may constitute a violation of the securities laws of any of the Restricted Territories. It is the responsibility of all persons obtaining the offer document, acceptance form or other documents relating to the offer document or to the Offer or into whose possession such documents otherwise come, to inform themselves of and observe all such restrictions. Any recipient of the offer document who is in any doubt about his or her status in relation to these restrictions should consult his or her professional advisor in the relevant territory.

Neither The Qt Company, Nordea nor Stifel accepts or assumes any responsibility or liability for any violation by any person of any such restrictions.

The offer document does not represent an offer to acquire or obtain securities other than the shares of IAR that are subject to the Offer.

Any purported tender of shares in the Offer resulting directly or indirectly from a violation of the restrictions described in the offer document and the related documents will be invalid. Further, any person purporting to tender shares pursuant to the Offer will be deemed not to have made a valid tender if such person is unable to make the representations and warranties set out in the section “*Certifications as to Restrictions*” below and any corresponding representations and warranties in the acceptance form. Acceptances of the Offer and tenders of shares of IAR made by a person located in a Restricted Territory, by any trustee, representative, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the Restricted Territories, or by the use of mail or any other communication means, within the Restricted Territories, directly or indirectly, will not be accepted (and should not be accepted by any such custodian, nominee, trustee agent, fiduciary or other intermediary holding shares of IAR for any persons).

Any acceptance form or other communication relating to the Offer that originates from, is postmarked from, bears a return address in, or otherwise appears to have been dispatched from, the Restricted Territories will not be accepted (and should not be accepted by any trustee, representative, fiduciary or other intermediary).

Acceptances of the Offer and tenders of shares of IAR will not be accepted (and should not be accepted by any custodian, nominee trustee agent, fiduciary or other intermediary) if the consideration for the shares of IAR is required to be mailed or otherwise delivered in or into a Restricted Territory or if an address within a Restricted Territory is provided for receipt of the price of the shares in the Offer or the return of the acceptance form.

Each of The Qt Company, Nordea and Stifel reserves the right, in its absolute discretion (and without prejudice to the relevant shareholder's responsibility for the representations and warranties made by it to) (a) reject any tender of shares without investigation because the origin of such tender cannot be determined, or (b) investigate, in relation to any tender of shares pursuant to the Offer, whether any such representations and warranties given by a shareholder are correct and, if such investigation is undertaken and as a result The Qt Company determines (for any reason) that such representations and warranties are not correct, such tender may be rejected.

CERTIFICATION AS TO RESTRICTIONS

By accepting the Offer through delivery of a duly executed acceptance form to Settlement Agent, the holder of tendered shares, and any custodian, nominee, trustee, agent, fiduciary or other intermediary submitting the acceptance form on behalf of such holder, certifies that such person:

- was not present or resident in, nor is a citizen of, a Restricted Territory at the time of receiving the offer document, the acceptance form or any other document or information relating to the Offer, and has not mailed, transmitted or otherwise distributed any such document or information in or into a Restricted Territory;
- has not used, directly or indirectly, mail, or any means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex and telephone) of interstate or foreign commerce, or the facilities of the securities exchanges, of a Restricted Territory in connection with the Offer;
- was not present or resident in, nor is a citizen of, a Restricted Territory at the time of accepting the terms of the Offer, at the time of returning the acceptance form or at the time of giving the order or instruction to accept the Offer (whether orally or in writing); and
- if acting in a custodial, nominee, trust, fiduciary, agency or other capacity as an intermediary, then either (i) has full investment discretion with respect to the shares covered by the acceptance form or (ii) the person on whose behalf it is acting has authorized it to make the foregoing representations and was not present or resident in, nor is a citizen of, a Restricted Territory at the time he or she instructed such custodian, nominee, trustee, fiduciary, agent or intermediary to accept the Offer on his or her behalf, and such custodian, nominee, trustee, fiduciary, agent or other intermediary is processing that acceptance as part of its normal securities custodial function.

Important notice to shareholders in the United States of America

The Offer described in this offer document is made for the issued and outstanding shares of IAR, a company incorporated under Swedish law, and is subject to Swedish disclosure and procedural requirements, which may be different from those of the United States. The Offer is made in the United States pursuant to Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”) and Regulation 14E thereunder, to the extent applicable, and otherwise in compliance with the disclosure and procedural requirements of Swedish law, including with respect to withdrawal rights, the Offer timetable, notices of extensions, announcements of results, settlement procedures (including as regards to the time when payment of the consideration is rendered) and waivers of conditions, which may be different from requirements or customary practices in relation to U.S. domestic tender offers. The Qt Company’s ability to waive the conditions to the Offer (both during and after the end of the acceptance period) and the shareholders’ ability to withdraw their acceptances, are not the same under a tender offer governed by Swedish law as under a tender offer governed by U.S. law. Holders of the shares in IAR domiciled in the United States (the “**U.S. Holders**”) are encouraged to consult with their own advisors regarding the Offer.

IAR’s financial statements and all financial information included herein, or any other documents relating to the Offer, have been or will be prepared in accordance with IFRS and may not be comparable to the financial statements or financial information of companies in the United States or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles. The Offer is made to the U.S. Holders on the same terms and conditions as those made to all other shareholders of IAR to whom an offer is made. Any information documents, including this offer document, are being disseminated to U.S. Holders on a basis comparable to the method pursuant to which such documents are provided to IAR’s other shareholders.

The Offer, which is subject to Swedish law, is being made to the U.S. Holders in accordance with the applicable U.S. securities laws, and applicable exemptions thereunder. To the extent the Offer is subject to U.S. securities laws, those laws only apply to U.S. Holders and thus will not give rise to claims on the part of any other person. The U.S. Holders should consider that the price for the Offer is being paid in SEK and that no adjustment will be made based on any changes in the exchange rate.

It may be difficult for I.A.R Systems Group’s shareholders to enforce their rights and any claims they may have arising under the U.S. federal or U.S. state securities laws in connection with the Offer, since IAR and The Qt Company are located in countries other than the United States, and some or all of their respective officers and directors may be residents of countries other than the United States. IAR’s shareholders may not be able to sue IAR or The Qt Company or their respective officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel IAR or The Qt Company and/or their respective affiliates to subject themselves to the jurisdiction or judgment of a U.S. court.

To the extent permissible under applicable law and regulations and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, The Qt Company and its affiliates or its brokers and its brokers’ affiliates (acting as agents for The Qt Company or its affiliates, as applicable) may from time to time and during the pendency of the Offer, and other than pursuant to the Offer, directly or indirectly purchase or arrange to purchase shares of IAR, or any securities that are convertible into, exchangeable for or exercisable for such shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, and information about such purchases will be disclosed by means of a press release or other means reasonably calculated to inform U.S. Holders of such information. In addition, the financial advisors to The Qt Company may also engage in ordinary course trading activities in securities of IAR, which may include purchases or arrangements to purchase such securities as long as such purchases or arrangements are in compliance with the applicable law. Any information about

such purchases will be announced in Swedish and in a non-binding English translation available to the U.S. Holders through relevant electronic media if, and to the extent, such announcement is required under applicable Swedish or U.S. law, rules or regulations.

The receipt of cash pursuant to the Offer by a U.S. Holder may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each shareholder is urged to consult an independent professional advisor regarding the tax consequences of accepting the Offer. Neither The Qt Company nor any of its affiliates and their respective directors, officers, employees or agents or any other person acting on their behalf in connection with the Offer shall be responsible for any tax effects or liabilities resulting from acceptance of this Offer.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved the Offer, passed any comments upon the merits or fairness of the Offer, passed any comment upon the adequacy or completeness of the offer document or passed any comment on whether the content in the offer document is correct or complete. Any representation to the contrary is a criminal offence in the United States.

Nordea and Stifel is not responsible to anyone other than The Qt Company for advice in connection with the Offer.

Contact details

The Qt Company Ltd

Miestentie 7
02150
Espoo
Finland
www.qt.io

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

Strandbodgatan 1A
P.O. Box 23051
SE-753 23
Uppsala
Sweden

Nordea Bank Abp

Satamaradankatu 5
FI-00020
NORDEA, Helsinki
Finland

Stifel Nicolaus Europe Limited

150 Cheapside
London, EC2V 6ET
United Kingdom

Krogerus Attorneys Ltd

Fabianinkatu 9
FI-00130
Helsinki
Finland

Advokatfirman Vinge KB

Smålandsgatan 20
SE-111 46
Stockholm
Sweden

Freshfields LLP

100 Bishopsgate
London, EC2P 2SR
United Kingdom