

Leaner Structure in Place, Focus Turns to Top-Line Growth

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*. Following a year of transformation, Irisity enters 2026 as a leaner organization after finalizing the simplification program in Q4-25. Combined with a more partner-oriented go-to-market model, which lowers CAC and shortens the quote-to-cash cycle, and a solid ARR base of SEK 52.8m, the Company has established a stronger operational foundation for growth. Key catalysts include the realization of remaining cost reductions and a reacceleration in top-line growth, which together are expected to unlock the operating leverage embedded in the business model. Estimated net sales for 2026 stands at SEK 101m, and by applying an EV/S-multiple of 1.2x, a potential present value of SEK 0.24 (0.24) per share is derived in a Base scenario.

▪ MRR Growth Signals Underlying Momentum

Net sales for Q4-25 amounted to SEK 18.6m (4.7), below our estimate of SEK 23.0m. Adjusting for the SEK 13.7m revenue reversal in Q4-24, the Y-Y development was broadly flat. The softer outcome reflects the transition toward recurring revenues, where revenue is recognized over the contract duration rather than at the point of invoicing. Collections increased to SEK 33.0m (23.5), up 40% Y-Y, confirming that the strong Q3-25 invoicing cycle is converting into cash with limited delay. MRR reached SEK 4.4m, up 10% Q-Q, supported by continued commercial traction, including a third consecutive U.S. Government agency renewal and a large-scale public safety engagement in Colombia, currently operating ~2k cameras. The contract has the potential to expand to more than 6k cameras over time, implying meaningful upside to recurring revenue as additional phases are deployed.

▪ Cost Discipline Delivering, Full P&L Impact from Q2-26

Irisity continues to execute on cost reduction initiatives, with adj. OPEX declining 34% Y-Y in Q4-25, driven by lower personnel costs (-16% Y-Y) and a reduction in external costs. Headcount decreased from 76 to 57 FTEs, reflecting the simplification programme targeting a 30% OPEX reduction from Q2-25 levels, with full impact expected from Q2-26. Adj. EBITDA amounted to SEK -13.3m, below our estimate of SEK -8.4m, driven by weaker revenue rather than cost overruns. Cash at Q4-25 stood at SEK 3.0m, with available credit lines of SEK 9.4m, implying total liquidity of SEK 12.4m, leaving limited room for execution missteps ahead.

▪ Attractive entry point, upside hinges on execution

We make minor estimate revisions for 2026–2028 following softer-than-expected sales in Q4-25. At the current EV/ARR of 1.2x, the market remains skeptical of Irisity's ability to re-accelerate growth, a key prerequisite for unlocking the scalability of the business model and reaching profitability. Despite the tight financial position, the current valuation offers an attractive long-term risk/reward, and we reiterate our motivated present value of SEK 0.24 per share in a Base scenario.

VALUATION RANGE

Bear

SEK 0.12

Base

SEK 0.24

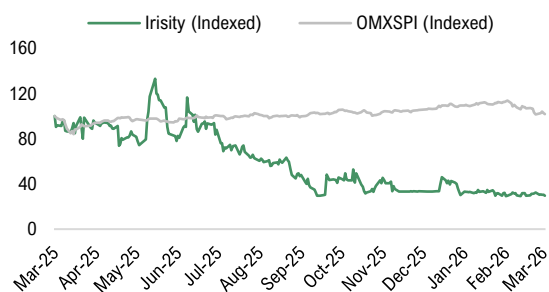
Bull

SEK 0.35

KEY INFORMATION

Share Price (2026-03-27)	0.12
Shares Outstanding	384 201 940
Market Cap (SEKm)	45.0
Net cash(-)/debt(+)	15.7
Enterprise Value (SEKm)	60.7
List	Nasdaq First North
Quarterly report 1 2026	2026-05-29

SHARE PRICE DEVELOPMENT



OWNERS (HOLDINGS 2026-02-27)

= INSIDER

Stockhorn Capital AB	57.6%
Avanza Pension	12.5%
Ulf Runmarker with family	4.5%
Anders Trygg	1.2%
Handelsbanken Liv Försäkring AB	1.1%

Estimates (SEKm)	2025A	2026E	2027E	2028E
Net Sales	79.3	100.7	117.7	133.7
COGS	-18.0	-16.4	-20.1	-24.1
Gross Profit (adj.)¹	61.2	84.3	97.6	109.6
Gross Margin (adj.) ¹	77.2%	83.8%	82.9%	82.0%
Operating Costs	-136.5	-96.9	-96.1	-98.3
EBITDA (adj.)¹	-75.3	-12.6	1.5	11.3
EBITDA Margin (adj.) ¹	-95.0%	-12.5%	1.3%	8.4%
P/S	0.6	0.4	0.4	0.3
EV/S	0.8	0.6	0.5	0.5
EV/EBITDA	-0.8	-4.8	40.5	5.4

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

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Other

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