

## Further Confidence Rests on Growth and Sustainable Financing

Irisity AB ("Irisity" or "the Company") is a leading provider of AI-driven video analytics solutions, transforming traditional security cameras into intelligent detection systems. Operating in over 90 countries, the Company serves a global market across three core segments: *AI Solutions*, *AI Products*, and *AI SaaS*. Looking ahead, we identify the primary catalysts as a return to top-line growth, continued efficiency gains, and the establishment of a long-term financing solution. Collectively, these factors are pivotal not only for restoring investor confidence but also for realizing the embedded value in Irisity's scalable business model. The forecasted net sales for 2026 stands at SEK 104m, and by applying an EV/S-multiple of 1.0x, this presents a potential present value of SEK 0.4 per share in a Base scenario.<sup>1</sup>

### ■ The Challenging Market Persists

Irisity reported net sales of SEK 17.9m (25.8) in Q2-25, a decline of 31% Y-Y and 1% Q-Q. However, underlying commercial activity is gaining traction, with a broader inflow of leads and partner-driven opportunities. In addition, Irisity signed a new OEM partner in Saudi Arabia, securing a local presence, a dedicated engineering team, and access to established partnerships in the region. While Q3-25 faces demanding comparables, a stronger recovery is anticipated in Q4-25. Moreover, we expect the new OEM partnership to begin materializing in the P&L from 2026 onwards.

### ■ Cost-Savings Set to Yield SEK 40m p.a.

After the end of Q2-25, Irisity announced a cost-saving program to align OPEX with current sales levels, which will be implemented during H2-25. The program targets a 30% reduction in OPEX from the Q2-25 run-rate of ~SEK 35m, corresponding to annual savings of ~SEK 40m, with full effect expected in FY2026. Key measures include streamlining R&D, simplifying the go-to-market strategy, increasing recurring revenues, and reducing dependence on one-time projects with high CAC. The savings will mainly stem from headcount and consultant reductions. While anticipated, the initiative signals a more disciplined cost structure, and given our prior projections of a gradual OPEX decline in 2025–2027, we make slight downward revisions to our OPEX-projections ahead.

### ■ Long-Term Potential Hinges on Delivery

Despite some encouraging signals in the Q2 report, Irisity remains under significant liquidity pressure, even after the recent rights issue. H1-25 was characterized by execution delays, softer-than-expected sales, and continued financial strain, leaving the investment case highly dependent on the Company's ability to reignite growth, execute on the cost-saving program and demonstrate resilience in a demanding market. We therefore view operational delivery and securing a sustainable long-term financing solution as the key value drivers ahead, and essential for restoring investor confidence. By applying a 1.0x EV/S-multiple to the 2026E net sales of SEK 104m, a potential present value of SEK 0.4 per share (0.5) is derived in a Base scenario.

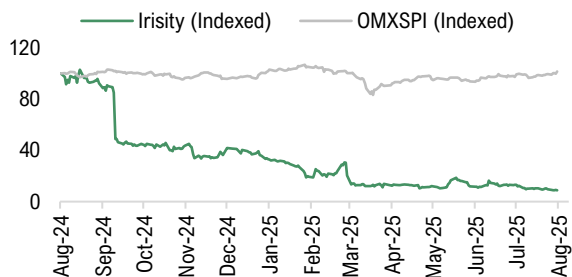
#### VALUATION RANGE



#### KEY INFORMATION

Share Price (2025-08-22)	0.25
Shares Outstanding <sup>1</sup>	167 044 324
Market Cap (SEKm) <sup>1</sup>	41.3
Net cash(-)/debt(+) <sup>1</sup> (SEKm)	19.2
Enterprise Value (SEKm) <sup>1</sup>	60.4
List	Nasdaq First North
Quarterly report 3 2025	2025-11-14

#### SHARE PRICE DEVELOPMENT



#### OWNERS (HOLDINGS 2025-06-30)

	INSIDER
Stockhorn Capital AB	36.6%
Avanza Pension	12.0%
Ulf Runmarker with family	9.8%
Nordnet Pensionsförsäkring	2.2%
Sun Red Beach Growth Partners Aps	2.0%

Estimates (SEKm)	2024A	2025E	2026E	2027E
Net Sales	88.4	81.7	104.0	121.2
COGS	-21.7	-16.9	-18.0	-22.0
Gross Profit (adj.) <sup>2</sup>	66.6	64.8	85.9	99.2
Gross Margin (adj.) <sup>2</sup>	75.4%	79.3%	82.7%	81.9%
Operating Costs	-199.1	-139.4	-112.6	-101.5
EBITDA (adj.) <sup>2</sup>	-132.5	-74.6	-26.7	-2.3
EBITDA Margin (adj.) <sup>2</sup>	-150.0%	-91.3%	-25.6%	-1.9%
P/S	0.5	0.5	0.4	0.3
EV/S	0.7	0.7	0.6	0.5
EV/EBITDA	-0.5	-0.8	-2.2	-20.0

<sup>1</sup>Estimated net debt is based on Q2-25 figures, adjusted for the loan of SEK 5m following the end of the quarter.

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

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