

## Market Leader Poised to Capitalize on the AI Video Analytics Market

Irisity AB (“Irisity” or “the Company”) is a leading provider of AI-driven video analytics solutions, transforming conventional security cameras into intelligent detection systems while maintaining strict privacy standards. Operating in over 90 countries, Irisity serves a global market across three main segments: *AI Solutions*, *AI Products*, and *AI SaaS*. Irisity has implemented several initiatives to drive profitability and achieve positive cash flow, such as the appointment of a commercially oriented leadership team, consolidation of R&D units, a strategic shift towards faster-to-market segments to expedite the quote-to-cash cycle, and an increased focus on recurring revenue streams. With a highly scalable AI platform and a clear roadmap towards profitability, Irisity is well-positioned to capitalize on the expanding AI market. The forecasted EBITDA for 2026 stands at SEK 13.2m, and by applying an EV/EBITDA multiple of 20x, this presents a potential value of SEK 1.8 per share in a Base scenario.<sup>1</sup>

### ▪ Outlined Strategy Towards Profitability

Following the acquisition of Agent Vi in 2021, Irisity has mainly focused on the AI Solutions segment, characterized by large entities with long sales cycles, hampering profitability due to extensive customer acquisition costs (CAC). During 2023-2024, Irisity has launched several initiatives to gradually transition toward profitability and positive cash flow. Through a newly established, commercially oriented organization and a partner-based go-to-market strategy, Irisity aims to prioritize growth within the AI Products and AI SaaS segment for onsite and basic monitoring products. This is projected to shorten the quote-to-cash cycle by enabling partners to absorb a larger fraction of the customer acquisition cost (CAC), thereby supporting a capital-light growth strategy.

### ▪ Focus on Recurring Revenues

A cornerstone in Irisity's growth strategy going forward is to increase recurring revenue streams (MRR) through strategic initiatives. These include a stronger emphasis on add-on services and Software Upgrade Plans (SUP) for customers with legacy products, as well as a focus on expanding the Security as a Service and AI SaaS segments. Irisity's MRR amounted to SEK 4.3m by the end of Q3-24, and Analyst Group estimates the MRR to reach SEK 6.6m by the end of 2025, creating more predictable and stable revenue streams, thereby providing a solid foundation for further growth.

### ▪ Streamlining R&D Units to Enhance Efficiency

Irisity has streamlined the Company's R&D operations, consolidating the teams into three leaner, customer-oriented units with the objective to enhance customer fit and maximize ROI on R&D investments. Through sharing of common IP across different customer segments, as well as to utilize Ultinuous's expertise in generative AI, the streamlining is set to accelerate software releases at a lower cost per release. Analyst Group estimates that the overall implications of the streamlining initiatives will reduce personnel costs by approx. 17% during 2025, a crucial measure toward profitability.

### VALUATION RANGE

**Bear**  
SEK 1.0

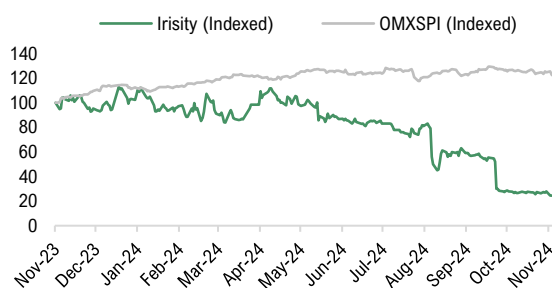
**Base**  
SEK 1.8

**Bull**  
SEK 2.8

### KEY INFORMATION

Share Price (2024-11-14)	1.20
Shares Outstanding <sup>1</sup>	126 056 130
Market Cap (SEKm) <sup>1</sup>	151.2
Net cash(-)/debt(+) <sup>1</sup> (SEKm)	-23.1
Enterprise Value (SEKm) <sup>1</sup>	128.1
List	Nasdaq First North
Quarterly report 4 2024	2025-02-28

### SHARE PRICE DEVELOPMENT



### OWNERS (SOURCE: HOLDINGS)

INSIDER

Sellers Of Ultinuous Zrt	13.7%
Stockhorn Capital AB	13.7%
Avanza Pension	11.0%
Ulf Runmarker	10.0%
Sun Red Beach Growth Partners Aps	4.7%

Estimates (SEKm)	2024E	2025E	2026E	2027E
<b>Net Sales</b>	<b>117.9</b>	<b>154.4</b>	<b>186.0</b>	<b>206.5</b>
COGS	-18.6	-26.8	-34.2	-40.2
<b>Gross Profit (adj.)<sup>2</sup></b>	<b>99.3</b>	<b>127.6</b>	<b>151.7</b>	<b>166.3</b>
Gross Margin (adj.) <sup>2</sup>	84.2%	82.7%	81.6%	80.6%
Operating Costs	-166.7	-146.0	-138.5	-136.5
<b>EBITDA (adj.)<sup>2</sup></b>	<b>-67.5</b>	<b>-18.4</b>	<b>13.2</b>	<b>29.8</b>
EBITDA Margin (adj.) <sup>2</sup>	-57.2%	-11.9%	7.1%	14.4%
P/S	1.3	1.0	0.8	0.7
EV/S	1.1	0.8	0.7	0.6
EV/EBITDA	-1.9	-7.0	9.7	4.3

<sup>1</sup>The subscription rate for the rights issue is estimated at 100%, impacting both outstanding shares and net debt. Estimated net debt is based on Q3-24 figures, adjusted for an estimated burn rate of SEK 5m per month, set-offs, repayment of the bridge loan, and net proceeds from the rights issue.

<sup>2</sup>Adjusted for capitalized development costs and other operating income and costs.

## Table of Contents

Comment on Q3 Report	3-4
Investment Thesis	5
Company Description	6-9
Market Analysis	10-11
Financial Forecast	12-17
Valuation	18-20
Bull and Bear	21
Management & Board	22-24
Appendix	25-26
Disclaimer	27

## ABOUT THE COMPANY

Irisity AB ("Irisity" or "the Company") is a leading provider of AI-driven video analytics solutions, specializing in advanced software that transforms standard security cameras into intelligent detection systems, all while maintaining a strong commitment to privacy. Trusted globally in over 3,000 locations, Irisity's scalable platform, IRIS+™, delivers real-time, efficient, and precise data to augment human decisions, enhancing safety, operational efficiency, and organizational intelligence. Through the Company's AI Solutions, AI Products, and AI SaaS segments, Irisity serves a broad range of customers in over 90 countries. Irisity was founded in Gothenburg 2006 and has been listed on Nasdaq First North since 2013.

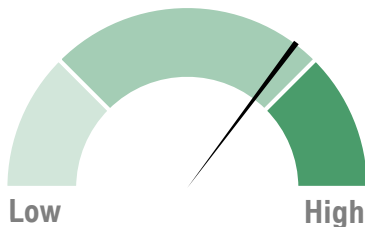
## CEO AND CHAIRMAN

CEO	Keven Marier
Chairman	Bjørn Skou Eilertsen

## ANALYST

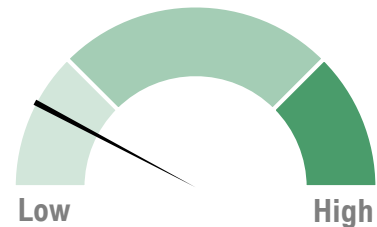
Name	Oscar Mårdh
Phone	+46 760 44 29 70
E-mail	oscar.mardh@analystgroup.se

## Value Drivers



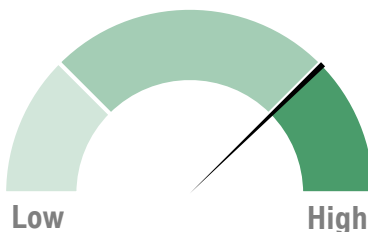
Key value drivers for Irisity include sustained sales growth and cost streamlining to demonstrate scalability. Strong growth in focus areas, such as AI Products and AI SaaS, will be crucial for accelerating the quote-to-cash cycle. Additionally, MRR growth will be an important KPI to monitor going forward.

## Historical Profitability



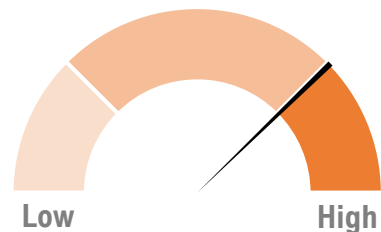
Irisity lacks a track record of profitability and cash flow generation. However, the Company has undertaken several initiatives in 2023-2024 to streamline the organization, marking important steps toward profitability. Nevertheless, the rating is based on historical results and does not incorporate forward-looking factors.

## Management &amp; Board



Keven Marier, CEO since 2023, brings more than 20 years of security industry experience. The majority of the board joined in 2023-2024, bringing extensive knowledge and experience from diverse sectors. Together, insiders own 13.5% of the Company, which creates incentives to deliver strong shareholder value going forward.

## Risk Profile



The current rights issue is expected to strengthen the balance sheet with an estimated net proceed of SEK 25.7m following the repayment of the bridge loan. If profitability is not achieved as anticipated, Analyst Group cannot rule out that Irisity may need additional external capital to solidify the Company's financial position until projected positive cash flow in 2026.

Irisity reported a solid performance, with strategic initiatives now fully implemented, bringing the Company one step closer to becoming a profitable growth entity generating positive cash flow. The strategic initiatives include a more commercially oriented organization, a stronger emphasis on a partner-based go-to-market strategy aimed at shortening the working capital cycle, reducing the opex cost base through streamlined R&D operations, as well as a clear focus on expanding the recurring revenue streams. Overall, these activities are expected to create a solid foundation for further growth. With a more efficient cost structure in place, Analyst Group believes that Irisity is making significant progress toward profitability.

## Robust Growth in Invoicing and Collections Y-Y

Irisity's net sales came in at SEK 30.3m (32.3) in the Company's third quarter of fiscal 2024, marking a Y-Y decrease of -6.3%, but a 17% increase Q-Q. It is worth noting that the quote-to-cash process varies substantially across different segments, as the level of complexity is reflected in the sales cycle. Additionally, Irisity generates both one-off revenues and recurring revenue streams through pre-payments and accrued income. Therefore, analyzing the invoicing and collections provides a more comprehensive view of the underlying business development, as it offers a more nuanced perspective of the full quote-to-cash process. The invoicing amounted to SEK 35.4 MSEK during Q3-24, a solid growth of 11% compared to the same period the previous year, while collections demonstrated a 53% growth Y-Y, reaching SEK 26.2m during the third quarter. In light of the strong invoicing during the previous quarter (Q2-24), which stood at SEK 39.3m, it is positive to observe the conversion into collections.

**+53% Y-Y**  
Cash Collections

## Solid Pipeline Exceeding SEK 180m

An additional factor to examine further is the sales pipeline, including 650 opportunities with a total value exceeding SEK 180m. This KPI could be derived from potential deals that Irisity is currently processing, spanning various stages of the sales funnel. Analyst Group believes that the pipeline serves as a testament to Irisity's strong customer offerings, indicating robust demand and a solid growth runway ahead.

**> SEK 180m**  
Sales Pipeline

Concerning recurring revenues, the MRR amounted to SEK 4.3m (4.5), representing a flat sequential development Q-Q. The Y-Y decrease was attributed to FX-effects as well as delays in enterprise customer project installations. The Company expects that investments made in 2024 will yield results in terms of MRR growth during 2025, as Irisity plans to place stronger emphasis on central monitoring stations, enhance its Security as a Service offering in Sweden, and focus on increasing Software Upgrade Plans (SUP) for existing customers.

## Strong Gross Margin and Short-Term Increase in Personnel Costs

During Q3-24, the Company achieved a gross margin of 85.2% (82.4), which is an improvement both Y-Y as well as Q-Q, where the gross margin reached 82.4% and 75.2%, respectively.

Examining the opex cost base, personnel costs amounted to SEK 30.1m (24.1), where the Y-Y increase is attributed to the acquisition of Ultinous being fully consolidated during the quarter (SEK 2.2m), as well as one-time effects stemming from layoffs, impacting the personnel costs with additional SEK 2.8m. All in all, comparing the numbers with a normalized Q2-24, the personnel costs in Q3-24 were SEK 5m lower, indicating that the streamlining activities are bearing fruit. For the full year 2025, Irisity expects that the reduced headcounts should yield annual cost savings of SEK 25m, related to both R&D and service personnel.

**85.2%**  
Gross Margin

**Streamlining**  
**Activities are**  
**Bearing Fruit**

Regarding R&D, the Company has optimized and reorganized the development hubs into three leaner and more focused teams, specialized in specific customer business segments. Apart from shifting personnel from Tel Aviv and Gothenburg to Budapest to reduce costs, the focus on generative AI is expected to speed up innovation and improve the reliability of product delivery, which in turn is expected to yield a greater ROI on future investments. The impact of these streamlining activities is also seen in the reduction of capitalized work for own account, which stood at SEK 4.2m during Q3-24, down from SEK 9.6m during Q3-23.

Other operating income, as well as other operating costs, represent non-cash related line items which is attributed to currency revaluation of the loan to Agent Vi, which is unrealized and varies, depending on the exchange rate. During Q3-24, the net effect of the FX-effect amounted to a negative SEK 4.2m, hampering the EBITDA result in the P&L. The Company are planning on converting the loan to Agent Vi into equity, which will reduce the fluctuations stemming from the currency effect, and thereby increase the predictability of the cost base.

All in all, the EBITDA for the third quarter amounted to SEK -14.3m (1.4) and adjusted for capitalized work and currency revaluation effects, the EBITDA result amounted to SEK -14.2 (-8.2).

## Rights Issue will Strengthen the Balance Sheet

Following the end of the third quarter, Irisity announced a rights issue which, if fully subscribed, is expected to raise SEK 70.6m before transaction costs and set offs. The rights issue is guaranteed to approx. 80%, and the net proceeds are intended for the repayment of a bridge loan (SEK 21.9m), working capital needs (SEK 20.7m), as well as SEK 5m allocated for market expansion initiatives, including a focus on generative AI. Additionally, approx. SEK 15.3m is intended for set offs, from Stockhorn Capital AB and Anders Trygg, via company.

During Q3-24, Irisity reported cash flow from operating activities (OCF) of approx. SEK -17.5m (-10.9), of which SEK -9.4m was due to changes in working capital, corresponding to OCF of approx. SEK -5.9m per month. Given the cash balance at the end of Q3-24 of SEK 3.8m, along with available credit lines of approx. SEK 3m, the rights issue is essential for reinforcing the balance sheet and providing additional financial flexibility to support growth initiatives. As the Company ramps up growth efforts in segments with shorter sales cycles, such as AI Products and AI SaaS, Analyst Group anticipates a shorter quote-to-cash process, thereby reducing the working capital cycle.

## Concluding Remarks About the Report

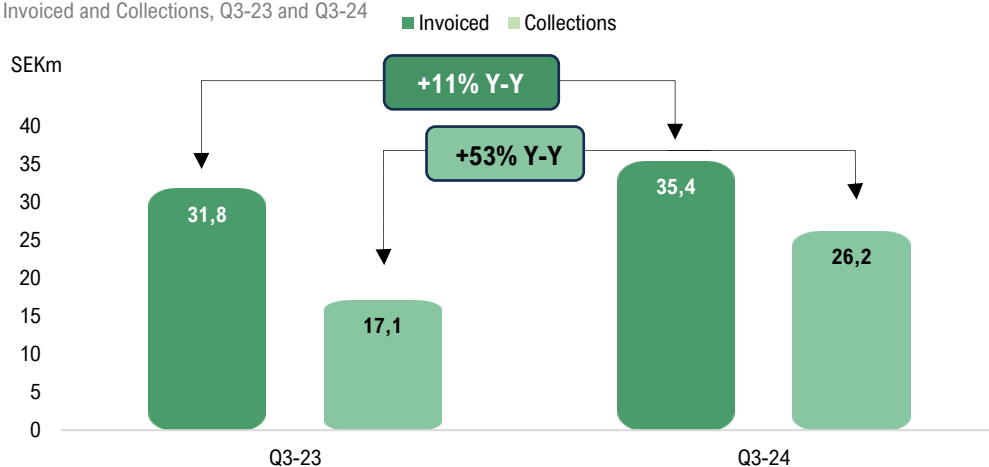
In conclusion, Irisity's Q3 report highlights the effective execution of strategic initiatives implemented over the year. With a streamlined cost structure, more efficient R&D teams, and a clear partner-driven go-to-market strategy, Irisity is well-positioned to leverage the Company's scalable platform and gradually move towards positive cash flows as the strong pipeline of potential deals converts into revenue. The current rights issue is expected to further reinforce the Company's financial position, providing a solid foundation for continued growth.

**SEK 47.6m**  
Estimated Net  
Proceeds

**Well-Positioned**  
for Growth

## Collections Witnessed Strong Growth During Q3-24.

Invoiced and Collections, Q3-23 and Q3-24



Source: Irisity

## Video Analytics Software Market Poised for Strong Growth in Coming Years

The global AI surveillance market, currently representing around 10% of the broader security surveillance industry, is expected to grow at a notably higher rate than the overall market, contributing significantly to the sector expansion. With an anticipated CAGR of 23.7%, the AI surveillance market is projected to reach USD 16.3bn by 2028, showcasing the market's robust estimated growth. AI-driven video analytics provide substantial operational benefits and cost efficiencies for end customers by automating video analysis, reducing data handling costs, freeing up storage, streamlining monitoring, enhancing security coverage, and minimizing false alarms. Irisity, with deployments across over 3,000 locations and a presence in more than 90 countries, has established a strong global footprint in this expanding market. The Company's versatile portfolio of AI-driven video analytics solutions serves the broader security surveillance market, positioning Irisity to leverage favorable industry tailwinds and capitalize on the rising demand. Irisity's platform offers an attractive total cost of ownership (TCO), reducing customer operating expenses while providing a scalable and cost-effective approach to upholding high security standards, creating a win-win situation for both Irisity and the customers.

## Strategic Shift Towards Profitability and Cash Flow Generation

During the past few years, particularly following the acquisition of Agent Vi in 2021, Irisity has primarily focused on the AI Solutions segment, targeting large entities with long sales cycles and high customer acquisition costs (CAC). Although this segment offers long customer journeys, strong margins, and low churn due to the tailored and sticky nature of the offerings, it has contributed to an extensive quote-to-cash process which has put pressure on profitability and cash flow. In response, Irisity has launched several initiatives during 2023-2024 to gradually transition toward positive cash flow. The Company's aims to increase sales and reduce costs through a newly established, commercially oriented organization and a partner-based go-to-market strategy, prioritizing growth within the AI Products and AI SaaS segment for onsite and basic monitoring products. Irisity's objective is to shorten the quote-to-cash cycle by enabling partners to absorb a larger portion of the customer acquisition cost (CAC), thereby supporting a capital-light growth strategy. Additionally, Irisity is working to increase recurring revenue streams (MRR) through strategic growth initiatives centered on add-on services and Software Upgrade Plans (SUP) for customers on legacy products, as well as a focus on expanding the Security as a Service and AI SaaS segments. This is expected to create more predictable and stable revenue streams, creating a solid platform for further growth.

## Enhanced Efficiency Through Streamlined R&D Units

As a key pillar to improve profitability, Irisity has streamlined the Company's R&D operations, consolidating the R&D teams into three leaner, customer-oriented units. The purpose of the reorganization is to enhance customer fit and maximize ROI on R&D investments through sharing of common IP:s across the different customer segments, as well as to utilize Ultinuous's expertise in generative AI to accelerate software releases at a lower cost per release. Analyst Group estimates that the overall implications of the streamlining initiatives will reduce personnel costs by approx. 17% during 2025.

## Financial Forecast and Valuation

Irisity's scalable SaaS offering and increased focus on the mid-market segment through a partner-based strategy provide a promising growth outlook, supported by initiatives to streamline the cost-base to drive profitability and cash flow. Based on FY2026 projected EBITDA of SEK 13.2m and an applied EV/EBITDA multiple of 20x, coupled with a discount rate (WACC) of 13.4% and the estimated capital structure following the rights issue, a potential value of SEK 1.8 per share is derived.

## Risks to Monitor Ahead

Although Irisity has implemented several initiatives focused on achieving profitability, the Company has not yet established a proven track record of profitability and positive cash flow generation. Consequently, it will be essential to monitor the impact of the growth- and cost-cutting efforts, where the conversion of the sales pipeline to cash collections will be a crucial part in this regard. If profitability is not achieved as anticipated, there is a risk that the Company may need to seek additional external capital to support ongoing operations and growth initiatives. Additionally, with the majority of sales collected in USD and the cost base primarily in SEK, Irisity is exposed to currency fluctuations, and in the absence of hedging, the Company may be adversely affected by exchange rate volatility.

**23.7% CAGR**  
AI in Surveillance Market  
2023-2028E

**Focus on**  
Quote-to-Cash  
and Recurring  
Revenues

**Maximize ROI on**  
R&D Investments

**SEK 1.8**  
Per Share  
Base scenario

**Financial Risks and**  
Currency Exchange  
Exposure



## Irisity in Short

Irisity is a leading provider of AI-driven video analytics solutions, specializing in advanced software that transforms standard security cameras into intelligent detection systems, all while maintaining a strong commitment to privacy. With deployments across over 3,000 locations and a presence in more than 90 countries, Irisity supports clients globally, with active operations in Sweden, the USA, Israel, Hungary, Singapore, the UAE, Australia, Argentina, Brazil, Mexico, Colombia, and the UK. The Company has 12 offices worldwide and three R&D-centers in Tel Aviv, Budapest, and Gothenburg, focusing on specific customer business segments which can share common IP:s. Irisity operates through an extensive network of resellers, partners, OEMs, central monitoring providers, and camera manufacturers worldwide, creating a broad reach globally.

Irisity's technology enhances security by detecting critical incidents in real time, including intrusions, trespassing, flames, violence, falls, and unattended objects, as well as rapid search and analysis of recorded video, and extraction of statistical data. Importantly, Irisity prioritizes ethical surveillance, employing patented real-time anonymization technology to protect personal privacy across all functionalities. Irisity serves a diversified customer base across multiple sectors, such as government agencies, municipalities, educational institutions, healthcare and elder care facilities, and railway infrastructure.

Irisity Serves a Broad Range of Customers – Offering Both End-to-End Solutions and Software-Only Options



IP Cameras



AI Analytics



Infrastructure



Integrations



User Interface

## History

Irisity was founded in Gothenburg in 2006 as a spin-off from Chalmers University's Innovation Startup Fund, with the vision that video analytics would transform the security industry. The Company became publicly listed in 2013 and has since undergone a transformational phase, marked by strategic acquisitions that now form the foundation of the Company's current operations. In 2018, Irisity acquired Visionists, a leading Swedish consultancy specializing in advanced image and video analysis, known for its software platform that enhances the deployment of image analysis and machine learning algorithms. In 2021, Irisity completed the Company's largest acquisition to date by acquiring Agent Vi Ltd for SEK 650 million — a globally recognized provider of AI-powered video analytics solutions, operating through an extensive network of resellers and partnerships. Since the acquisition, Irisity and Agent Vi have merged from an organizational as well as from a product perspective, with Agent Vi's analytics technology now serving as the core of Irisity's combined video analytics platform, IRIS+.

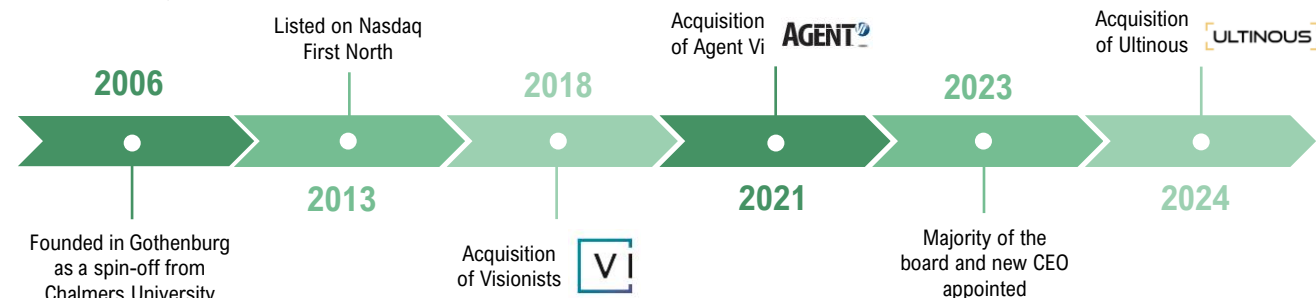
In H1-24, Irisity further strengthened the Company's AI capabilities through the acquisition of Hungarian AI software provider Ultinous Zrt, establishing a new development hub in Budapest. This acquisition supports Irisity's strategic investments in personalized AI solutions, incorporating the latest advancements in generative AI technologies, a segment that will be prioritized during the coming years.

Over the past year, Irisity has implemented a series of initiatives aimed at achieving profitability, including appointing a commercially focused leadership team, implementing a clear growth strategy targeting the mid-market to accelerate the quote-to-cash cycle, increasing emphasis on recurring revenue, and streamlining R&D units for a more efficient cost structure. With the integration of the above-mentioned acquisitions and a more efficient organizational structure, Irisity now offers a competitive, highly scalable video analytics platform with an attractive total cost of ownership for AI-enabled video analytics.

Initiatives  
Towards  
Profitability and  
Positive Cash  
Flow

## Transformational Phase with Strategic Acquisitions Forming Irisity's Foundation.

Timeline of Events, 2006-2024



Source: Irisity

## Product portfolio

The product offering consist of IRIS+™, an open and scalable platform for video analytics that operates in any environment, both locally (air-gapped), in the cloud, or as a hybrid installation, thereby giving customers and partners the flexibility to design, operate, and manage their surveillance, security, and safety operations based on their unique needs. The Company's AI software areas are divided into three distinct segments, each characterized by a unique business model and tailored to specific customer types with varying requirements for solution complexity and service offerings. The three main segments—AI Solutions, AI Products, and AI SaaS—feature Irisity's distinct platform solutions: IRIS+ Enterprise, IRIS+ Pro, and IRIS+ Central Monitoring (CM), respectively.

### AI Solutions

#### AI Solutions Selection of Customers

TRAFIKVERKET

Avangrid  
GOBIERNO DE LA  
REPUBLICA DOMINICANA

AI Solutions comprise approx. 55% of Irisity's sales and are characterized by a clientele of large, complex government entities that require highly scalable, cloud-based or localized real-time AI infrastructure with centralized management capabilities. To be compatible within this segment, the offering must be adaptable to a variety of networking configurations, infrastructure setups, camera types, and operational requirements. Consequently, the solution must meet the specific and often narrow demands of customers, resulting in highly *sticky* and predictable revenue streams. The technology powering this segment, IRIS+ Enterprise Solutions, is primarily developed and distributed through the subsidiary Agent Vi.

This segment primarily generates revenue through perpetual software licenses, software support agreements, hardware, and installation services, supported by a go-to-market strategy of operational technology (OT) partners, customer preferred suppliers, direct sales and OEMs which include tailored support. In addition to one-time revenue from perpetual software licenses, Irisity receives recurring revenue through the Software Upgrade Plan (SUP), which is priced at 13-18% of the initial license cost and is renewable periodically at the customer's discretion.

Due to the complexity and high demands of this customer base, the sales cycle often extends to 12-18 months, leading to higher customer acquisition costs (CAC). However, once a contract is secured, customer relationships often span multiple years, with high retention rates driven by tailored solutions and substantial switching costs, which in turn results in predictable revenue streams long term.

### AI Products

The AI Products segment, representing approx. 10% of Irisity's sales, is positioned as a key growth area for the coming years, driven by the disruptive potential of generative AI. With the acquisition of Ultinous in 2024, Irisity expanded the Company's product portfolio to include a mid-market solution with a shorter sales cycle that is particularly effective in non-deterministic scenarios, where users may not have a precise target but need to identify specific events or anomalies. The advanced query function, a search and filter tool enabling rapid extraction of information, supports use cases such as identifying specific individuals or actions.



The revenue model for the AI Products segment combines software and hardware sales, typically at a 3:1 ratio favoring software. As with the AI Solutions segment, software revenue derives from a mix of perpetual licensing and Software Upgrade Plans (SUP). The offering consists of two components: one that allows Irisity’s software to be deployed on existing hardware (e.g., cameras) and another that includes Irisity-branded hardware sourced from third-party suppliers.

Irisity operates this segment through a reseller-based model, partnering with OEMs, distributors, and resellers to reach customers with on-premises systems managed locally at their sites. AI Products primarily target smaller end customers with less complex surveillance needs who already have a foundational surveillance infrastructure in place.

The segment benefits from a shorter sales cycle of 1-6 months, especially with existing customers who have established infrastructure. The partner-based go-to-market approach creates multiple sales channels, allowing partners to integrate Irisity’s solutions to enhance their own core offerings, thereby broadening Irisity’s market reach. Additionally, partners absorb much of the initial customer acquisition cost, reducing Irisity’s capital intensity and shortening the quote-to-cash cycle.

### AI Software as a Service (SaaS)

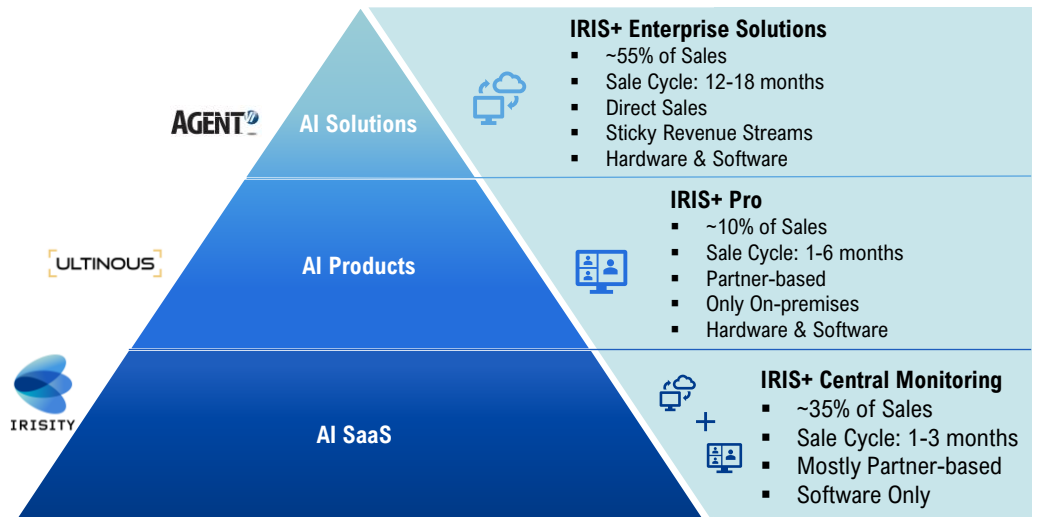
The AI SaaS segment, primarily developed and sold through Irisity AB, accounts for approximately 35% of Irisity’s sales and represents the Company’s only software-based offering with the shortest sales cycle among product lines. This cloud-connected solution requires no physical hardware deployment on-site, as it simply connects on-premises cameras to cloud services, thereby avoiding expensive deployment costs. Once connected, the system can be rapidly deployed and remotely configured, enabling scalability and minimal operational friction.

The sales model is primarily partner-based, focusing on global central monitoring providers with established infrastructure for remote surveillance. The revenue model consists of recurring revenue, based on the number of channels, i.e. cameras deployed with Irisity’s software. The ability to scale quickly without physical installations provides Irisity with a high-growth, high-efficiency service that complements the Company’s other offerings, which also results in the segment with the shortest sale cycle, ranging between 1-3 months.

The model below illustrates the segmentation. It is worth noting that, generally, AI model complexity, the level of direct sales, and infrastructure costs increase as you move up the pyramid. Additionally, the cost per channel rises higher up the pyramid. Conversely, the market size broadens as you move down the pyramid.

### AI Products Constitute the Primary Growth Segment Ahead, Given the Capital-Light Partner-Based Model.

Illustration of Irisity’s Three Main Segments



Source: Irisity, Analyst Group (illustration)



## Security as a Service Selection of Customers



City of  
Gothenburg



Södertälje Hamn  
SÖDERTÄLJE



## Security as a Service

As part of the segmentation mentioned above, Irisity offers a Security as a Service offering, which provides a comprehensive, end-to-end solution for Swedish clients, combining elements from Irisity's AI Solutions, AI Products, and AI SaaS offerings. This segment is designed to outsource all aspects of security management for clients, from system deployment and camera installation to monitoring, problem identification, verification, and response.

The service is tailored to environments with complex surveillance needs, such as multi-site organizations and schools, which do not have the resources to manage surveillance independently and additionally benefit from coordination across multiple sites. Operations are managed from Irisity's Gothenburg office during regular hours, with an external service provider handling non-office hours, making it the only segment in which Irisity directly oversees monitoring.

Irisity plans to expand this offering to enterprise clients, facilitated by recent legislative changes in Sweden. This segment positions Irisity as a comprehensive service provider, capable of addressing the full spectrum of security needs for select high-value clients, while providing scalability within Sweden's expanding market for outsourced, integrated security solutions.

## R&D Locations



Gothenburg



Tel Aviv



Budapest

## Streamlined R&D-sections

Irisity's R&D function has undergone a strategic reorganization aimed at enhancing innovation efficiency, streamlining operations, and aligning development with the Company's three main segments: AI Solutions, AI Products, and AI SaaS. Each R&D location now specializes in one segment, creating a more targeted and cost-efficient structure. The Tel Aviv team focuses on Enterprise & Cloud AI SOC Solutions (AI Solutions), Budapest specializes in Professional & Basic On-premise SOC Products (AI Products), and Gothenburg manages Central Monitoring Software and Security as a Service (AI SaaS). All teams build on a shared IP foundation, fostering synergy across product lines.

In addition to this realignment, Irisity has optimized the Company's cost structure by relocating a larger portion of R&D personnel to Budapest, where labor costs are lower than in Tel Aviv and Gothenburg. Irisity projects that this shift will reduce personnel expenses by 20%, corresponding to annual savings of SEK 25m by 2025. Concentrating R&D expertise within specific geographic hubs aligned with product specialization is expected to enhance product delivery reliability, accelerate innovation, and support future sales growth.

Recent advancements in generative AI have significantly accelerated Irisity's R&D process. Previously, developing customer-specific solutions took 3 to 9 months; with generative AI, Irisity has reduced this timeframe to 1 to 4 weeks, drastically enhancing the speed and scalability of the Company's offerings.

**Generative AI is  
Expected to  
Accelerate the  
R&D Process**



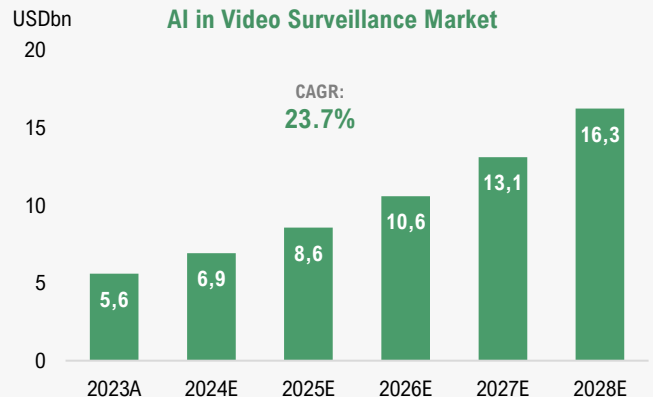
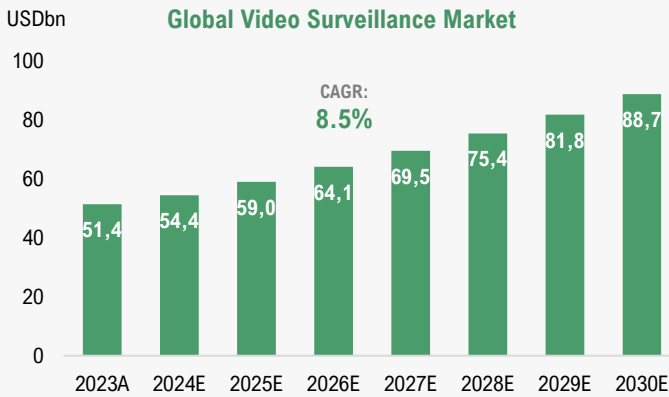
### Operating in a High-Growth Market Niche

With deployments across over 3,000 locations and a presence spanning more than 90 countries, Irisity has established a robust global footprint. The Company's AI-driven video analytics solutions are highly versatile, serving the broader security surveillance market. Irisity's offerings are applicable across critical sectors such as infrastructure, urban environments, transportation, healthcare, and education—areas particularly susceptible to risks like accidents, sabotage, and vandalism. The global security surveillance market, as estimated by Markets and Markets, is valued at approx. USD 54.4bn in 2024 and is projected to grow at a compounded annual growth rate (CAGR) of 8.5%, reaching an estimated USD 88.7bn by 2030. This growth trajectory underscores the expanding demand for advanced security solutions, positioning Irisity to benefit from favorable industry tailwinds.

**USD 88.7bn**  
Global Security  
Surveillance Market  
2030E

By providing AI-driven video analytics solutions and specializing in advanced software, Irisity has established a strong global position in the AI surveillance market. This market encompasses hardware, software, and services, with Irisity particularly focused on delivering advanced software and services for generative AI and deep-learning-based AI solutions in video analytics. The global AI surveillance market, which currently represents around 10% of the broader security surveillance industry, is expected to grow at a notably higher rate than the overall market, contributing significantly to the sector's expansion. According to Markets and Markets, the global AI in surveillance market was valued at approximately USD 5.6bn in 2023 and is projected to witness a CAGR of 23.7%, reaching around USD 16.3bn by 2028, at which point it is expected to constitute around 20% of the total security surveillance market. Thus, the shift from traditional, non-intelligent cameras to AI-enabled, smart cameras is anticipated to accelerate significantly, driven by the demand for enhanced surveillance capabilities and real-time insights, further fueling growth within the AI surveillance market.

**23.7% CAGR**  
AI in Surveillance Market  
2023-2028E



Source: Markets and Markets

AI-driven video analytics algorithms offer advanced capabilities such as real-time object detection, facial recognition, and behavioral analysis, significantly enhancing the accuracy and efficiency of surveillance systems. The primary market drivers are anticipated to be increasing security concerns and a growing demand for business intelligence and analytics. Furthermore, advancements in generative AI and deep learning algorithms have greatly improved the accuracy and functionality of AI-driven video analytics, expanding its applications and precision, which in turn drives demand for these services. In terms of deployment mode for AI-driven video surveillance, approx. 42% of providers still favor on-premises solutions due to cybersecurity concerns and bandwidth limitations. However, cloud-based solutions are projected to achieve the highest growth in AI-driven video surveillance deployment, with cloud-based AI expected to see accelerating demand moving forward due to its scalability, as well as its ability to efficiently manage large volumes of video data. Leveraging cloud-based data processing, AI algorithms can analyze and process vast amounts of data in real time, enabling the swift detection of anomalies, threats, or suspicious activities. Additionally, cloud-based AI enables centralized management and storage of video data, eliminating the need for local hardware and infrastructure, reducing costs, and simplifying maintenance.

At the same time, hybrid solutions currently dominate the market, combining on-premises and cloud-based solutions, with an adoption rate of approx. 67%. Irisity is well-positioned to meet all market needs, offering AI-driven video surveillance services that can be deployed through hybrid solutions, as well as cloud-first and on-premises-first solutions, enabling the Company to capitalize on the market's demand and expected growth.



### IRIS+ Enterprise

A cloud-first solution designed to leverage AI for large-scale deployments.



### IRIS+ Pro

Tailored for on-premise-first needs, addressing privacy and cybersecurity concerns.



### IRIS+ CM

Offering seamless integration between cloud and on-prem for central monitoring.

## Positioned to Meet Market Demand with Strong End-Customer Benefits

AI-driven video analytics solutions provide substantial operational benefits and cost efficiencies for Security Operation Centers (SOCs). By automating video analysis, these solutions reduce the burden of footage transmission and storage by up to 99%, cutting data handling costs and freeing up storage capacity. They also streamline surveillance processes, enabling SOCs to save approx. 70% in monitoring activities and allowing staff to manage operations more efficiently. Moreover, AI solutions expand security coverage, allowing 43% more assets to be effectively monitored with the same personnel. Additionally, these systems minimize false alarms by up to 90%, directing human intervention toward actual threats, which improves response times and reduces unnecessary actions. In summary, AI-powered video analytics provide SOCs with a scalable, efficient, and cost-effective approach to maintaining high levels of security and operational precision.

As a result, Irisity's platform offers an attractive total cost of ownership (TCO), encompassing expenses associated with purchasing, deploying, using, and retiring a product or piece of equipment. This creates a win-win situation, as the solution significantly reduces customers' operating expenses.

## Reducing Customers' Operating Expenses

## Regulatory Tailwinds Ahead in the Swedish Market

The use of AI-driven video surveillance systems has also raised concerns regarding privacy intrusion, potential misuse of collected data, and the ethical implications of constant monitoring. The trend of AI in video surveillance is increasingly shaped by regulatory impacts, as governments aim to balance the benefits of advanced surveillance with the need to protect privacy. Regulations have prompted providers to develop more privacy-preserving technologies and design systems that uphold security while adhering to privacy principles.

In March 2024, the EU Parliament approved the AI Regulation, granting the Integritetsskyddsmyndigheten (IMY) new responsibilities to oversee AI systems. At the same time, the latest proposal in the surveillance camera investigation has suggested removing the requirement for surveillance camera permits starting from July 1, 2025. This means that entities wishing to conduct camera surveillance, who previously needed to apply for a permit, will instead be required to make a significant assessment balancing the interests of surveillance with the individual's interest in not being surveilled. This shift will increase IMY's role in providing guidance and oversight to ensure compliance with the regulations in the Surveillance Camera Act and the General Data Protection Regulation (GDPR).

## Shift in Legislation Supports Growth Initiatives

The AI Act promotes innovation and responsible AI usage, while the proposal to remove the permit requirement for camera surveillance enhances efficiency in surveillance processes. These developments are essential to ending the lengthy supervisory process that has negatively impacted Irisity's business with Swedish municipalities since 2022. With these new regulations, Irisity expects the Company's municipal business, i.e. Security as a Service, to benefit, paving the way for accelerated growth in the Swedish market.

## Revenue Forecast

Irisity's estimated revenue is derived through the three segments: AI Solutions, AI Products and AI SaaS, each characterized by a unique business model and specific customer types with varying requirements for solution complexity and service offerings. Hence, the three segments differ in terms of numbers of customers, number of installed channels (i.e. cameras) per customer, recurring or one-off revenues, price per customer and the proportion of hardware sales embedded into the offering.

The subsegment Security as a Service consists of comprehensive, end-to-end solutions for Swedish clients, designed to outsource all aspects of security management. Since the segment integrates elements from Irisity's three main segments, it is challenging to isolate specific sales figures for Security as a Service, and thus, Analyst Group does not forecast explicit sales within this subsegment. Nevertheless, we foresee a solid progression within Security as a Service during the coming years, especially given the removal of the requirement for surveillance camera permits starting in the beginning of Q3-25. The estimated sales stemming from this subsegment are thus included in the overall revenue forecast.

## Revenue Forecast - AI Solutions

AI Solutions targets complex government entities that require uniquely tailored offerings adapted for the specific needs of the customer. The main source of revenue from this segment stems from perpetual software licenses, which is a one-off revenue for the use of Irisity's software. Additionally, sales stem from software support agreements, hardware, and installation services. The recurring revenue from AI Solutions is generated through the Software Upgrade Plan (SUP), priced as a percentage of the initial license cost and periodically renewable at the customer's discretion.

Analyst Group estimates that the average revenue per customer is approximately USD 1.2k, with Irisity's solutions deployed across an average of 250 channels per customer. It is estimated that Irisity currently serves close to 100 customers within this segment, with a marginal initial increase in net customer intake expected as previously onboarded customers convert to sales. Thereafter, Analyst Group anticipates a slight decline in customer numbers as Irisity shifts more sales efforts toward the other two segments.

Monthly recurring revenue from Software Upgrade Plans (SUP) is projected to range from 12-18% of the initial one-time license fee. However, recognizing that not all customers upgrade their software annually, we have adjusted the ARR to account for this assumption. Currently, sales from AI Solutions constitute approx. 55% of total sales, and with a strategic emphasis on growth in AI Products and AI SaaS, Analyst Group estimate that AI Solutions' share of sales will gradually decrease to around 27% by 2027.

## Revenue Forecast - AI Products

The AI Products segment represents Irisity's primary growth area ahead, as it most disruptable with generative AI, a capability Irisity can leverage from the subsidiary Ultinous. The revenue model in this segment combines software and hardware sales, typically at a 3:1 ratio favoring software. Similar to the AI Solutions segment, software revenue is generated from both perpetual licensing and SUP:s.

Analyst Group estimates that the average combined software and hardware revenue per channel in AI Products is approx. USD 800, with the majority derived from software sales, and the average number of channels per customer is projected to be slightly below 50. Additionally, recurring revenue from SUPs is expected to constitute approximately 12-18% of the initial licensing cost, adjusted for the assumption that not all customers upgrade the software annually.

With a capital-light, partner-based go-to-market strategy, leveraging Ultinous's generative AI capabilities, and an offering that is easily deployable for customers with existing surveillance infrastructure, Analyst Group projects strong growth in the AI Products segment over the coming years. The share of total sales from this segment is expected to increase from the current level of around 10% to approx. 36-44% by 2026-2027.

Tailored Offerings  
Creates  
Sticky Revenues

AI Products  
Main Growth Segment  
2024-2027E



**Recurring Revenues due to Software Only**

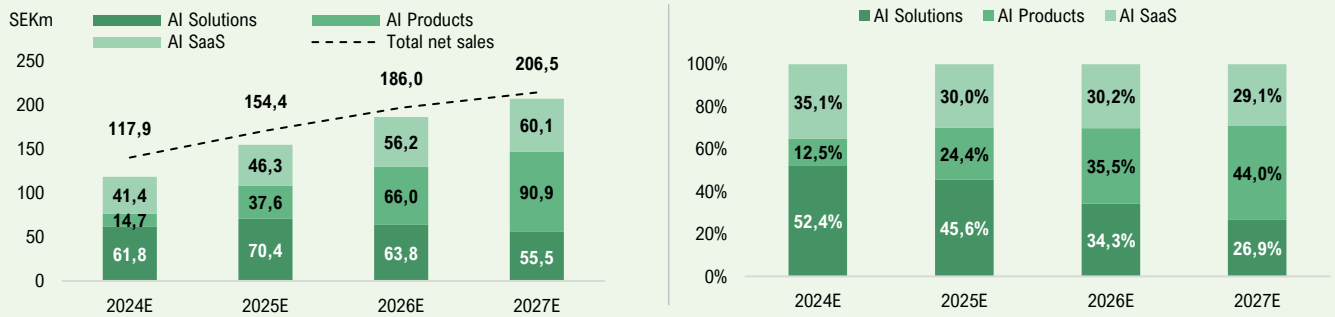
### Revenue Forecast - AI SaaS

The AI SaaS segment consists of a cloud-connected solution that requires no physical hardware deployment on-site, as it simply connects on-premises cameras to cloud services. Once connected, the system can be rapidly deployed and remotely configured, enabling a scalable offering with minimal operational friction and hence, the shortest sales cycles within the three segments. The revenue model consists of recurring revenue, based on the number of channels deployed with Irisity's software.

Analyst Group estimates that Irisity's current customer base is in the low hundreds, consisting of central monitoring providers. Irisity sales model consist of partly direct sales as well as through partners, and the estimated average manufacturer's suggested retail price (MSRP) amounts to approx. USD 10-12 per channel, with Irisity projected to receive around 80% of the MSRP. The average number of channels within this segment is estimated to be around 150 per customer. The estimated growth within this segment is projected to be somewhat lower than the Company's overall sales growth, resulting in a gradual reduction in its share of total sales—from approximately 35% today to around 29% by 2027.

**The Segment AI Products is Estimated to be the Main Contributor to the Overall Growth.**

Estimated Net Sales per Segment, 2024-2027E



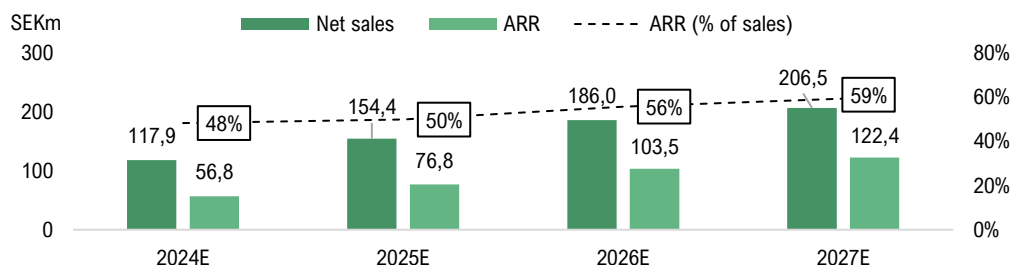
Source: Analyst Group's estimates

One of Irisity's primary strategic initiatives in the coming years consists of expanding the recurring revenue base. Irisity's recurring revenues are generated from three sources, namely SUP:s, the Security as a Service subsegment, and the remainder of the AI SaaS segment, which targets central monitoring providers. At the end of Q3-24, Irisity's monthly recurring revenue (MRR) stood at SEK 4.3m, equivalent to an annual recurring revenue (ARR) of approx. SEK 51.6m, or about 46% of LTM sales. MRR has declined over recent quarters from its peak of SEK 6m in Q4-23, primarily due to increased competition and price pressure on per-channel software sales.

In Sweden, proposed changes to the surveillance camera permit application process, expected in Q3-25, are projected to support growth in the Security as a Service segment. This regulatory shift would enable Irisity to approach Swedish municipalities and enterprise clients requiring a comprehensive, end-to-end security management solution. Beyond focusing on the Security as a Service and AI SaaS segments, Irisity can further enhance the Company's recurring revenue base by increasing emphasis on add-on services and Software Upgrade Plans (SUPs), particularly for customers with legacy products.

**Solid ARR-Growth is Projected During the Coming Years.**

Estimated Net Sales and ARR, 2024-2027E



Source: Analyst Group's estimates

**SEK 122m  
ARR 2027E**

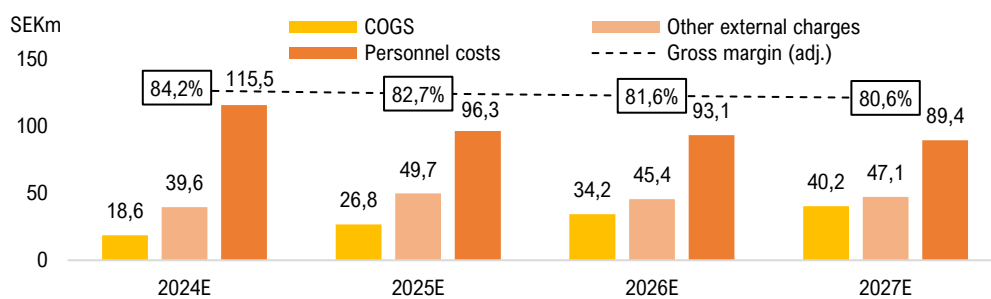
### Gross Expenses

Irisity's three segments has a varying degree of software and hardware components, impacting the overall gross margin. Recurring software sales have a gross margin close to 100%, while AI Products is estimated to have a gross margin in the range of 70%, as this segment combines software and hardware (e.g., cameras) in a 3:1 ratio favoring software. As Irisity focuses on expanding the Company's recurring revenue base, emphasizing renewals of existing customer Software Upgrade Plans (SUP) and growth in SaaS-driven segments, the increasing proportion of ARR is expected to support margin expansion. However, Analyst Group projects that AI Products will be the main growth driver in the coming years, gradually constituting a larger share of sales. Given this segment's estimated 70% gross margin, this shift is likely to temper overall gross margin expansion. Analyst Group projects a healthy gross margin in the range of approx. 81-84% from 2024 to 2027, with a gradual decrease as AI Products comprise a larger portion of total sales.

**81-84%**  
Gross Margin  
2024-2027E

#### Operational Cost Base Expected to Decline Alongside a Slight Reduction in Gross Margin.

Estimated Operational Costs (excl. D&A) and Gross Margin, 2024-2027E



Source: Analyst Group's estimates

### Operating Expenses

Irisity's operating cost base primarily consists of personnel costs, other external expenses, and depreciation and amortization (D&A), with the latter largely stemming from capitalized development costs and goodwill related to prior acquisitions, primarily Agent Vi.

To streamline the cost base and improve organizational efficiency, Irisity has implemented a series of initiatives focused on optimizing personnel costs. The main effort involves restructuring R&D into three leaner, customer-oriented teams, with a reduction in R&D personnel costs achieved by shifting resources from Tel Aviv and Gothenburg to Budapest. Additionally, an increased focus on generative AI is expected to accelerate innovation and enhance product reliability, which in turn is expected to yield a greater ROI on future R&D investments.

When comparing the personnel costs in Q3-24 to a normalized Q2-24, adjusted for Ultinuous acquisition-related costs and one-time layoff expenses, personnel costs were approximately SEK 5m lower, indicating early success from these initiatives—an essential step toward profitability in the coming years. Another key factor expected to contribute to the reduction in personnel costs is the focus on the AI Products segment, which employs a partner-based go-to-market model that lowers the need for sales personnel and reduces customer acquisition costs (CAC). Analyst Group estimates that the efforts to reduce CAC, create more efficient R&D units, optimize resource management, and refine customer success and product planning will result in personnel costs of approx. SEK 96.3m in 2025, which could be compared with personnel costs of SEK 115m LTM. Following 2025, a slight reduction in personnel costs is projected as the full benefits of the abovementioned initiatives are realized.

Other external charges encompass non-payroll operating expenses, including marketing, rent, IT, and short-term consultants. Analyst Group projects this line item to increase to SEK 49.7m in 2025, driven by higher marketing expenditures to support anticipated growth and the temporary use of consultants to address immediate resource gaps and maintain continuity during the transitional phase. These measures are expected to ensure that critical functions remain uninterrupted while positioning the organization for long-term cost efficiency and operational effectiveness. Similar to personnel costs, other external charges are projected to decline after 2025 as these transitional needs subside.

**Streamlined R&D**  
Estimated to  
Reduce Personnel  
Costs

**Partner-Based  
Model Estimated  
to Reduce CAC**

Irisity currently holds a loan to Agent Vi, subject to unrealized currency revaluations that have historically impacted the line-items other operating income and costs, with the net effect reflecting non-cash revaluation adjustments. Irisity has recently announced plans to convert the loan to Agent Vi into equity, which is expected to reduce currency-related fluctuations and enhance the predictability of the cost base.

### Currency Effects

While headquartered in Sweden, the Company operates internationally across several markets, with subsidiaries in Israel, the US, Singapore, and the UAE. In 2023, approximately 78% of net sales came from foreign customers, while around 48% of expenses were incurred in SEK. Given the Company's international customer base, Irisity primarily prices its offerings in USD, with additional pricing in EUR, and receives most sales in USD, as well as EUR, SEK, and AED. However, since the cost base is primarily in SEK and the Company does not systematically hedge its currency exposure, currency fluctuations have a significant impact on the business.

For example, a +/-10% change in SEK/USD exchange rates in 2023, based on the Company's budget, would affect Irisity's operating result by approximately +/- SEK 8.7m, illustrating how currency risk could adversely impact Irisity's earnings and financial position. Analyst Group does not forecast currency fluctuations, and the exact impact of currency changes is challenging to quantify precisely, as Irisity's net sales and expenses are spread across multiple currencies, adding complexity to assessing the net currency effect on financial performance.

Large Impact  
From Currency  
Fluctuations

Currency Impact		
2023	△ %	EBIT
↑ SEK/USD	10%	+SEK 8.7m
↓ SEK/USD	10%	-SEK 8.7m

### D&A of Goodwill and Capitalized Development Costs

Irisity applies the K3 framework in the Company's financial reporting. Consequently, depreciation and amortization (D&A) of goodwill and capitalized development costs from prior acquisitions, including Visionists AB, Agent Vi, and Ultinous, have put pressure on EBIT over the past few years, with D&A expenses ranging from approx. SEK 25-32m per quarter since early 2022. Goodwill from the acquisitions of Visionists and Ultinous is amortized over 5 years, while goodwill from the acquisition of Agent Vi is amortized over 8 years. Additionally, capitalized development costs related to Irisity AB and Agent Vi are amortized over 8 and 5 years, respectively. Although D&A are non-cash items, they significantly impact reported EBIT. Based on the abovementioned depreciation schedules, Analyst Group estimates that D&A will total approx. SEK 109m in 2025, followed by SEK 68m in 2026, as a large portion of goodwill and capitalized work from Agent Vi will have been amortized.

D&A From  
Capitalized Costs  
and Goodwill

### R&D Investments

As previously mentioned, one of Irisity's main strategic initiatives involves reorganizing the Company's R&D sites into three leaner hubs, enabling each location to focus on a single customer segment and product offering. Additionally, a stronger focus on generative AI is expected to speed up innovation and improve the reliability of product delivery, which in turn is expected to yield a greater ROI on future investments.

R&D is critical in the industry in which Irisity operates, where continuous advancements in machine learning and AI algorithms are essential for maintaining a competitive edge. Ongoing R&D allows Irisity to enhance accuracy, processing speed, and functionality, meeting evolving market demands. By driving product innovation, R&D supports growth and differentiation in this fast-evolving field. Given this, Irisity's recent advancements in generative AI are positive developments that significantly accelerate the R&D process, leveraging Ultinous's capabilities. Previously, developing customer-specific solutions took 3-9 months; with generative AI, Irisity has reduced this to just 1-4 weeks, substantially enhancing the speed and scalability of the Company's offerings.

SEK 15-20m  
R&D Investments  
2025-2027E

Analyst Group estimates that the reorganization into three more leaner R&D-hubs, coupled with the progression in generative AI, is set to create a more efficient R&D base, allowing Irisity to yield similar or improved results with less investments required. Hence, we estimate that the R&D investments will be in the range of SEK 15-20m during 2025-2027, in contrast to approx. SEK 25-28m during the last few years.



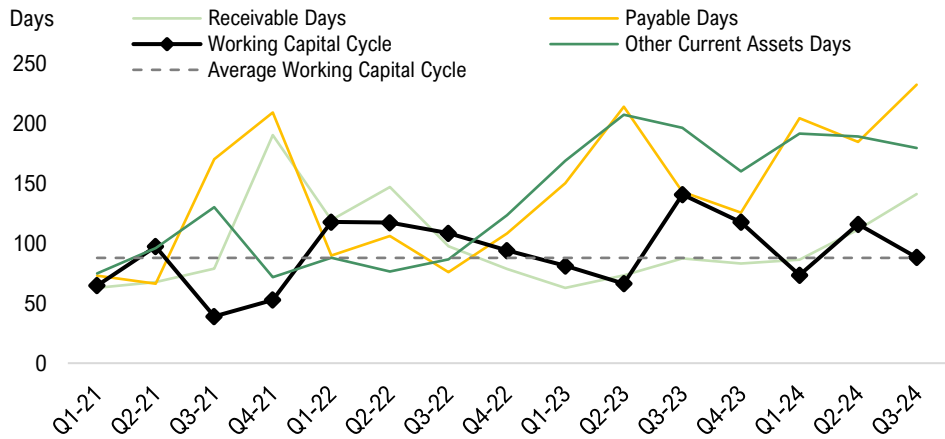
## Working Capital

The average sales cycle across Irisity’s segments varies considerably. AI Solutions typically has sales cycles of 12-18 months due to the complexity of customer requirements and the tailored nature of offerings. In contrast, AI SaaS has the shortest sales cycle, averaging 1-3 months, while AI Products falls in between, with cycles generally spanning 1-6 months from initial contact to on-site deployment. Longer sales cycles are typically associated with extended customer relationships and more resilient revenue streams. However, these customers also require significant customer acquisition costs (CAC) and involve prolonged quote-to-cash cycles, as Irisity must invest in its sales funnel, tying up considerable capital in sales personnel until deals convert into cash flows.

As reflected in the working capital cycle (WCC) from 2021 to 2024, the current structure requires cash to be tied up for longer than ideal, which may strain the liquidity.

### Irisity Has Historically Tied Up a Substantial Amount of Cash in Working Capital

Working Capital Items and Working Capital Cycle, 2021-2024



Source: Irisity

As Irisity has expanded, a significant portion of capital has been tied up in receivables and, notably, in other current assets, primarily accrued revenue. Accrued revenue can be viewed as a proxy for the order book, as it represents revenue that has yet to be invoiced. To accelerate the quote-to-cash process, a critical factor in achieving positive cash flow, Irisity is prioritizing growth in the AI Products and AI SaaS segments. These segments feature shorter sales cycles, particularly with Irisity’s partner-driven go-to-market strategy, which allows the Company to scale with reduced capital requirements by leveraging resellers and partners to support the sales funnel, thereby lowering CAC. Analyst Group projects that the quote-to-cash process will improve gradually as AI Products and AI SaaS comprise a larger portion of total net sales.

**Accelerated  
Quote-to-Cash  
Estimated to  
Reduce the WCC**



### Summary of the Financial Forecast

**21% CAGR**  
Net Sales  
2025-2027E

To summarize, Analyst Group estimates that the strategic initiatives implemented during 2023-2024 creates a solid foundation for further growth. Net sales are estimated to grow at a CAGR of approx. 21% from 2025 to 2027, reaching approx. SEK 207m by 2027. Analyst Group projects that the AI Products segment will be the main contributor to the robust growth during the coming years through the Company's partner-based go-to-market strategy, gradually constituting a larger fraction of total sales.

As AI Products' share of total sales is estimated to rise from around 13% in 2024 to approx. 44% by 2027, with an estimated gross margin of 70% within the segment, this shift is likely to weigh on the overall gross margin. However, growth in recurring revenue—primarily from increased SUPs and software sales within the AI SaaS and Security as a Service segments—is expected to mitigate the reduced gross margin stemming from increased proportion of hardware sales. All in all, Analyst Group estimates an overall gross margin of 80.6% in 2027.

Analyst Group anticipates a sharp reduction in personnel costs in 2025, reaching SEK 96.3m, following streamlining efforts to reorganize R&D into three leaner hubs and establish a more cost-effective service personnel base. Consequently, total operational costs (excl. D&A) are expected to decrease from SEK 166m in 2024 to around SEK 146m in 2025.

**SEK 13.2m**  
EBITDA  
2026E

In conclusion, Irisity's scalable platform is expected to progressively realize the embedded scalability in the Company's business model. With a streamlined cost base and robust growth, Irisity is forecasted to achieve EBITDA break-even in 2026, with an estimated EBITDA of SEK 13.2m and an EBITDA margin of 7.1%. Analyst Group therefore projects that Irisity will generate positive operating cash flow (OCF) in 2026.

The table below summarizes our projections through 2027:

Base Scenario (SEKm)	2022A	2023A	2024E	2025E	2026E	2027E
<b>Net sales</b>	<b>87.7</b>	<b>117.6</b>	<b>117.9</b>	<b>154.4</b>	<b>186.0</b>	<b>206.5</b>
Work performed for own account	25.0	28.1	25.0	20.0	18.0	15.0
Other operating income	8.6	7.1	11.896	0	0	0
<b>Total income</b>	<b>121.2</b>	<b>152.8</b>	<b>154.8</b>	<b>174.4</b>	<b>204.0</b>	<b>221.5</b>
COGS	-17.8	-16.6	-18.6	-26.8	-34.2	-40.2
<b>Gross profit (adj.)<sup>1</sup></b>	<b>69.8</b>	<b>101.0</b>	<b>99.3</b>	<b>127.6</b>	<b>151.7</b>	<b>166.3</b>
Gross margin (adj.) <sup>1</sup>	79.7%	85.9%	84.2%	82.7%	81.6%	80.6%
Other external charges	-30.1	-40.0	-39.6	-49.7	-45.4	-47.1
Personnel costs	-101.6	-100.4	-115.5	-96.3	-93.1	-89.4
Other operating costs	-3.7	-12.3	-11.7	0	0	0
<b>EBITDA (adj.)<sup>1</sup></b>	<b>-65.6</b>	<b>-51.7</b>	<b>-67.5</b>	<b>-18.4</b>	<b>13.2</b>	<b>29.8</b>
EBITDA margin (adj.) <sup>1</sup>	-74.8%	-43.9%	-57.2%	-11.9%	7.1%	14.4%
D&A	-115.4	-124.2	-126.9	-108.6	-68.4	-56.6
<b>EBIT (adj.)<sup>1</sup></b>	<b>-181.0</b>	<b>-175.9</b>	<b>-194.4</b>	<b>-127.0</b>	<b>-55.1</b>	<b>-26.8</b>
EBIT margin(adj.) <sup>1</sup>	-206.4%	-149.5%	-164.8%	-82.2%	-29.7%	-13.0%
Net financial items	-0.3	-3.3	-2.994	-2.9	-2.7	-2.5
<b>EBT (adj.)<sup>1</sup></b>	<b>-181.3</b>	<b>-179.1</b>	<b>-197.3</b>	<b>-129.9</b>	<b>-57.8</b>	<b>-29.3</b>
Tax	10.8	11.4	0.0	0.0	0.0	0.0
<b>Net profit (adj.)<sup>1</sup></b>	<b>-170.5</b>	<b>-167.7</b>	<b>-197.3</b>	<b>-129.9</b>	<b>-57.8</b>	<b>-29.3</b>
Net profit margin (adj.) <sup>1</sup>	-194.4%	-142.6%	-167.4%	-84.1%	-31.1%	-14.2%

USD/SEK as of 2024-11-14

<sup>1</sup>Adjusted for capitalized development costs and other operating income and costs.

### Relative Valuation

To provide perspective on the valuation, a comparison is made between Irisity and a peer group of companies operating in the security industry, offering AI-driven video analytics solutions and related hardware. Currently, there are a limited number of publicly traded peers to Irisity, which is why a peer group of private companies with competing software solutions is included in the comparison.

### Publicly Listed Peers

The publicly traded companies differ in their geographic reach, levels of hardware sales, and specific areas of focus within the security sector. However, these companies are all addressing the same underlying market, which is undergoing a major transition from traditional "dumb cameras" to advanced AI-driven video analytics solutions. Among these peers, Gorilla Technology Group Inc. stands out as the only listed company currently reporting positive bottom-line profitability.

**iCetana Ltd**, founded in 2009 and publicly listed on the Australia Stock Exchange, is a Software as a Service (SaaS) company specializing in AI-assisted video surveillance solutions for large-scale surveillance networks. The company's software integrates with existing video management systems and IP cameras to provide advanced video analytics capabilities. iCetana's geographic footprint spans the Asia Pacific (APAC), North America (NA), Europe, Middle East & Africa (EMEA) regions, serving a range of industries, including corrections, healthcare, and security services. The company's core product, the iCetana AI video surveillance software, is an AI-driven solution designed to automatically detect anomalous events in real-time.



**Gorilla Technology Group Inc.**, founded in 2001 and listed on Nasdaq-CM, is a global provider of AI-driven solutions in Security Intelligence, Network Intelligence, Business Intelligence, and IoT technology. Serving sectors such as Government, Manufacturing, Telecom, Retail, Transportation, Healthcare, and Education, Gorilla offers products for Smart Cities, Network Intelligence, Video Analytics, Security Convergence, and IoT. The company's expertise includes intelligent video surveillance, facial and license plate recognition, edge computing, post-event analytics, and cybersecurity. These technologies are designed to integrate with existing infrastructure, helping organizations enhance operational efficiency, improve safety, bolster cybersecurity, and support better quality of life in urban environments.



**Rekor Systems, Inc.**, founded in 2017 and listed on Nasdaq, develops and implements AI-enabled roadway intelligence systems, utilizing computer vision and machine learning technologies. Specializing in digital infrastructure, Rekor focuses on collecting, connecting, and organizing mobility data to support a digitally-enabled operating system for roadways. The company's Rekor One® Roadway Intelligence Engine is central to its technology, aggregating and processing large volumes of data into actionable insights through computer vision, machine learning, and big data analytics. Rekor's solutions are designed to provide governments and businesses with a comprehensive view of roadways, supporting initiatives aimed at improving safety, environmental sustainability, and operational efficiency.



SEKm LTM <sup>1</sup>						
Company	Gorilla Technology	iCetana Ltd	Rekor Systems	Average	Median	Irisity
Mcap	548.4	30.1	1 048.1	<b>542.2</b>	<b>548.4</b>	151.2
EV	802.3	18.1	1 285.9	<b>702.1</b>	<b>802.3</b>	128.1
Sales	867.1	27.1	465.6	<b>453.3</b>	<b>465.6</b>	111.3
Gross Profit	650.5	-9.4	239.8	<b>293.6</b>	<b>239.8</b>	133.4
Gross Margin	75.0%	-34.8%	51.5%	<b>30.6%</b>	<b>51.5%</b>	84.5%
EBITDA	353.2	-17.5	-366.1	<b>-10.1</b>	<b>-17.5</b>	-41.7
EBITDA Margin	40.7%	-64.4%	-78.6%	<b>-34.1%</b>	<b>-64.4%</b>	-54.5%
EV/S	0.9	0.7	2.8	<b>1.5</b>	<b>0.9</b>	1.2
EV/EBITDA	2.3	-1.0	-3.5	<b>-0.8</b>	<b>-1.0</b>	-3.1

<sup>1</sup>Source: TIKR

An examination of the listed firms based on LTM figures shows that Irisity is a smaller company in terms of market cap and sales, which motivates a valuation discount. Although Irisity currently reports negative EBITDA and, consequently, a negative operating margin, the Company has the highest gross margin within the peer group. A higher gross margin generally implies greater margin potential, all else being equal, which, according to Analyst Group, supports a valuation premium. This could be one factor behind Irisity's higher EV/S multiple of 1.2x LTM, compared to the peer median of 0.9x.

Company <sup>1</sup>	Mcap (SEKm)	EV (SEKm)	EV/Sales			EV/EBITDA			Net sales	EBITDA	EBITDA Margin		
			LTM	2024E	2025E	LTM	2024E	2025E	CAGR 2023-2025E	CAGR 2023-2025E	LTM	2024E	2025E
Gorilla Technology	548.4	802.3	0.9	1.0	0.8	2.3	6.2	4.0	15.6%	-20.7%	40.7%	16.4%	21.1%
Rekor Systems	1 048.1	1 285.9	2.8	2.2	1.4	-3.5	-6.0	30.3	55.0%	N/A	-78.6%	-36.3%	4.6%
<b>Average</b>	<b>798.2</b>	<b>1 044.1</b>	<b>1.8</b>	<b>1.6</b>	<b>1.1</b>	<b>-0.6</b>	<b>0.1</b>	<b>17.2</b>	<b>35.3%</b>	<b>-20.7%</b>	<b>-18.9%</b>	<b>-9.9%</b>	<b>12.9%</b>

Regarding forward-looking estimates, Gorilla Technology and Rekor Systems are the only companies with publicly available projections. Between 2023 and 2025, peers are estimated to witness an average CAGR of approx. 35%. Furthermore, in 2024, Gorilla Technology is estimated to be the only peer to report positive EBITDA; however, by 2025, both companies are projected to deliver positive EBITDA figures, with an average estimated EBITDA margin of around 13%. This yields an average forward-looking EV/EBITDA multiple of 17.2x based on FY2025 estimates for the two comparable companies.

Irisity is projected to grow at a CAGR of 15% between 2023-2025; however, when extending the forecast period to 2025-2027, the estimated CAGR rises to 21%. Nevertheless, the lower estimated growth rate justifies a valuation discount. In terms of profitability, Irisity is expected to report negative EBITDA in 2025, followed by positive EBITDA in 2026 and 2027, as the Company's scalable business model begins to materialize, achieving EBITDA margins of 7.1% in 2026 and 14.4% in 2027. Although Irisity is estimated to reach profitability later than Rekor Systems, Analyst Group suggests that the expected margin expansion, as the Company reaches critical sales volumes, serves to mitigate the valuation discount.

Rekor Systems is projected to demonstrate stronger growth over the coming years, trades at a forward EV/EBITDA multiple of 30.3x based on 2025 estimates. This reflects the higher valuation multiples often seen as a company transition to profitability, as illustrated by Rekor's estimated EBITDA margin of 4.6% in 2025.

### Relevant Transactions Within the Private Sector

Given the limited number of publicly listed peers, Analyst Group has examined a peer group of private companies, which consists of AI-focused firms offering similar solutions to Irisity, which have raised additional funding during the last few years. As these companies are private, there is limited information available on historical growth rates and profitability; nevertheless, Analyst Group assesses that this comparison provides valuable insight into sector valuations, as the sales multiples and size of funding rounds suggest a strong growth trajectory for the industry.

Valuation - Private Companies <sup>2</sup>						
Company	Lastest Round (SEKm)	Year (Latest Round)	Total Funding (SEKm)	EV latest round (SEKm)	Sales (SEKm)	EV/Sales
Actuate	122.7	2024	254.0	490.9	112.1	4.4
ZeroEyes	565.6	2024	1 141.9	2 273.1	336.2	6.8
Spot AI	330.8	2024	992.5	2 134.3	313.7	6.8
Ambient.AI	213.4	2023	768.4	2 774.6	213.4	13.0
Solink	640.3	2023	1 048.0	2 561.2	515.4	5.0
Verkada	1 067.2	2023	4 876.9	34 149.1	3 810.8	9.0
Flock Safety	1 600.7	2022	4 055.2	37 350.6	1 120.5	33.3
Staqu	16.0	2022	22.5	91.7	18.7	4.9
<b>Average</b>	<b>569.6</b>		<b>1 644.9</b>	<b>10 228.2</b>	<b>805.1</b>	<b>10.4</b>
<b>Median</b>	<b>448.2</b>		<b>1 020.2</b>	<b>2 417.1</b>	<b>325.0</b>	<b>6.8</b>

<sup>1</sup>Source: TIKR

<sup>2</sup>Source: Dealroom, Zoominfo, and Tracxn. The revenue data is unaudited; therefore, there is a risk that it may be inaccurate.

**Strong Inflow of  
Capital Within the  
Sector**

As noted, the limited information available on profitability levels and estimated growth rates creates a challenge in identifying the factors driving the EV/Sales multiples, which stand at a median of 6.8x for the peer group. Analyst Group estimates that gross margins for these private companies, operating within the same AI video analytics industry as Irisity are likely comparable to Irisity's, given the similar market focus on scalable SaaS solutions.

This market, defined by rapid technological advancements and complex customer demands, requires significant capital investment in research and development. Many companies in the sector prioritize R&D and growth initiatives over immediate profitability, as ongoing access to capital allows them to defer a focus on profitability in favor of innovation and market positioning.

Consequently, most private peers that have raised substantial capital in recent years, with a median total funding level exceeding SEK 1 000m, are estimated to still be unprofitable. However, these companies offer scalable SaaS solutions that are expected to achieve considerable margin expansion once critical sales volumes are reached. Analyst Group views this characteristic as a driver of valuation multiples within the sector, despite the current lack of profitability.

The median EV/S multiple of 6.8x reflects the market's strong confidence in the future growth potential of AI video analytics. As the global AI surveillance market is projected to grow at a CAGR of approx. 24% from 2023 to 2028, companies in this space are well-positioned to capitalize on favorable market tailwinds. While the limited data on private firms reduces the weight placed on comparable multiples, it is evident that companies with scalable SaaS models, robust growth prospects, and significant margin expansion potential as they reach key sales thresholds receive high valuation multiples in the market.

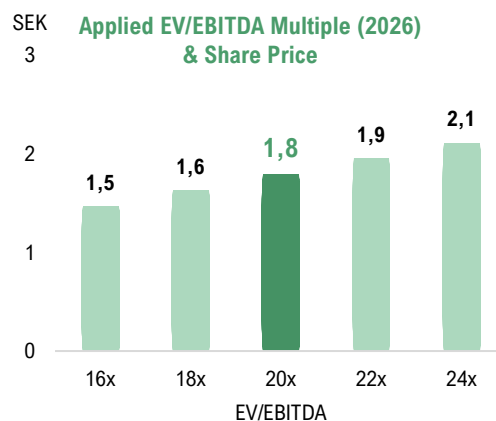
### Summary of Valuation

Given that Irisity is estimated to reach positive EBITDA during 2026, Analyst Group have based the valuation multiple on 2026 years estimated EBITDA of SEK 13.2m. Although we anticipate rapid margin expansion as Irisity reaches break-even, as reflected in our 2027 EBITDA forecast of SEK 29.8m, the valuation is derived from 2026 estimates due to the increased uncertainty inherent in longer forecast horizons, particularly regarding key assumptions related to market conditions, competitive dynamics, and operational performance. Since Irisity reports under the K3 framework, resulting in significant depreciation and amortization (D&A) expenses from capitalized development costs and goodwill related to past acquisitions, we consider EBITDA to offer a clearer perspective on Irisity's core business activities.

Irisity's scalable SaaS offering and promising growth trajectory, with a focus on the mid-market segment through a partner-based go-to-market strategy and simultaneous cost base optimization, provide a solid foundation toward profitability and positive cash flow. Irisity shares key characteristics with Rekor Systems, where a strong projected growth rate, combined with a transition from losses to profitability, supports a higher valuation multiple. This anticipated margin expansion positions Irisity to rapidly grow into the valuation as margins scale.

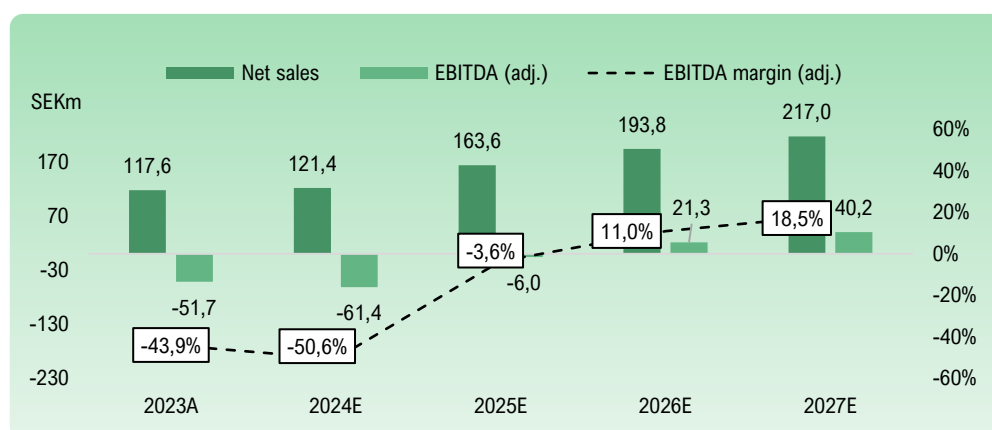
Analyst Group argues that an EV/EBITDA multiple of 20x on FY2026 estimates is reasonable. Given the applied multiple and estimated EBITDA for 2026 of SEK 13.2m, coupled with a discount rate (WACC) of 13.4% and the estimated capital structure following the rights issue, a potential value of SEK 1.8 per share is derived. The derived enterprise value of SEK 264m corresponds to an EV/S multiple of 1.4x based on estimated 2026 net sales, which is slightly higher than Irisity's current EV/S multiple LTM (1.2x). Additionally, using FY2027 projections, the implied EV translates to an EV/EBITDA multiple of 8.9x on the estimated EBITDA for 2027, reinforcing the thesis that Irisity is positioned to grow rapidly into the Company's valuation as the margin expansion materialize.

**SEK 1.8**  
Per Share  
Base scenario



### Bull Scenario

In a Bull Scenario, Analyst Group estimates that the implemented growth strategy will result in a stronger-than-anticipated growth pace, leveraging the partner-based go-to-market strategy to drive sales in the AI Products segment. Furthermore, Irisity is projected to successfully increase the proportion of recurring revenues from Software Upgrade Plans (SUP), Security as a Service, and the broader AI SaaS segment, creating an even higher degree of predictable revenue streams. Legislative changes in Sweden, starting mid-2025, are estimated to be a critical contributor to overall growth within the recurring revenue base. With stronger-than-anticipated sales growth, coupled with robust cost control and efficient streamlining activities—such as more asset-light R&D sections—the result is projected to be a faster path to profitability, thereby materializing the underlying scalability of the business model. In a Bull scenario, Analyst Group estimates an EBITDA of SEK 21.3m for the fiscal year 2026, and, applying an EV/EBITDA multiple of 20x, a share price of SEK 2.8 has been derived in a Bull scenario.



## Bull Scenario

Estimated EBITDA 2026E

**SEK 21.3m**

Applied EV/EBITDA Multiple

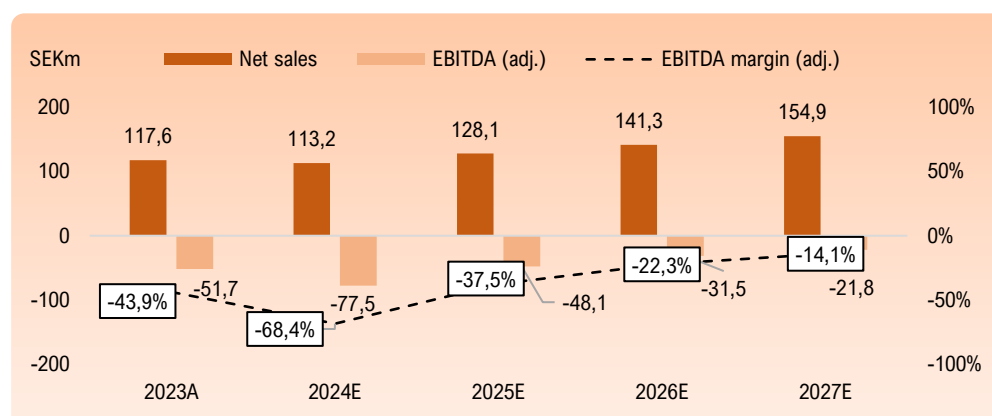
**20x**

Potential Share Price

**SEK 2.8**

### Bear Scenario

In a Bear Scenario, Analyst Group anticipates slower progress in growth initiatives focused on segments with shorter sales cycles. An unfavorable product mix—characterized by longer project timelines and a higher proportion of sales from AI Solutions—is expected to hinder the Company's ability to achieve scale, as rising customer acquisition costs put pressure on the cost base. Ultimately, slower-than-expected growth, combined with challenges in cost optimization, such as not fully realizing efficiencies within R&D, is projected to impede profitability due to an extended quote-to-cash process and increased costs. Since Irisity is projected to show negative EBITDA in 2026 in a Bear Scenario, the valuation is derived using an EV/Sales multiple of 1.0x, similar to the multiple of publicly traded peers. In a Bear scenario, Analyst Group estimates net sales of SEK 141.3m for the fiscal year 2026, and, applying an EV/Sales multiple of 1.0x, a share price of SEK 1.0 has been derived in a Bear scenario.



## Bear Scenario

Estimated Sales 2026E

**SEK 141.3m**

Applied EV/S Multiple

**1.0x**

Potential Share Price

**SEK 1.0**

## Keven Marier, Chief Executive Officer, CEO



Keven has served as CEO since 2023 and brings more than 20 years of experience in the security industry, most recently from Milestone Systems AS, where he was VP of Technology Partners. Over the past nine years at Milestone, Keven held several leadership positions, including serving as the VP representing Milestone in the Open Security and Safety Alliance. Prior to this, Keven was CEO of Connex International, Inc., which was acquired by Milestone Systems in 2013.

**Number of shares:** 3 127 608 through Sun Red Beach Growth Partners Aps

## Anna Forsberg, Interim Chief Financial Officer



With more than 10 years of experience in the economy sector, Anna brings valuable insights into finance within tech companies to the Irisity management team. Employed since 2019, Anna is well-versed in the Company's finances and daily business operations. She has an analytical mindset and a structured work ethic, focusing on increasing value and creating effective processes in growth companies. Anna holds an MBA from Örebro University.

**Number of shares:** 15 000 warrants

## Raziel Bareket, Chief Operating Officer, COO



Employed since 2023, Raziel brings an exceptional partner-first track record, which he will leverage to strengthen Irisity's partner sales and support operations. Over an 11-year period, Raziel was a key contributor to Milestone Systems' global growth, building the strongest network of EMEA security channel partners and programs. His extensive experience in leading SaaS, IoT, and B2B companies represents an important step forward for Irisity's and Agent Vi's future growth.

**Number of shares:** 0

## Zvika Ashani, Chief Technology Officer, CTO



Employed since 2003 and serving as CTO of Irisity since 2021, Zvika co-founded Agent Vi prior to its acquisition by Irisity and held the position of CTO. Zvika is a seasoned technology leader with decades of experience in designing and successfully bringing complex software products to market. He has extensive expertise in cloud, AI, edge computing, and networking technologies. Zvika holds an MSc in Electronics Engineering from the Technion – Israel Institute of Technology.

**Number of shares:** 366 940

## Victor Hagelbäck, Chief Growth Officer, CGO



Employed since 2008, Victor has been part of Irisity's management team since 2012 and currently serves as CGO, a role he assumed in 2023. An experienced leader with a focus on product strategy, development, and commercialization, Victor has a long track record at Irisity. He has delivered high-performing cloud-based and AI-driven solutions, always with a strategic focus on maximizing long-term value for both the customer and the business. Victor holds an MSc in Intelligent Systems Design from Chalmers University of Technology.

**Number of shares:** 90 000 + 25 000 warrants

**Bjørn Skou Eilertsen, Chairman of the board**

Bjørn, a member of Irisity's Board since 2024, holds an MSc in Business Administration and Computer Science (cand.merc.dat) from Copenhagen Business School and has board training from Board Company. He has held senior roles at international software firms including Milestone Systems AS, Netcompany AS, Microsoft, and IBM, and has served on the board of the Open Security & Safety Alliance. Currently, Bjørn is CEO of Great Impact and a strategic advisor to AtPulse, TwentyThree, and the Gifted Institute. He is also on the National Advisory Board of the Pioneer Centre of AI, with additional board roles at Millennial Mental Wellbeing and Leonardo Skolen. Bjørn Skou Eilertsen is independent from the Company, its management, and major shareholders.

**Number of shares:** 44 710

**Ulf Runmarker, Board member**

Ulf Runmarker, a member of Irisity's Board since 2023, has long been an owner in the Company and is currently one of Irisity's largest shareholders through his holdings in AB Westergyllen, Förvaltnings AB Brunnen, and private ownership. With a background in the real estate industry, he previously managed the family's real estate company and led several large new building projects independently. Additionally, Ulf has invested in several smaller growth companies, often serving on their boards. He is currently dedicated to his investments and various board assignments.

**Number of shares:** Ulf Runmarker holds 2,400,000 shares in the Company, 600,000 shares through the company Förvaltnings AB Brunnen, 3,695,900 shares through the company AB Westergyllen, and 45,000 shares through the company Förvaltnings AB Brunnen's Pensionsstiftelse. Relatives of Ulf Runmarker hold 69,235 shares in the Company

**Anders Trygg, Board member**

Anders Trygg, a member of Irisity's Board since 2023, has extensive experience of management and board work with more than 40 years as a management consultant in various industries. Anders is active in Franchise Group Nordic AB and has assignments as a board member of Moogio International AB and chairman of the board of Kandy'z AB.

**Number of shares:** Anders Trygg holds 518,999 shares in the Company, 102,800 shares through the company Eddgar Holding AB, and 1,200,000 shares through the company Eddgar Holding Kapitalförsäkring.

**Dorian Barak, Board member**

Dorian Barak, a member of Irisity's Board since 2021, is an investor and fund manager with over two decades of experience in private equity, consulting, and law. He has a strong track record of creating and unlocking value across numerous investments and exits in the Middle East, China, and Europe. Dorian holds degrees from Yale (JD), UCLA (BA), and Oxford (MA). His prior roles include management consultant at BCG and corporate attorney at Skadden Arps in New York. Current and past board positions (partial): Cipia Vision, Agent Vi, Nowforce, Reorient Group, Omnitax Aviation, KuangChi Science, Frontier Services Group, Zwiipe, Alufer Mining.

**Number of shares:** 65 640

**Christian Andersson, Board member**

Christian Andersson, a member of Irisity's Board since 2023, is a former partner at Hans Andersson Recycling AB. He was active in the company for 22 years, the last 14 of which he spent in various leadership roles, including involvement in the sale of the company in 2017. Christian is currently active in areas including venture capital, finance, and real estate. He has extensive board experience, with roles on the boards of Hans Andersson Holding AB, Hans Andersson Paper Nya AB, Ipinium Aktiebolag, Change Reklambyrå AB, and Random State AB.

**Number of shares:** 1 300 000

## Lucas de Mendoza, Board member



Lucas, a member of Irisity's Board since 2024, brings over two decades of experience in corporate finance, strategic advisory, and executive management within the tech industry, making him a valuable addition to our Board. He has worked in both multinational and startup environments. Currently, Lucas serves as Managing Partner of an independent M&A advisory firm while also holding several NED roles in international tech companies. For the past four years, he has served on the Board of Ultinous, with the last 14 months as Chairman. Lucas began his career with a five-year tenure at PwC after earning his degree in Business Administration from the University of Barcelona. Alongside his business activities, Lucas shares his expertise by teaching undergraduate classes in finance.

**Number of shares:** 135 000 shares through Management as a Service Advisors 2020, SL

## Inna Kaushan, Board member



Inna, a member of Irisity's Board since 2024, is a partner in Stockhorn Capital AB and focuses on investments in technology businesses. She plays an active role on the boards of the companies where Stockhorn Capital AB invests. Her professional background includes investment banking and corporate finance for M&A, KPMG, and Erste Group Austria. Inna holds a master's degree in international finance and a PhD in Economics. She is based in London and has served on Ultinous board for eight years.

**Number of shares:** 239 239 shares + 9 000 000 shares through Stockhorn Capital



Base Scenario (SEKm)	2022A	2023A	2024E	2025E	2026E	2027E
<b>Net sales</b>	<b>87.7</b>	<b>117.6</b>	<b>117.9</b>	<b>154.4</b>	<b>186.0</b>	<b>206.5</b>
Work performed for own account	25.0	28.1	25.0	20.0	18.0	15.0
Other operating income	8.6	7.1	11.896	0	0	0
<b>Total income</b>	<b>121.2</b>	<b>152.8</b>	<b>154.8</b>	<b>174.4</b>	<b>204.0</b>	<b>221.5</b>
COGS	-17.8	-16.6	-18.6	-26.8	-34.2	-40.2
<b>Gross profit (adj.)<sup>1</sup></b>	<b>69.8</b>	<b>101.0</b>	<b>99.3</b>	<b>127.6</b>	<b>151.7</b>	<b>166.3</b>
Gross margin (adj.) <sup>1</sup>	79.7%	85.9%	84.2%	82.7%	81.6%	80.6%
Other external charges	-30.1	-40.0	-39.6	-49.7	-45.4	-47.1
Personnel costs	-101.6	-100.4	-115.5	-96.3	-93.1	-89.4
Other operating costs	-3.7	-12.3	-11.7	0	0	0
<b>EBITDA (adj.)<sup>1</sup></b>	<b>-65.6</b>	<b>-51.7</b>	<b>-67.5</b>	<b>-18.4</b>	<b>13.2</b>	<b>29.8</b>
EBITDA margin (adj.) <sup>1</sup>	-74.8%	-43.9%	-57.2%	-11.9%	7.1%	14.4%
D&A	-115.4	-124.2	-126.9	-108.6	-68.4	-56.6
<b>EBIT (adj.)<sup>1</sup></b>	<b>-181.0</b>	<b>-175.9</b>	<b>-194.4</b>	<b>-127.0</b>	<b>-55.1</b>	<b>-26.8</b>
EBIT margin(adj.) <sup>1</sup>	-206.4%	-149.5%	-164.8%	-82.2%	-29.7%	-13.0%
Net financial items	-0.3	-3.3	-2.994	-2.9	-2.7	-2.5
<b>EBT (adj.)<sup>1</sup></b>	<b>-181.3</b>	<b>-179.1</b>	<b>-197.3</b>	<b>-129.9</b>	<b>-57.8</b>	<b>-29.3</b>
Tax	10.8	11.4	0.0	0.0	0.0	0.0
<b>Net profit (adj.)<sup>1</sup></b>	<b>-170.5</b>	<b>-167.7</b>	<b>-197.3</b>	<b>-129.9</b>	<b>-57.8</b>	<b>-29.3</b>
Net profit margin (adj.) <sup>1</sup>	-194.4%	-142.6%	-167.4%	-84.1%	-31.1%	-14.2%

USD/SEK as of 2024-11-14

<sup>1</sup>Adjusted for capitalized development costs and other operating income and costs.

Bull Scenario (SEKm)	2022A	2023A	2024E	2025E	2026E	2027E
<b>Net sales</b>	<b>87.7</b>	<b>117.6</b>	<b>121.4</b>	<b>163.6</b>	<b>193.8</b>	<b>217.0</b>
Work performed for own account	25.0	28.1	25.0	20.0	18.0	15.0
Other operating income	8.6	7.1	11.896	0	0	0
<b>Total income</b>	<b>121.2</b>	<b>152.8</b>	<b>158.3</b>	<b>183.6</b>	<b>211.8</b>	<b>232.0</b>
COGS	-17.8	-16.6	-18.2	-27.0	-34.9	-41.2
<b>Gross profit (adj.)<sup>1</sup></b>	<b>69.8</b>	<b>101.0</b>	<b>103.2</b>	<b>136.6</b>	<b>158.9</b>	<b>175.8</b>
Gross margin (adj.) <sup>1</sup>	79.7%	85.9%	85.0%	83.5%	82.0%	81.0%
Other external charges	-30.1	-40.0	-39.2	-48.7	-45.2	-46.9
Personnel costs	-101.6	-100.4	-113.7	-93.9	-92.4	-88.7
Other operating costs	-3.7	-12.3	-11.7	0.0	0.0	0.0
<b>EBITDA (adj.)<sup>1</sup></b>	<b>-65.6</b>	<b>-51.7</b>	<b>-61.4</b>	<b>-6.0</b>	<b>21.3</b>	<b>40.2</b>
EBITDA margin (adj.) <sup>1</sup>	-74.8%	-43.9%	-50.6%	-3.6%	11.0%	18.5%
D&A	-115.4	-124.2	-126.9	-108.6	-68.4	-56.6
<b>EBIT (adj.)<sup>1</sup></b>	<b>-181.0</b>	<b>-175.9</b>	<b>-188.3</b>	<b>-114.5</b>	<b>-47.0</b>	<b>-16.4</b>
EBIT margin(adj.) <sup>1</sup>	-206.4%	-149.5%	-155.0%	-70.0%	-24.3%	-7.6%
Net financial items	-0.3	-3.3	-2.994	-2.9	-2.7	-2.5
<b>EBT (adj.)<sup>1</sup></b>	<b>-181.3</b>	<b>-179.1</b>	<b>-191.3</b>	<b>-117.4</b>	<b>-49.7</b>	<b>-18.9</b>
Tax	10.8	11.4	0.0	0.0	0.0	0.0
<b>Net profit (adj.)<sup>1</sup></b>	<b>-170.5</b>	<b>-167.7</b>	<b>-191.3</b>	<b>-117.4</b>	<b>-49.7</b>	<b>-18.9</b>
Net profit margin (adj.) <sup>1</sup>	-194.4%	-142.6%	-157.5%	-71.8%	-25.7%	-8.7%
Bear Scenario (SEKm)	2022A	2023A	2024E	2025E	2026E	2027E
<b>Net sales</b>	<b>87.7</b>	<b>117.6</b>	<b>113.2</b>	<b>128.1</b>	<b>141.3</b>	<b>154.9</b>
Work performed for own account	25.0	28.1	25.0	20.0	18.0	15.0
Other operating income	8.6	7.1	11.9	0.0	0.0	0.0
<b>Total income</b>	<b>121.2</b>	<b>152.8</b>	<b>150.1</b>	<b>148.1</b>	<b>159.3</b>	<b>169.9</b>
COGS	-17.8	-16.6	-19.2	-24.3	-29.7	-35.6
<b>Gross profit (adj.)<sup>1</sup></b>	<b>69.8</b>	<b>101.0</b>	<b>93.9</b>	<b>103.8</b>	<b>111.6</b>	<b>119.2</b>
Gross margin (adj.) <sup>1</sup>	79.7%	85.9%	83.0%	81.0%	79.0%	77.0%
Other external charges	-30.1	-40.0	-40.8	-51.7	-46.8	-48.5
Personnel costs	-101.6	-100.4	-118.9	-100.2	-96.4	-92.5
Other operating costs	-3.7	-12.3	-11.7	0.0	0.0	0.0
<b>EBITDA (adj.)<sup>1</sup></b>	<b>-65.6</b>	<b>-51.7</b>	<b>-77.5</b>	<b>-48.1</b>	<b>-31.5</b>	<b>-21.8</b>
EBITDA margin (adj.) <sup>1</sup>	-74.8%	-43.9%	-68.4%	-37.5%	-22.3%	-14.1%
D&A	-115.4	-124.2	-126.9	-108.6	-68.4	-56.6
<b>EBIT (adj.)<sup>1</sup></b>	<b>-181.0</b>	<b>-175.9</b>	<b>-204.3</b>	<b>-156.6</b>	<b>-99.8</b>	<b>-78.4</b>
EBIT margin(adj.) <sup>1</sup>	-206.4%	-149.5%	-180.5%	-122.2%	-70.6%	-50.6%
Net financial items	-0.3	-3.3	-3.0	-2.9	-2.7	-2.5
<b>EBT (adj.)<sup>1</sup></b>	<b>-181.3</b>	<b>-179.1</b>	<b>-207.3</b>	<b>-159.5</b>	<b>-102.5</b>	<b>-80.9</b>
Tax	10.8	11.4	0.0	0.0	0.0	0.0
<b>Net profit (adj.)<sup>1</sup></b>	<b>-170.5</b>	<b>-167.7</b>	<b>-207.3</b>	<b>-159.5</b>	<b>-102.5</b>	<b>-80.9</b>
Net profit margin (adj.) <sup>1</sup>	-194.4%	-142.6%	-183.2%	-124.5%	-72.5%	-52.2%

<sup>1</sup>Adjusted for capitalized development costs and other operating income and costs.

USD/SEK as of 2024-11-14

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