

Statement by the Board of Directors pursuant to Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act in respect of the proposals regarding dividends and authorization for the Board to decide on the repurchase of shares

Nature, scope and risks of the business

The nature and scope of the business are set out in the Articles of Association and the filed annual report for the 2023 financial year. The Board of Directors' assessment is that the business conducted by the Group is not associated with any risks beyond those that exist in the industry or those that are applicable to business activities in general.

Consolidation requirements, liquidity and financial position

The financial position of the company and the Group at December 31, 2023 is described in the most recent annual report. The annual report also states which accounting policies have been applied in the valuation of assets, provisions and liabilities.

The Board of Directors has proposed that the AGM to be held on 25th of April 2024 resolves on a dividend of SEK 1,5 per share, which will result in an aggregate dividend of not more than SEK 20 490 437. It is noted that the company holds 308 042 class C shares in treasury, which do not entitle to dividends. Non-restricted equity in the Parent Company and the Group at the end of the 2023 financial year was SEK 170,0 million and retained earnings in the Group on the same date amounted to SEK 283,7 million.

Among other information provided, the annual report states that the Group's equity/assets ratio is 60,5 %. The proposed dividend and the authorization for the repurchase of treasury shares will not jeopardize the fulfillment of the investments that are deemed necessary.

According to the Board's assessment, the company has a comparatively high level of equity in relation to the scope of the company's business and the risks associated therewith. Furthermore, the Board of Directors finds that the company has available cash and cash equivalents of approximately SEK 247,4 million at the end of the 2023 financial year. The company is assessed to have substantial non-restricted equity.

Justifiability of the repurchase proposal

In light of the above, the Board of Directors' assessment is that the proposed dividend and any purchases of shares in the company are justifiable in respect of the requirements imposed by the nature, scope and risks of the business with respect to the size of equity in the company and the Group and the consolidation requirements, liquidity and financial position in general of the company and the Group.

Stockholm, March 2024

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

Board of Directors