



Statement by the Board of Directors of IRRAS AB

Statement by the Board of Directors of IRRAS AB regarding the proposal by IR Holding for a set-off share issue to be presented at an Extraordinary General Meeting of IRRAS AB to be held on 13 October 2023

The Board of Directors of IRRAS AB (the “**Company**”) has today announced a notice to convene an Extraordinary General Meeting to be held on Friday 13 October 2023. The notice includes a proposal by IR Holding Bidco Inc. (“**IR Holding**”) for a set-off share issue of maximum 338,264,840 ordinary shares. The new shares may, with deviation from the shareholders’ preferential right, only be subscribed for by IR Holding, with the obligation for the subscriber to make payment for subscribed shares by way of set-off against loans amounting to SEK 60,000,000 plus accrued interest as of 12 September 2023 of SEK 887,671. The proposed subscription price is SEK 0.18 per ordinary share.

Board members Marios Fotiadis and Kleanthis G. Xanthopoulos are parties to the bid consortium which, through IR Holding, has made a public takeover offer for the shares in the Company. As a consequence of these board members’ interest in IR Holding, they are conflicted to handle matters regarding a new share issue directed to IR Holding. The two board members who are not conflicted, Anita Tollstadius and Catherine Gilmore-Lawless, do not constitute a sufficient number of board members to resolve on matters on behalf of the Company. In the following, the “**Board**” refers to the non-decision-making Directors who are not conflicted.

The Company, through its legal and financial advisors, has sought contact with the Company’s larger shareholders who are not part of the bid consortium to investigate the possibility of carrying out a new share issue to provide additional working capital and repay the Company’s loan debt amounting to SEK 60,887,671 including accrued interest as of 12 September 2023. This outreach indicated that only a small percentage of shareholders have shown a willingness to subscribe for shares in a potential new share issue, which would result in a financing that would be sized below the Company’s short-term capital needs. Over the past year, the Company has also explored the possibility of alternative financing from external investors and business partners to the Company. The continued efforts in this direction have also been unsuccessful.

The Board, in consultation with its financial advisor, has concluded that the set-off share issue is the only realistic alternative to avoid an insolvency situation that endangers the Company’s survival and economic value for remaining shareholders. The Board is of the opinion that the reasons for the deviation from the shareholders’ preferential rights as stated by IR Holding in the notice to convene the Extraordinary General Meeting are in line with the Board’s view. The Board has also evaluated the possibility of carrying out a rights issue to finance a repay of the outstanding loan amount. The Board has made the assessment that under the current market conditions and the Company’s financial position, it would be challenging to enter into subscription and/or guarantee undertakings from other investors than IR Holding. A successful rights issue would require a substantial discount to current market price, which will mean that shareholders not participating in the rights issue will be substantially diluted and be negatively effected as a result of a lower share price in the market. Further, the Board would like to

emphasize that a consequence of the set-off share issue being proposed is that IR Holding's ownership after the share issue will amount to at least 91.0 percent, which means that the possibility will exist that IR Holding may call for the compulsory redemption (Sw. *tvångsinlösen*) of the remaining shares in the Company. Shareholders in the Company have, within the framework of the compulsory redemption procedure, the opportunity to participate in person or to be represented by a representative (Sw. *god man*) appointed by the Swedish Companies Registration Office, who represents the minority shareholders in the procedure, including with regard to determining the redemption price and interest.

Stockholm, 18 September 2023

The Board of Directors^[1]

This disclosure contains information that IRRAS is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 18-09-2023 20:30 CET.

For more information, please contact:

Anita Tollstadius, board member of IRRAS AB
Email: anita@tollstadius.com

About IRRAS

IRRAS is a global medical care company focused on delivering innovative medical solutions to improve the lives of critically ill patients. IRRAS designs, develops, and commercializes neurocritical care products that transform patient outcomes and decrease the overall cost of care by addressing complications associated with current treatment methodologies. IRRAS markets and sells its comprehensive, innovative IRRASflow and Hummingbird ICP Monitoring product lines to hospitals worldwide through its direct sales organization in the United States as well as an international network of distribution partners.

IRRAS maintains its headquarters in Stockholm, Sweden, with corporate offices in San Diego, California, USA. For more information, please visit www.iras.com.

IRRAS is listed on Nasdaq Stockholm (ticker: IRRAS).

^[1] The Board of Directors represented by non-conflicted board members Anita Tollstadius and Catherine Gilmore-Lawless.