

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.<sup>1</sup> 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

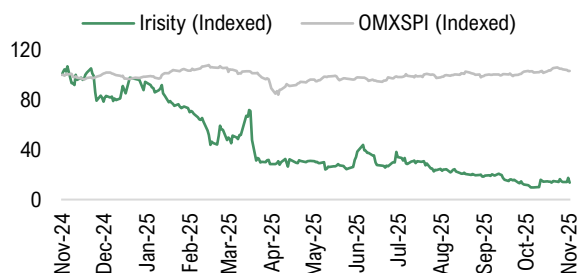
**Bull**

SEK 0.35

#### KEY INFORMATION

Share Price (2025-11-06)	0.20
Shares Outstanding <sup>1</sup>	384 201 940
Market Cap (SEKm) <sup>1</sup>	74.9
Net cash(-)/debt(+) <sup>1</sup> (SEKm)	16.6
Enterprise Value (SEKm) <sup>1</sup>	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.) <sup>2</sup>	66.6	67.3	87.3	100.5
Gross Margin (adj.) <sup>2</sup>	75.4%	80.4%	82.7%	81.9%
Operating Costs	-199.1	-136.1	-101.5	-95.6
EBITDA (adj.) <sup>2</sup>	-132.5	-68.8	-14.3	4.9
EBITDA Margin (adj.) <sup>2</sup>	-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

<sup>1</sup>Estimated 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.

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

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