

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 main catalysts as a return to top-line growth and continued execution of the ongoing streamlining program, both of which are pivotal for restoring investor confidence and realizing the embedded value in Irisity’s scalable business model. Estimated net sales for 2026 stands at SEK 106m, and by applying an EV/S-multiple of 1.2x, a potential present value of SEK 0.24 (0.4) per share is derived in a Base scenario.¹ The adjusted value primarily reflects the dilution effect from the rights issue.

▪ Strong Invoicing Bodes Well for Solid Growth Ahead

Reported net sales in Q3-25 amounted to SEK 24.6m (30.3), down 19% Y-Y but a sharp sequential improvement of 38% Q-Q. The stronger performance vs. H1-25 was supported by invoicing of SEK 34.9m, which, adjusted for FX, increased 3% Y-Y and 66% Q-Q, indicating that the recovery trajectory is gaining traction ahead of the coming quarters. Collections amounted to SEK 19.9m, down 24% Y-Y but broadly in line with the previous quarter, reflecting lower invoicing in Q2-25, a trend expected to reverse in Q4-25 following this quarter’s strong invoicing.

▪ Cost Base Set to Align with Revenue Run-Rate

The streamlining program announced in Q3-25 targets a 30% reduction in OPEX from the Q2-25 run-rate of approx. SEK 34m, equivalent to estimated savings of SEK 10m per quarter, or SEK 40m annually. The effects are estimated to materialize gradually, becoming fully visible from Q2-26 onward. If successfully executed, the annual OPEX would be reduced to around SEK 94m, aligning more closely with the current revenue run-rate. Savings mainly stem from headcount and consultant reductions, although these measures do not translate into immediate cost cuts. We also note that variable costs may rise temporarily in connection with higher sales activity, leading to a short-term uptick in OPEX despite the structural savings.

▪ Recovery in Sight but Confirmation Needed

Irisity’s Q3 report marks a step forward, reflecting improving sales momentum and solid invoicing of SEK 34.9m alongside a leaner cost base. The ongoing simplification program is progressing according to plan, with full OPEX effects expected by mid-2026, supporting the path toward break-even. With easier comparables and delayed projects set to reverse in Q4-25, we expect a pronounced rebound and a normalization of revenue trends into 2026. We have revised our cost estimates and forecast Irisity to reach break-even in FY2027. While progress during Q3 was evident, further confirmation of sustained growth will be key before major top-line estimate revisions. By applying a 1.2x EV/S multiple to the 2026E net sales of SEK 106m, a potential present value of SEK 0.24 (0.40) per share is derived in a Base scenario, primarily reflecting a technical adjustment following the rights issue.

VALUATION RANGE

Bear

SEK 0.11

Base

SEK 0.24

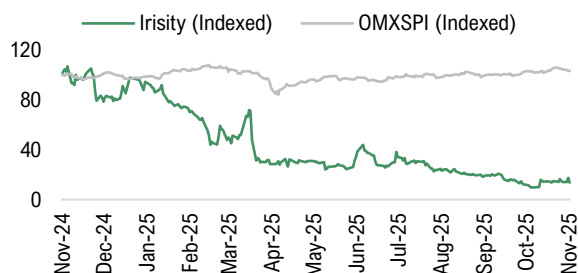
Bull

SEK 0.35

KEY INFORMATION

Share Price (2025-11-06)	0.20
Shares Outstanding ¹	384 201 940
Market Cap (SEKm) ¹	74.9
Net cash(-)/debt(+) ¹ (SEKm)	16.6
Enterprise Value (SEKm) ¹	91.5
List	Nasdaq First North
Quarterly report 4 2025	2026-03-19

SHARE PRICE DEVELOPMENT



OWNERS (HOLDINGS 2025-09-30)

INSIDER

Stockhorn Capital AB	36.6%
Avanza Pension	12.2%
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	83.7	105.5	122.7
COGS	-21.7	-16.4	-18.3	-22.2
Gross Profit (adj.) ²	66.6	67.3	87.3	100.5
Gross Margin (adj.) ²	75.4%	80.4%	82.7%	81.9%
Operating Costs	-199.1	-136.1	-101.5	-95.6
EBITDA (adj.) ²	-132.5	-68.8	-14.3	4.9
EBITDA Margin (adj.) ²	-150.0%	-82.2%	-13.5%	4.0%
P/S	0.8	0.9	0.7	0.6
EV/S	1.0	1.1	0.9	0.7
EV/EBITDA	-0.7	-1.3	-6.4	19.3

¹Estimated net debt is based on Q3-25 figures, adjusted for the ongoing rights issue, coupled with an estimated burn rate following the end of the quarter.

²Adjusted for capitalized development costs and other operating income and costs.

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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

Interim CEO	Gustav Zaar
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Chairman	Bjørn Skou Eilertsen
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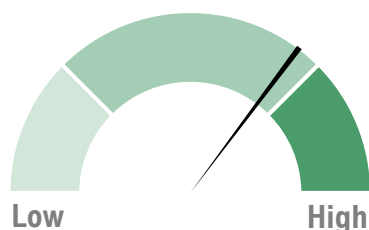
ANALYST

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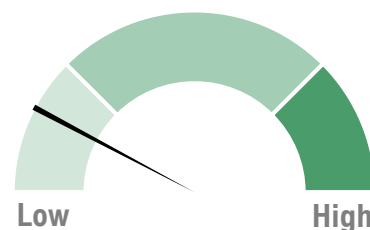
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Value Drivers



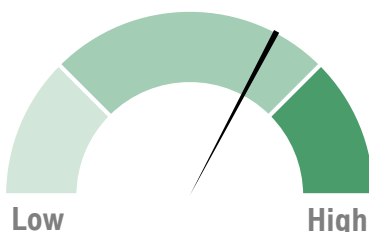
Key value drivers for Irisity include sustained growth in invoicing and improved collection efficiency, both of which are essential for enhancing the cash conversion. Continued expansion in focus areas, such as AI Products and AI SaaS, will further support revenue visibility. Additionally, MRR growth will be an important KPI to monitor going forward.

Historical Profitability



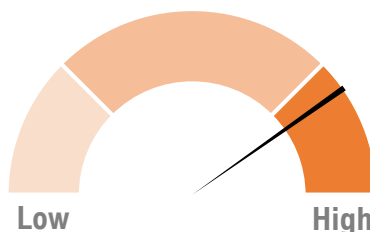
Irisity lacks a track record of profitability and cash flow generation. However, the Company has undertaken several initiatives in 2024-2025 to streamline the organization, marking important steps toward profitability. Nevertheless, the rating is based on historical results and does not incorporate forward-looking factors.

Management & Board



Irisity is currently led by interim CEO Gustav Zaar, who also serves as CFO. While this creates some uncertainty until a permanent CEO is appointed, the management team and board bring extensive experience across several sectors. Insiders hold approx. 38% of the Company, ensuring strong alignment with shareholders.

Risk Profile



The ongoing, fully guaranteed rights issue is expected to strengthen the balance sheet by approx. SEK 25.6m through set-offs and net proceeds of SEK 3–16m. While this provides some headroom to execute on the streamlining program, Analyst Group cannot rule out that Irisity may require additional external capital to bridge the company until reaching cash flow neutrality in 2027E.

Shifting Market Dynamics Unlock Growth Potential

The global AI surveillance market, currently accounting for roughly 10% of the broader security surveillance industry, is expected to grow at a significantly higher pace than the overall market. With a projected CAGR of 21.3%, the segment is forecasted to reach USD 12.5bn by 2030. AI-powered video analytics offer substantial benefits by automating video review, reducing storage and monitoring costs, enhancing security coverage, and minimizing false alarms, driving strong demand from both public and private sectors. Irisity, with over 3,000 deployments across more than 90 countries, has established a solid global footprint. Its broad portfolio of AI video analytics solutions and attractive total cost of ownership (TCO) position the Company well to benefit from market tailwinds, supporting both scalable deployment and long-term customer value.

At the same time, structural shifts in the competitive landscape could further strengthen Irisity's positioning. Briefcam, one of Irisity's key competitors, has been consolidated into Milestone Systems, a major VMS vendor. This tighter integration introduces a clear channel conflict with Genetec, Milestone's largest rival, who may seek to phase out Briefcam in favor of neutral alternatives. This development opens a strategic window for Irisity. As a hardware-agnostic, independent provider, the Company is well positioned to serve Genetec-aligned accounts, particularly within the professional and enterprise segments, representing low-hanging fruit that could support near-term growth and market share expansion.

Strategic Shift Towards Profitability and Cash Flow Generation

Since the acquisition of Agent Vi in 2021, Irisity has focused on the AI Solutions segment, targeting large entities with long sales cycles and high customer acquisition costs (CAC). Although this segment is characterized by long customer journeys, strong margins, and low churn due to the tailored and sticky nature of the offerings, it has also contributed to extended quote-to-cash cycles, putting pressure on profitability and cash flow. In response, Irisity has initiated several measures during 2023–2024 to transition toward positive cash flow, including the formation of a commercially driven organization and a partner-based go-to-market model. The Company is now prioritizing growth within AI Products and AI SaaS, with a focus on onsite and basic monitoring products, aiming to reduce CAC and shorten sales cycles by enabling partners to absorb a larger share of the acquisition effort. In parallel, Irisity is working to grow recurring revenue (MRR) through Software Upgrade Plans (SUP) for legacy customers and expansion of its Security as a Service and AI SaaS offerings, building a more predictable and scalable revenue base.

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. 18% 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 net sales of SEK 106m and an applied EV/S-multiple of 1.2x, coupled with a discount rate (WACC) of 12.5% and the post-rights issue capital structure, a potential present value of SEK 0.24 per share is derived. The adjusted motivated value primarily reflects a technical revision from the previously motivated value of SEK 0.4, following the approx. 217 million newly issued shares from the rights issue.

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.

21.3% CAGR
AI in Surveillance Market
2024-2030E

Focus on
Quote-to-Cash
and Recurring
Revenues

Maximize ROI on
R&D Investments

SEK 0.24
Per Share
Base scenario

Financial Risks and
Currency Exchange
Exposure

Strong Sequential Rebound Signals Recovery Ahead

SEK 24.6m
Net Sales
Q3-25

Reported net sales for Q3-25 amounted to SEK 24.6m (30.3), corresponding to a decline of approx. 19 % Y-Y. The decrease primarily stems from the reassessment of revenue recognition for large-scale projects introduced in Q4-24, which rendered the comparison base particularly challenging. Sequentially, sales improved by 38% Q-Q, and with invoicing of SEK 34.9m during the quarter, we see clear signs of a recovery trajectory gaining momentum ahead of 2026.

During the quarter, Irisity secured several strategically important contracts, including an expansion with a U.S. federal government agency, a major transportation project in New York, and a competitive project takeover for a C5i 911 center in Mexico. These wins reinforce the Company's strong positioning in public-sector and enterprise security, while supporting growth in recurring revenues.

Estimate a Strong
Rebound in Q4-25

Given the soft comparison base in Q4-24 (SEK 4.7 m in sales), following delayed projects and postponed customer payments that affected revenue timing, we expect a pronounced rebound in Q4-25 and a normalization of revenue trends into 2026.

Solid Invoicing Momentum Supports Growth Outlook

SEK 34.9m
Invoicing
Q3-25

Invoicing amounted to SEK 34.9 m (35.4) in Q3-25, corresponding to a marginal Y-Y decline of 1.2%, but a strong sequential increase of 65% Q-Q. Adjusted for FX-effects, invoicing increased by 3% Y-Y and 66% Q-Q, providing a solid foundation for renewed sales growth in the coming quarters. Collections totaled SEK 19.9m (26.2) during the quarter, a decrease of 24% Y-Y but broadly in line with the previous quarter (SEK 19.8m in Q2-25). The Y-Y decline mainly reflects lower invoicing in Q2-25 compared to Q2-24 (SEK 39.3m), as cash collections naturally lag invoicing in the quote-to-cash cycle.

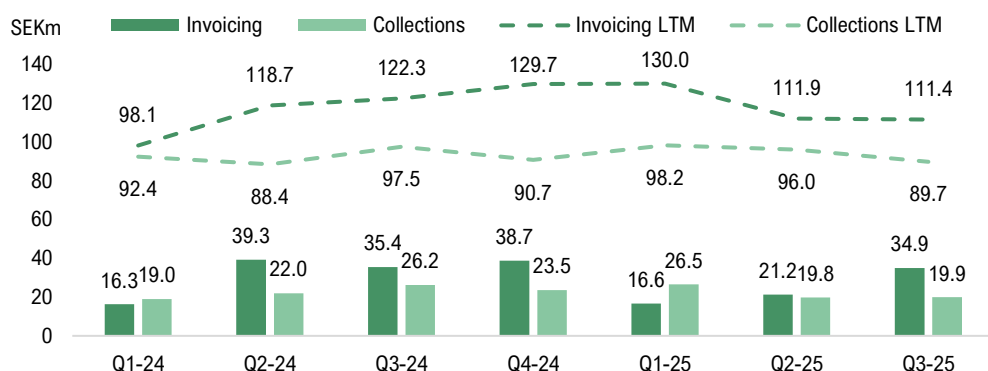
The Company notes a seasonal pattern in both invoicing and collections, with activity typically weighted toward the second half of the year, reflecting customer procurement cycles and partner project timing. On an LTM-basis, invoicing and collections amounted to SEK 111.4m and SEK 89.7m, respectively, indicating a solid platform for improved cash conversion going forward.

Strengthening the Quote-to-Cash Cycle Has Been a Key Focus Area for Irisity Over the Past Year.

Invoiced and Collections, 2024-2025, Quarterly and LTM

Invoicing
-1.2% Y-Y
+65% Q-Q

Cash Collections
-24% Y-Y
+0.5 % Q-Q



Source: Irisity

Monthly Recurring Revenue (MRR)

SEK 4.0m
MRR
Q3-25

MRR amounted to SEK 4.0m (4.3) in Q3-25, down Y-Y but up from SEK 3.7m in Q2-25. Adjusted for currency effects, MRR reached SEK 4.2m, making the Y-Y decline modest. The past quarters have been affected by delayed renewals among certain existing customers, primarily related to Software Upgrade Plans (SUP).

Looking ahead, Irisity intends to place greater strategic focus on recurring revenues. Combined with the conversion of previously delayed renewals and a gradual build-out of the Security-as-a-Service offering, supported by regulatory tailwinds following the revised camera permit requirements introduced in Sweden in April 2025, we expect a solid trajectory for ARR growth going forward.

Streamlined Cost Base Supports Ongoing Transformation

During the quarter, Gustav Zaar assumed the role of Interim CEO, bringing renewed operational focus while maintaining continuity in the Company's strategic transformation. The leadership change underscores Irisity's emphasis on execution, cost discipline, and progress toward sustainable profitability.

Personnel costs amounted to SEK 22.3m (30.1) in Q3-25, down approx. 26% Y-Y and 11% Q-Q (vs. SEK 25.1m in Q2-25). At quarter-end, the Company employed 73 (87) full-time equivalents and engaged 16 (11) consultants, corresponding to a total workforce of 89 (98). Other external costs showed a similar trend, declining 22% Y-Y to SEK 7.7m (9.9), and 10% Q-Q. Total OPEX (excl. COGS and D&A) amounted to SEK 34.4m (45.4), reflecting an improvement of 24% Y-Y and 2% Q-Q. Despite the Y-Y decline in sales of SEK 5.7m, the streamlined cost base contributed to a notable EBITDA improvement to SEK -7.5m (-14.3). Adjusted for work performed for own account and other operating income and costs, EBITDA totaled SEK -10.0m (-14.2).

-24%
Total OPEX
Q3-25

During the quarter, Irisity initiated the Company's simplification program, targeting a 30% OPEX reduction from Q2-25 levels (SEK 33.7m), corresponding to estimated savings of approx. SEK 10m per quarter, or SEK 40m annually. The program is progressing according to plan, driven by initiatives such as R&D consolidation and organizational streamlining. The full effects are expected to materialize gradually during the coming quarters, becoming fully visible from Q2-26 onward. If executed successfully, the OPEX base would be reduced to around SEK 94m annually, aligning more closely with the Company's current revenue run-rate.

Targeting
OPEX of
SEK 94m
Annually

In our view, the reduced OPEX base, coupled with the ongoing efficiency initiatives and the solid invoicing and sales momentum, indicates that Irisity is taking vital steps toward reaching break-even.

Rights Issue Key to Reinforcing Balance Sheet

During Q3-25, Irisity reported operating cash flow (OCF) of SEK -18.4m (-17.5), with changes in working capital weighing on cash generation. Including investments of SEK 5.0m (3.4), free cash flow (FCF) was negative at SEK -23.5m (-21.0). Working capital typically fluctuates between quarters, while continued investment remains essential given Irisity's position in a fast-moving, high-tech niche where product development strengthens competitiveness.

SEK -18.4m
OCF, Q3-25

The ongoing, fully guaranteed rights issue with preferential rights for all shareholders, running from November 5–19 at a subscription price of SEK 0.12 per share, will yield gross proceeds of approx. SEK 26 m before transaction costs (approx. SEK 0.5m) and set-offs. The issue is fully guaranteed by the main shareholder, Stockhorn Capital AB, which will subscribe for its 36.6% pro rata share and act as bottom guarantor for the remaining portion. In addition, members of the board and management, along with other existing shareholders, have entered into subscription commitments corresponding to approx. 13% of the total issue. Depending on the subscription outcome, the net cash proceeds may range between approx. SEK 3–16 m, as up to SEK 23 m of the SEK 26 m issue could be settled through set-off against shareholder loans. The remaining portion of the short-term loan from Stockhorn, including accrued amounts not set-off in connection with the rights issue, will be repaid in December 2026. Regardless of outcome, the transaction will strengthen the balance sheet by reducing interest-bearing debt. Net proceeds will be used to strengthen working capital, advance the simplification program, and accelerate the shift toward recurring revenues. As the share currently trades above the subscription price, prospects for a high subscription rate appear favorable.

SEK 3-16m
Net Proceeds
After Set-Offs

At quarter-end, cash amounted to SEK 1.6m. To address short-term liquidity needs, Irisity secured SEK 20m in loans from Stockhorn Capital during Q3-25. The full amount was likely not disbursed by the balance sheet date, as cash flow from financing activities totaled SEK 18.3m for the quarter, indicating that the entire facility had not yet been drawn.

Net debt totaled SEK 37.4m (29.8), making the rights issue a key step toward reinforcing the balance sheet. While a portion of proceeds will be allocated to debt refinancing and near-term cash outflows are expected, additional capital cannot be ruled out before reaching cash flow break-even. However, with a lower OPEX base, growing sales momentum, and reduced leverage, any future capital raise would likely take place on more favorable terms.

Concluding Remarks About the Report

Overall, we view Irisity's Q3-25 report as a meaningful step in the right direction across several key areas. The reported net sales of SEK 24.6m represent a clear improvement versus H1-25, and with invoicing of SEK 34.9m at the end of the quarter, this reflects solid underlying demand and indicates that the recovery trend is gaining momentum.

On the cost side, the reduced headcount and ongoing streamlining initiatives, such as the consolidation of R&D operations, a leaner go-to-market organization, and a shift away from high-cost one-time projects, are enhancing operational scalability and contributing to a lower customer acquisition cost (CAC). Together, these measures mark tangible progress toward the targeted SEK 40m in annual savings and are gradually aligning OPEX with the current revenue run-rate.

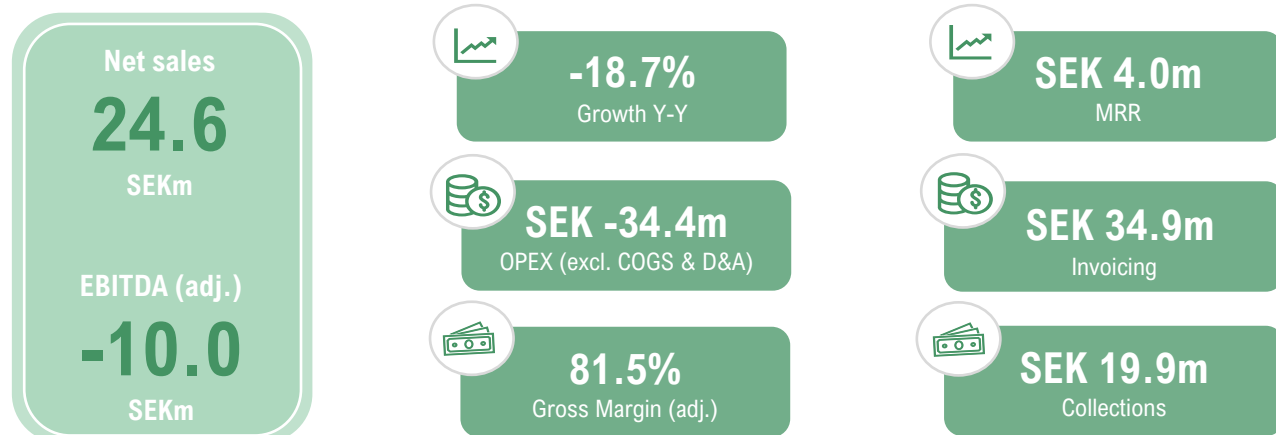
Looking ahead, we anticipate improving momentum, driven by renewed sales growth and continued operational execution, with the efficiency measures gradually materializing in the P&L toward break-even. In our view, the combination of a leaner cost structure, lower CAC, and improving sales activity should foster renewed investor confidence as Irisity advances on the Company's path towards profitability.

Overview of Irisity's Q3 report.

Core KPI's for Q3-25

Q3-25

An overview





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+.

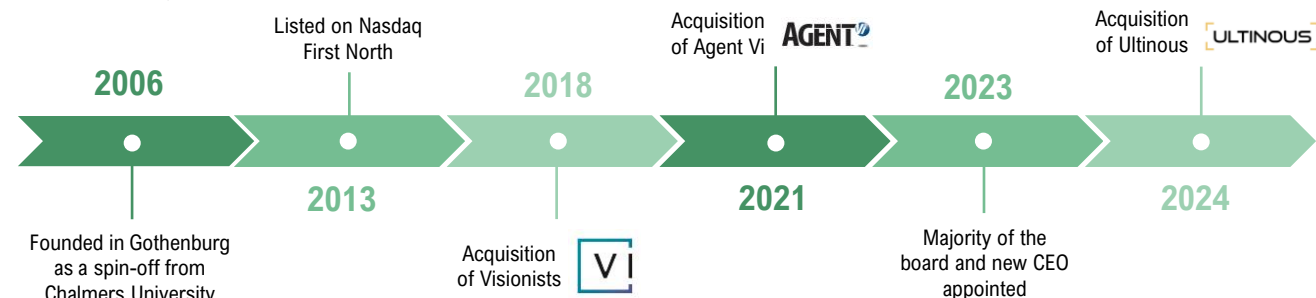
In H1-24, Irisity further strengthened the Company's AI capabilities through the acquisition of Hungarian AI software provider Ultinous Zrt, establishing a new development hub in Budapest. This acquisition supports Irisity's strategic investments in personalized AI solutions, incorporating the latest 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



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)

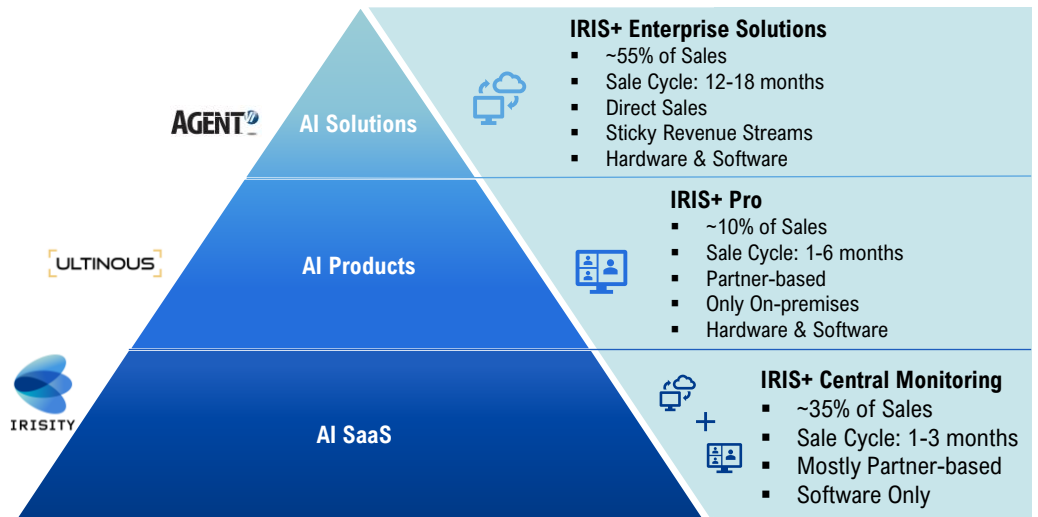
The AI SaaS segment, primarily developed and sold through Irisity AB, accounts for approximately 35% of Irisity’s sales and represents the Company’s only software-based offering with the shortest sales cycle among product lines. This cloud-connected solution requires no physical hardware deployment on-site, 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
HAMN & AVFALL



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, supported by recent legislative changes to camera permit requirements in Sweden, which came into effect in April 2025. Under the new framework, entities that previously needed official approval to install CCTV cameras are now responsible for independently assessing the balance between surveillance needs and individual privacy rights, a process previously overseen by the Swedish Authority for Privacy Protection (IMY).

This regulatory shift is expected to streamline the deployment of surveillance systems and could serve as a catalyst for growth within Irisity's municipal-focused Security as a Service segment. By removing the permit application burden, the new rules significantly reduce administrative friction for public-sector clients, particularly municipalities and schools, thereby accelerating procurement processes and lowering barriers to adopting Irisity's comprehensive, outsourced surveillance solution. The segment positions Irisity as a full-service provider capable of meeting a broad range of security needs for select high-value clients, while also offering scalability within Sweden's growing market for outsourced, integrated security solutions.

Regulatory
Changes in Q2-25
Could Serve as a
Growth Catalyst

Streamlined R&D Operations

R&D Locations



Gothenburg



Budapest

Irisity's R&D organization 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. As part of the ongoing streamlining program targeting a 30 % OPEX reduction from Q2-25 levels, Irisity is taking the next step by consolidating the Company's Tel Aviv R&D operations into Gothenburg. The initiative is designed to simplify the organizational structure, reduce costs, and strengthen cross-team collaboration.

In the first phase of this consolidation, CTO leadership, enterprise customer support, hardware development, and product management are being relocated to Gothenburg, Sweden, while embedded AI application development will be transferred to the Budapest R&D center, which specializes in platform-independent edge hardware use cases.

As a result, the Gothenburg hub will serve as Irisity's main R&D center within the EU, ensuring greater operational efficiency, regulatory alignment, and development cohesion across product lines. This structure builds on a shared IP foundation across teams, fostering synergy and accelerating product innovation.

In parallel, Irisity continues to optimize the cost base by concentrating a larger portion of the Company's R&D workforce in Budapest, where labor costs are structurally lower. Recent advancements in generative AI have also significantly accelerated Irisity's development cycle. What previously took 3–9 months to develop can now be achieved within 1–4 weeks, dramatically improving scalability and time-to-market for customer-specific solutions.

Generative AI is
Expected to
Accelerate the
R&D Process



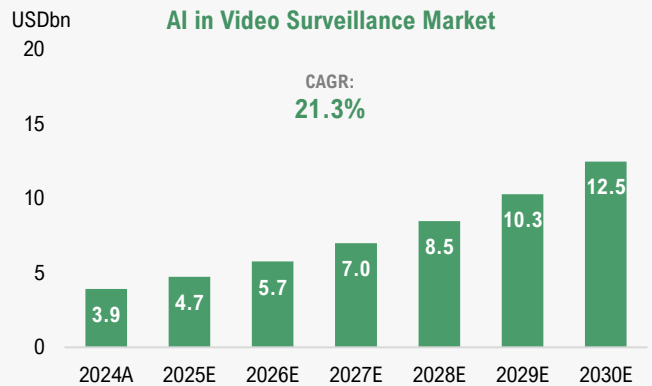
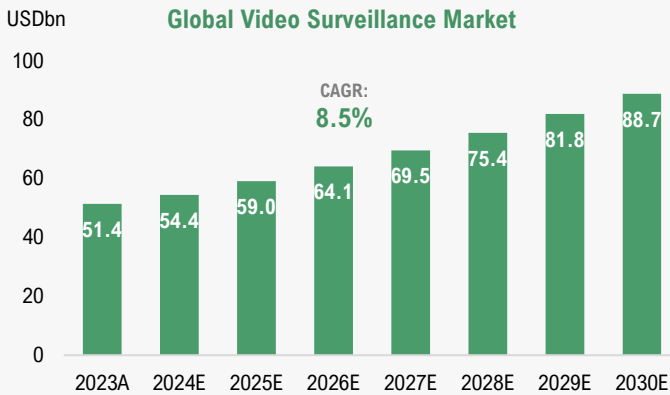
Operating in a High-Growth Market Niche

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 3.9bn in 2024 and is projected to witness a CAGR of 21.3%, reaching around USD 12.5bn by 2030. 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.

21.3% CAGR
AI in Surveillance Market
2024-2030E



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 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. The recent regulatory change concerning camera permit requirements came into effect on April 1, 2025, earlier than the previously proposed date of July 1, 2025. The legislative shift removes the requirement for entities to apply for a permit before installing CCTV cameras. Instead, entities are now responsible for independently assessing the balance between surveillance needs and individuals' rights not to be monitored, a process previously overseen by IMY. As a result, IMY's role will shift toward providing guidance and oversight to ensure compliance with the Surveillance Camera Act and the General Data Protection Regulation (GDPR).

Shift in Legislation Supports Growth Initiatives

This change is expected to significantly streamline the deployment of surveillance systems and reduce administrative delays that have historically hindered project execution, particularly within the public sector. These developments are strategically important for Irisity, whose municipal business segment, Security as a Service, has faced headwinds from the protracted permit process since 2022. With the new regulations now in place, Irisity is well positioned to accelerate growth in the Swedish market through more efficient execution and improved scalability.



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, which came into effect in April 2025. 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 approx. USD 1.3k, with Irisity's solutions deployed across an average of 250 channels per customer. It is estimated that Irisity currently serves close to 70 customers within this segment, with net customer intake expected to increase gradually, albeit at a slower pace as sales efforts shift more toward the other two segments.

Monthly recurring revenue from Software Upgrade Plans (SUP) is projected to approx. 10% 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 37% 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 700, with the majority derived from software sales, and the average number of channels per customer is projected to be around 60. Additionally, recurring revenue from SUPs is expected to constitute approximately 10% 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. 24-29% by 2026-2027.

Tailored Offerings
Creates
Sticky Revenues

AI Products
Main Growth Segment
2025-2027E



Recurring Revenues due to Software Only

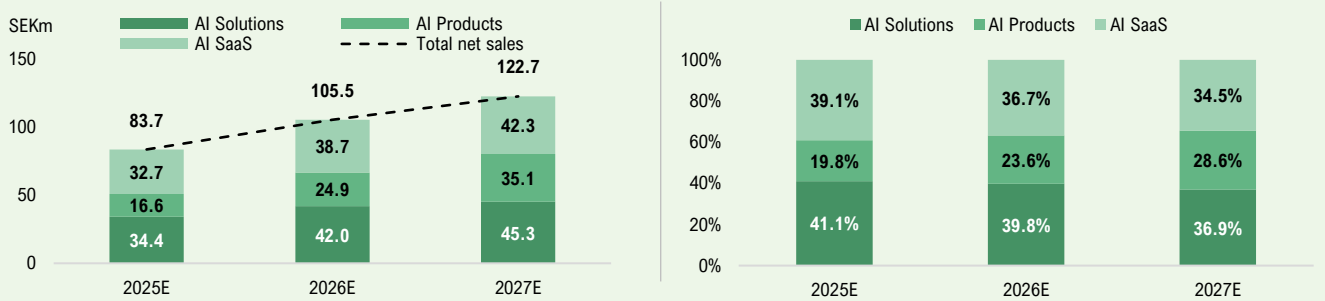
Revenue Forecast - AI SaaS

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 39% 2025 to around 34% by 2027.

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

Estimated Net Sales per Segment, 2025-2027E



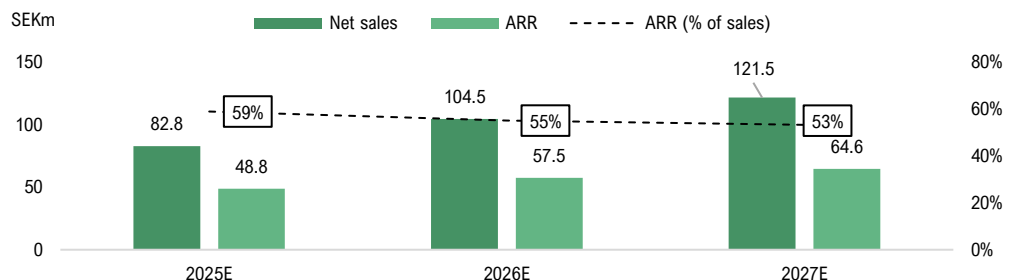
Source: Analyst Group's estimates

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 Q3-25, Irisity's monthly recurring revenue (MRR) stood at approx. SEK 4.0m, equivalent to an annual recurring revenue (ARR) of approx. SEK 48m. MRR has declined over recent quarters from its peak of SEK 6m in Q4-23, primarily due intensified competition, pricing pressure on per-channel software sales, and adverse FX effects. The decline from Q3-24 (SEK 4.3m) is attributed to delayed renewal of a US government agency software upgrade plan, where a rebound has been noticed in Q3-25.

In Sweden, changes to the surveillance camera permit application process, which came into effect in April 2025, 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, 2025-2027E



Source: Analyst Group's estimates

**SEK 64.6m
ARR 2027E**

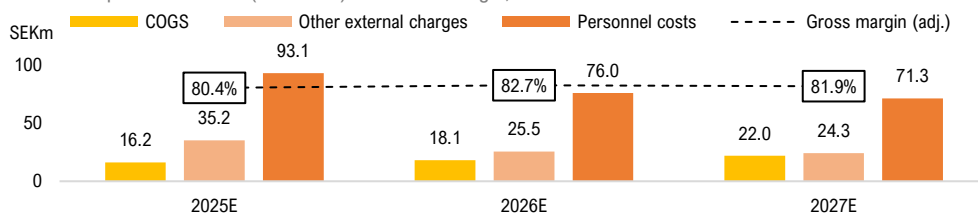
Gross Expenses

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. 80-83% from 2025 to 2027, with a gradual decrease as AI Products comprise a larger portion of total sales.

80-83%
Gross Margin
2025-2027E

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

Estimated Operational Costs (excl. D&A) and Gross Margin, 2025-2027E



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. In Q3-25, management announced an additional cost-saving program aligned with H1-25 sales levels, targeting SEK 40m in annual savings versus the Q2-25 run rate, with full effect in Q2-26. The savings will primarily stem from reductions in personnel and contract employees.

When comparing personnel costs in Q4-24 to Q3-24, expenses were approx. SEK 5m lower Q-Q. This downward trend continued in Q1-25, with a further sequential reduction of approx. SEK 1.5m, bringing total personnel costs to SEK 23.6m. In Q2-25, personnel costs rose sequentially to SEK 25.1m, driven by vacation pay accruals and the recruitment of full-time employees replacing external consultants. At quarter-end (Q3-25), the Company employed 73 full-time staff and 16 consultants, totaling 89.

One 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 76m in 2026 and SEK 71m in 2027, which could be compared with personnel costs of SEK 113.2m for 2024. The effects of the cost-saving program are expected to gradually materialize over the coming quarters, with full effect from Q2-26 and onwards.

Other external charges encompass non-payroll operating expenses, including marketing, rent, IT, and short-term consultants. Analyst Group projects this line item to decrease to SEK 26m in 2026 and SEK 24m in 2027, driven by organizational streamlining and lower marketing spend from the transition to a more partner-based go-to-market strategy. Similar to personnel costs, other external charges are expected to gradually decline as the Company executes on the cost optimization initiatives.

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 25-36m 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 123m in 2025, followed by SEK 94m 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 14-23m
R&D Investments
2025-2027E

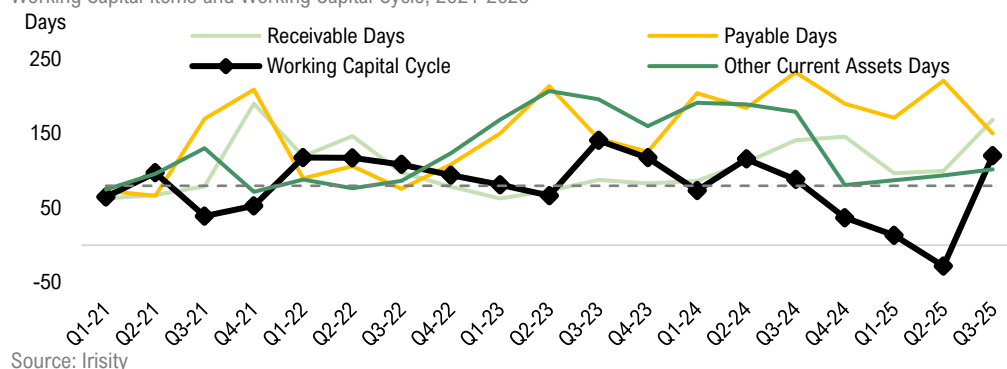
Analyst Group estimates that the reorganization into three more leaner R&D-hubs, coupled with the progression in generative AI, is set to create a more efficient R&D base, allowing Irisity to yield similar or improved results with less investments required. Hence, we estimate that the R&D investments will be in the range of approx. SEK 14-23m during 2025-2027, in contrast to approx. SEK 24-28m during the last few years.

Working Capital

Irisity's sales cycle varies significantly across segments. AI Solutions typically involves sales cycles of 12–18 months due to the complexity and tailored nature of its offerings. In contrast, AI SaaS exhibits the shortest cycles, averaging 1–3 months, while AI Products falls between the two, generally spanning 1–6 months from initial contact to on-site deployment. While longer sales cycles are often associated with stronger customer retention and more resilient revenue streams, they also entail elevated customer acquisition costs (CAC) and extended quote-to-cash cycles. As a result, Irisity must invest heavily in its sales funnel, tying up capital in personnel and resources long before revenues are converted to cash.

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

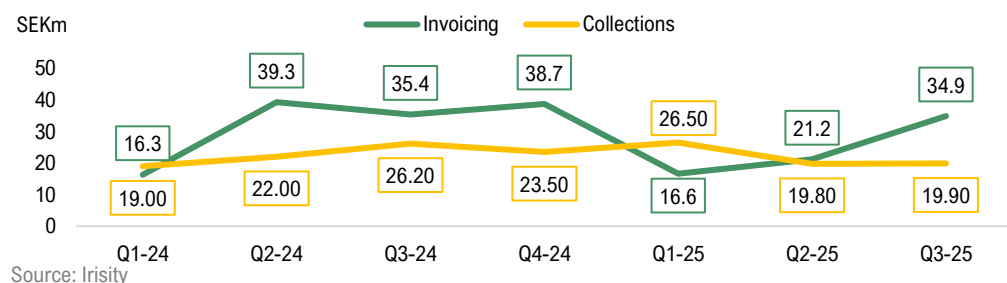
Working Capital Items and Working Capital Cycle, 2021-2025



As illustrated in the figure above, receivable days, i.e., Days Sales Outstanding (DSO), serve as a proxy for capital tied up in receivables. The sharp increase in DSO from approx. 63 days in Q1-23 to 146 days in Q4-24 highlights a growing delay between invoicing and cash conversion, putting pressure on working capital and liquidity. Previously, Irisity recognized revenue at the time of purchase. However, starting in Q4-24, revenue is now recognized upon invoicing. While this adjustment improves alignment with actual billing, it does not resolve the underlying cash flow mismatch. Prior to Q4-24, accrued revenue, reported under other current assets, served as a de facto order book, reflecting sales that had yet to be invoiced. In H1-25, Irisity has improved the Company's WC-cycle through faster receivables conversion and renegotiated supplier terms, although Q3-25 saw an increased WC-cycle due to increased invoicing.

Cash Flow Impacted by Prior Invoicing-Collections Discrepancy.

Invoicing and Collections, Q1-24 to Q3-25



At the tail end of the sales cycle lie invoicing and collections, representing the value of goods and services billed to customers and the actual cash received. In previous quarters, particularly Q4-24, invoicing exceeded collections, with the gap widening, indicating a lengthening quote-to-cash cycle and mounting pressure on working capital. In Q1-25, however, this trend reversed, as collections surpassed invoicing. In Q3-25, invoicing once again exceeded collections, a typical pattern during periods of growth. Moreover, certain contracts, such as SUPs, are invoiced over longer periods (typically 12 months), which further amplifies this effect. To address the cash conversion cycle, Irisity is actively shifting the Company's commercial focus toward AI Products and AI SaaS, segments characterized by shorter sales cycles and faster conversion rates. Supported by a partner-based go-to-market strategy, the Company aims to scale operations with lower capital intensity by leveraging resellers to absorb a greater share of CAC. Analyst Group estimates that, as these segments account for a growing share of net sales, Irisity's quote-to-cash cycle gradually will improve, supporting better cash flow visibility and operational scalability.

Summary of the Financial Forecast

The reported net sales for FY 2024 took a turn in Q4-24, as the revised timing of revenue recognition for several partner contracts, due to delayed projects and postponed customer payments, led to a reassessment and reversal of previously reported net sales amounting to SEK 13.7m. As a result, reported net sales for Q4-24 amounted to SEK 4.7m. Adjusted for the revised revenue recognition, net sales would have reached approx. SEK 18.4m for Q4-24 and approx. SEK 102m for FY 2024.

In 2025, we anticipate a strong focus on converting invoiced amounts and receivables into actual cash collections, a key factor in strengthening the Company's cash flow. However, given the current market environment, characterized by geopolitical tensions and heightened global economic uncertainty, many customers are postponing orders, particularly within project sales. This was evident in H1-25, where sales declined by approx. 33% Y-Y. We view 2025 as a transition year, with H2-25 marking a recovery from a weak first half.

We estimate net sales of SEK 82.8m in 2025, corresponding to a negative growth rate of 6.2% compared to 2024. Net sales are estimated to grow at a CAGR of approx. 11% between 2025 to 2027, reaching approx. SEK 122m by 2027. Analyst Group projects that the AI Products segment will be the main contributor to the 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 20% in 2025 to approx. 29% 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 82.0% in 2027.

Analyst Group anticipates a gradual reduction in personnel costs between 2025 and 2027, reaching SEK 76m in 2026 and SEK 71.3m in 2027, driven by streamlining in R&D operations and the establishment of a more cost-effective service personnel base. Consequently, total operating costs (excl. D&A) are expected to amount to approx. SEK 102m in 2026 and SEK 96m in 2027.

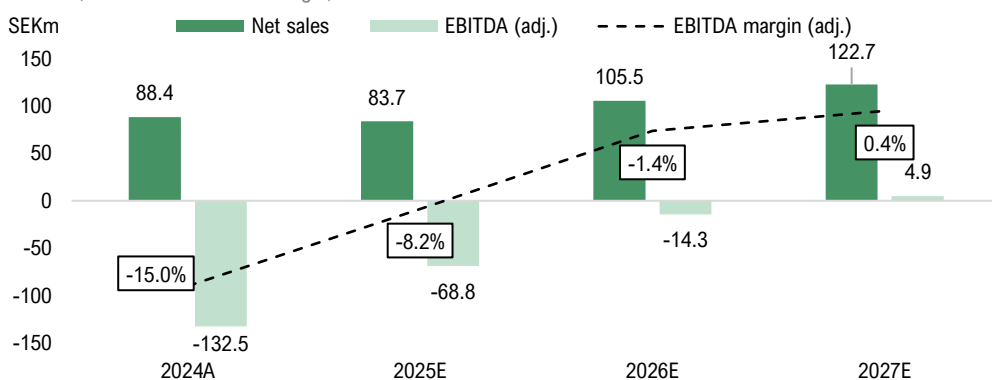
Looking ahead, Irisity's scalable platform is anticipated to gradually unlock the operational leverage embedded in the Company's business model. While structural cost optimization remains a focus over the coming years, it is primarily top-line growth that is expected to serve as the key catalyst for achieving break-even and transitioning toward sustained EBITDA profitability. Given the current trajectory, and in light of a slower-than-anticipated sales ramp-up, Analyst Group projects continued losses for 2025-2026. However, we estimate Irisity to reach break-even in FY2027E, with an EBITDA of SEK 4.9m. In terms of cash flow dynamics, free cash flow is expected to remain negative in 2026 but turn positive in 2027, reflecting a gradually reduced cost base, improved capital efficiency, and a return to growth. Nevertheless, given the current burn rate, Analyst Group cannot rule out that Irisity may need to secure additional short-term bridge financing before reaching cash flow neutrality.

11% CAGR
Net Sales
2025-2027E

SEK 4.9m
EBITDA
2027E

Net Sales Growth and a Streamlined Cost Base Poised to Unlock Operational Leverage.

Net Sales, EBITDA and EBITDA-margin, 2024A-2027E



Source: Analyst Group's estimates

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 ¹						
Company	Gorilla Technology	iCetana Ltd	Rekor Systems	Average	Median	Irisity
Mcap	4 059.8	251.3	2 786.4	2 365.8	2 786.4	74.9
EV	4 136.4	227.5	3 025.7	2 463.2	3 025.7	91.5
Sales	893.6	11.9	434.5	446.7	434.5	65.3
Gross Profit	316.7	-12.3	211.5	172.0	211.5	76.1
Gross Margin	35.4%	-103.2%	48.7%	-6.4%	35.4%	68.7%
EBITDA	-399.4	-21.2	-292.1	-237.6	-292.1	-101.9
EBITDA Margin	-44.7%	-178.2%	-67.2%	-96.7%	-67.2%	-189.7%
EV/S	4.6	19.2	7.0	10.3	7.0	1.4
EV/EBITDA	-10.4	-10.8	-10.4	-10.5	-10.4	-0.9

¹Source: 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 reduced valuation discount.

Company	Mcap (SEKm)	EV (SEKm)	EV/Sales			EV/EBITDA			Net sales		EBITDA		
			LTM	2025E	2026E	LTM	2025E	2026E	CAGR 2025-2026E	CAGR 2025-2026E	EBITDA Margin		
											LTM	2025E	2026E
Gorilla Technology	4 059.8	4 136.4	4.6	4.3	2.5	-10.4	20.8	15.8	56.5%	53.0%	-44.7%	20.8%	15.7%
Rekor Systems	2 786.4	3 025.7	7.0	6.4	5.3	-10.4	-18.3	188.1	13.9%	N/A	-67.2%	-35.2%	2.8%
Average	3 423.1	3 581.1	5.8	5.4	3.9	-10.4	1.3	101.9	35.2%	53.0%	-56.0%	-7.2%	9.3%

Regarding forward-looking estimates, Gorilla Technology and Rekor Systems are the only companies with publicly available projections. Between 2025 and 2026, peers are estimated to witness an average CAGR of approx. 35%. Furthermore, in 2025, Gorilla Technology is estimated to be the only peer to report positive EBITDA; however, by 2026, both companies are projected to deliver positive EBITDA figures, with an average estimated EBITDA margin of around 9.3%. Gorilla Technology is projected to show EBITDA-margins in the range of 16-21% 2025-2026E, and trades at EV/EBITDA multiples in the range of 16-21x.

Irisity is projected to grow at a CAGR of 9% between 2025 and 2026, which is slower than peers and motivates a valuation discount. On the profitability side, Irisity is expected to report negative EBITDA in 2025–2026 and reach break-even in 2027, further supporting the discount. However, while Irisity is estimated to reach profitability later than its peers, Analyst Group notes that the Company's solid gross margin provides strong prerequisites for future margin expansion once critical sales volumes are achieved, partially offsetting the valuation discount.

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 ²						
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
Stagu	16.0	2022	22.5	91.7	18.7	4.9
Average	569.6		1 644.9	10 228.2	805.1	10.4
Median	448.2		1 020.2	2 417.1	325.0	6.8

¹Source: TIKR

²Source: 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.

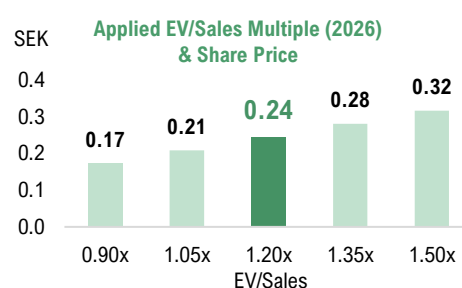
Summary of Valuation

Given that Irisity's profitability is estimated to remain negative during 2025–2026, albeit reaching break-even in 2027, Analyst Group has based its valuation on a sales multiple, using the 2026 estimated sales of SEK 106m as the foundation. As 2025 is projected to be a transition year in terms of growth, we base the valuation on 2026, which we consider to be a more representative and normalized year for assessing long-term performance.

Irisity offers a scalable SaaS model and a promising long-term growth trajectory, supported by a mid-market focus, a partner-driven go-to-market strategy, and ongoing cost base optimization. This provides a solid foundation for future profitability and positive cash flow. However, given the high proportion of fixed costs, critical sales volumes must be achieved, levels that Irisity has not yet reached.

As Irisity is projected to gradually reduce operating losses and return to growth, the Company is expected to steadily move toward profitability. This anticipated margin expansion positions Irisity to grow into its valuation as operating leverage improves, although there remains much to be demonstrated in terms of both growth execution and cost discipline.

Analyst Group argues that an EV/S-multiple of 1.2x on FY2026 estimates is reasonable. Given the applied multiple and estimated net sales for 2026 of SEK 106m, coupled with a discount rate (WACC) of 12.5% and the post-rights issue capital structure, a potential present value of SEK 0.24 per share is derived. This corresponds to an implied EV/EBITDA multiple of 23.7x for 2027E, which we consider reasonable given that Irisity is expected to expand margins following the achievement of break-even.

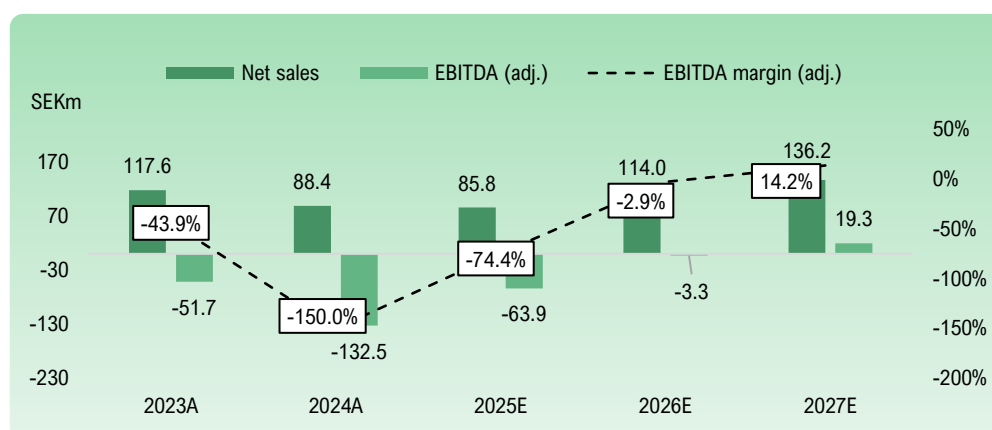


SEK 0.24
 Per Share
 Base Scenario

Moreover, the adjusted motivated value primarily reflects a technical revision from the previously motivated value of SEK 0.40, following the approximately 217 million newly issued shares from the rights issue. A combination of executional delays, softer-than-anticipated sales development, and continued liquidity constraints has resulted in a more cautious stance on valuation. Furthermore, under current projections, Irisity is not expected to reach profitability until 2027. While the outlook remains clouded by near-term uncertainty, the Q3 2025 report marked a step in the right direction. However, further confirmation of Irisity's ability to reaccelerate growth, execute on the announced cost-saving program, and demonstrate resilience in a demanding market is needed to restore investor confidence.

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 net sales of SEK 114m for the fiscal year 2026, and, applying an EV/S-multiple of 1.5x, a share price of SEK 0.35 has been derived in a Bull scenario.



Bull Scenario

Estimated Sales 2026E

SEK 114m

Applied EV/Sales Multiple

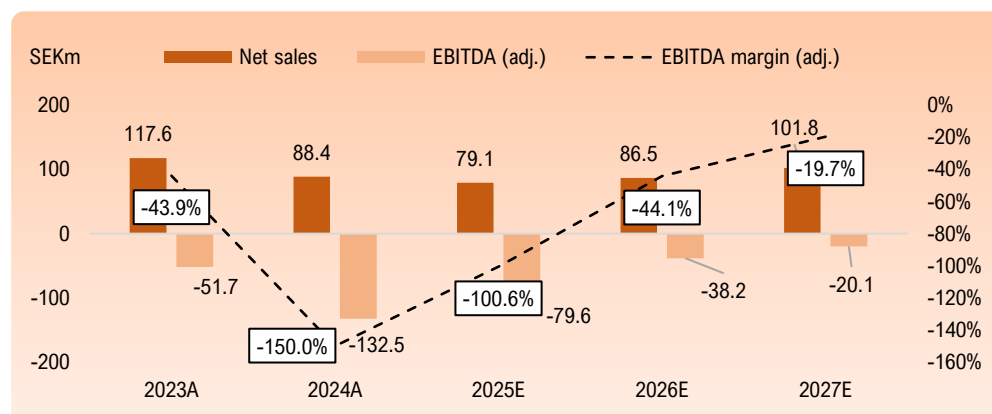
1.5x

Potential Share Price

SEK 0.35

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. In a Bear scenario, Analyst Group estimates net sales of SEK 86.5m for the fiscal year 2026, and, applying an EV/S-multiple of 0.8x, a share price of SEK 0.11 has been derived in a Bear scenario.



Bear Scenario

Estimated Sales 2027E

SEK 86.5m

Applied EV/S Multiple

0.8x

Potential Share Price

SEK 0.11

Gustav Zaar, CFO and Interim CEO

Employed since 2025, Gustav brings over 17 years of experience in key finance leadership roles, including 6 years as CFO at Hansen and Lin Education, 7 years of experience in Business Controlling, and 4 years within audit at PwC. During his career, Gustav Zaar has gained extensive experience working with both small and large publicly listed companies, showcasing his ability to drive financial growth and operational efficiency. He holds a master's degree from School of Business, Economics and Law at University of Gothenburg.

Number of shares: 0 + 1 500 000 warrants

Victor Hagelbäck, Chief Technology Officer (CTO)

Employed since 2008, Victor has been part of Irisity's management team since 2012 and has served as CTO since 2025. Victor has delivered performant cloud-based and AI-driven solutions for many years, always with a strategic focus to maximize value for the customer and the business long-term. Victor holds an MSc in Intelligent Systems Design from Chalmers University of Technology.

Number of shares: 200 000 + 1 000 000 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: 74 500 + 1 000 000 warrants

Mariell Olsen, VP Corporate Affairs & Strategic Partnerships

Employed since 2023, Mariell has been part of Irisity's management team since 2025 and serves as VP Corporate Affairs & Strategic Partnerships. She brings a strong combination of legal expertise, governance leadership, and commercial drive. Since joining Irisity, she has strengthened the Company's foundation in compliance, governance, and investor relations, while advancing growth through strategic partnerships. Prior to Irisity, she worked at Milestone Systems as Legal Counsel and Technology Partner Contract Manager. She holds a Master of Science in Business Administration and Commercial Law from Copenhagen Business School.

Number of shares: 22 978 + 750 000 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

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: 61 146 614 shares through Stockhorn Capital AB

Base Scenario (SEKm)	2022A	2023A	2024A	2025E	2026E	2027E
Net sales	87.7	117.6	88.4	83.7	105.5	122.7
Work performed for own account	25.0	28.1	24.4	23.0	18.0	14.0
Other operating income	8.6	7.1	15.6	5.1	0.0	0.0
Total income	121.2	152.8	128.3	111.8	123.5	136.7
COGS	-17.8	-16.6	-21.7	-16.4	-18.3	-22.2
Gross profit (adj.)¹	69.8	101.0	66.6	67.3	87.3	100.5
Gross margin (adj.) ¹	79.7%	85.9%	75.4%	80.4%	82.7%	81.9%
Other external charges	-30.1	-40.0	-73.0	-35.22	-25.5	-24.3
Personnel costs	-101.6	-100.4	-113.2	-93.1	-76.0	-71.3
Other operating costs	-3.7	-12.3	-13.0	-7.8	0.0	0.0
EBITDA (adj.)¹	-65.6	-51.7	-132.5	-68.8	-14.3	4.9
EBITDA margin (adj.) ¹	-74.8%	-43.9%	-150.0%	-82.2%	-13.5%	4.0%
D&A	-115.4	-124.2	-130.8	-123.2	-94.4	-83.8
EBIT (adj.)¹	-181.0	-175.9	-263.3	-192.0	-108.6	-78.9
EBIT margin (adj.) ¹	-206.4%	-149.5%	-298.0%	-229.4%	-103.0%	-64.3%
Net financial items	-0.3	-3.3	-4.8	-2.0	-1.7	-1.4
EBT (adj.)¹	-181.3	-179.1	-268.1	-194.0	-110.3	-80.3
Tax	10.8	11.4	0.0	0.0	0.0	0.0
Net profit (adj.)¹	-170.5	-167.7	-268.1	-194.0	-110.3	-80.3
Net profit margin (adj.) ¹	-194.4%	-142.6%	-303.5%	-231.8%	-104.5%	-65.4%
<i>Shares outstanding (millions)</i>	<i>38.3</i>	<i>49.2</i>	<i>114.3</i>	<i>384.2</i>	<i>384.2</i>	<i>384.2</i>
<i>Earnings per share (EPS)</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>

¹Adjusted for capitalized development costs and other operating income and costs.

USD/SEK as of 2025-11-06

Bull Scenario (SEKm)	2022A	2023A	2024A	2025E	2026E	2027E
Net sales	87.7	117.6	88.4	85.8	114.0	136.2
Work performed for own account	25.0	28.1	24.4	23.0	18.0	14.0
Other operating income	8.6	7.1	15.6	5.1	0.0	0.0
Total income	121.2	152.8	128.3	113.9	132.0	150.2
COGS	-17.8	-16.6	-21.7	-15.4	-18.2	-23.2
Gross profit (adj.)¹	69.8	101.0	66.6	70.3	95.7	113.1
Gross margin (adj.) ¹	79.7%	85.9%	75.4%	82.0%	84.0%	83.0%
Other external charges	-30.1	-40.0	-73.0	-34.7	-24.9	-23.9
Personnel costs	-101.6	-100.4	-113.2	-91.7	-74.1	-69.9
Other operating costs	-3.7	-12.3	-13.0	-7.8	0.0	0.0
EBITDA (adj.)¹	-65.6	-51.7	-132.5	-63.9	-3.3	19.3
EBITDA margin (adj.) ¹	-74.8%	-43.9%	-150.0%	-74.4%	-2.9%	14.2%
D&A	-115.4	-124.2	-130.8	-123.2	-94.4	-83.8
EBIT (adj.)¹	-181.0	-175.9	-263.3	-187.1	-97.6	-64.4
EBIT margin(adj.) ¹	-206.4%	-149.5%	-298.0%	-218.1%	-85.7%	-47.3%
Net financial items	-0.3	-3.3	-4.8	-2.0	-1.7	-1.4
EBT (adj.)¹	-181.3	-179.1	-268.1	-189.0	-99.3	-65.8
Tax	10.8	11.4	0.0	0.0	0.0	0.0
Net profit (adj.)¹	-170.5	-167.7	-268.1	-189.0	-99.3	-65.8
Net profit margin (adj.) ¹	-194.4%	-142.6%	-303.5%	-220.4%	-87.1%	-48.3%
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<i>Earnings per share (EPS)</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>
Bear Scenario (SEKm)	2022A	2023A	2024A	2025E	2026E	2027E
Net sales	87.7	117.6	88.4	79.1	86.5	101.8
Work performed for own account	25.0	28.1	24.4	23.0	18.0	14.0
Other operating income	8.6	7.1	15.6	5.1	0.0	0.0
Total income	121.2	152.8	128.3	107.2	104.5	115.8
COGS	-17.8	-16.6	-21.7	-17.4	-18.6	-23.4
Gross profit (adj.)¹	69.8	101.0	66.6	61.7	67.9	78.4
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Other external charges	-30.1	-40.0	-73.0	-36.6	-26.3	-25.1
Personnel costs	-101.6	-100.4	-113.2	-96.8	-79.8	-73.4
Other operating costs	-3.7	-12.3	-13.0	-7.8	0.0	0.0
EBITDA (adj.)¹	-65.6	-51.7	-132.5	-79.6	-38.2	-20.1
EBITDA margin (adj.) ¹	-74.8%	-43.9%	-150.0%	-100.6%	-44.1%	-19.7%
D&A	-115.4	-124.2	-130.8	-123.2	-94.4	-83.8
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EBT (adj.)¹	-181.3	-179.1	-268.1	-204.7	-134.2	-105.2
Tax	10.8	11.4	0.0	0.0	0.0	0.0
Net profit (adj.)¹	-170.5	-167.7	-268.1	-204.7	-134.2	-105.2
Net profit margin (adj.) ¹	-194.4%	-142.6%	-303.5%	-258.9%	-155.1%	-103.3%
<i>Shares outstanding (millions)</i>	<i>38.3</i>	<i>49.2</i>	<i>114.3</i>	<i>384.2</i>	<i>384.2</i>	<i>384.2</i>
<i>Earnings per share (EPS)</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>

¹Adjusted for capitalized development costs and other operating income and costs.

USD/SEK as of 2025-11-06

Disclaimer

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Other

This analysis is a task analysis. This means Analyst Group has received payment for doing the analysis. The Principal, Irisity AB (furthermore "the Company") has had no opportunity to influence the parts where Analyst Group has had opinions about the Company's future valuation or anything that could constitute an objective assessment.

The parts that the Company has been able to influence are the parts that are purely factual and objective.

The analyst does not own shares in the Company.

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