

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

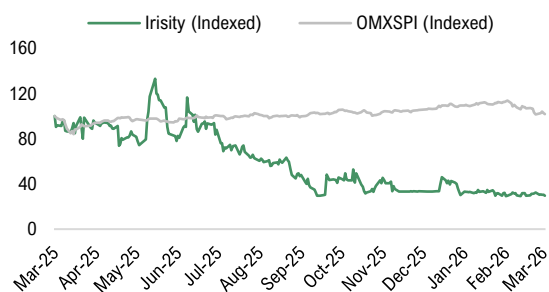
Bull

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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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	Lucas de Mendoza
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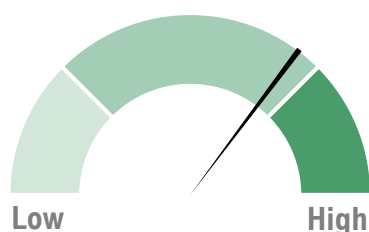
ANALYST

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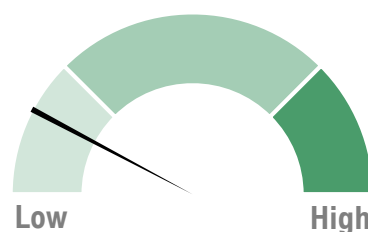
E-mail	oscar.mardh@analystgroup.se
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Value Drivers



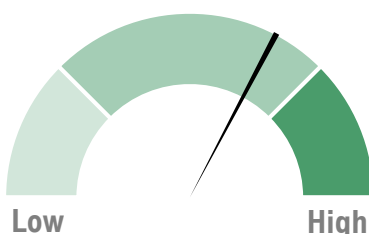
Key value drivers for Irisity include sustained growth in invoicing and improved collection efficiency, both of which are essential for enhancing the cash conversion. Continued expansion in focus areas, such as AI Products and AI SaaS, will further support revenue visibility. Additionally, MRR growth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

Historical Profitability



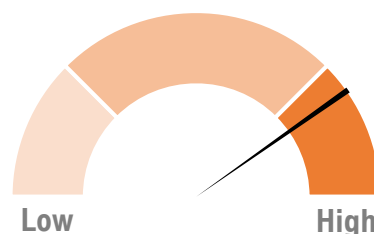
Irisity lacks a track record of profitability and cash flow generation. However, the Company has undertaken several initiatives in 2024-2025 to streamline the organization, marking important steps toward profitability. Nevertheless, the rating is based on historical results and does not incorporate forward-looking 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. 59% of the Company, ensuring strong alignment with shareholders.

Risk Profile



The rights issue completed during Q4-25 strengthened the balance sheet by approx. SEK 26m through set-offs and net proceeds of approx. SEK 9.4m. While this provides some headroom ahead, with cash of SEK 3.0m and available credit lines of SEK 9.4m at quarter-end, Analyst Group cannot rule out that Irisity may require additional external capital to bridge the Company until reaching cash flow neutrality.

Shifting Market Dynamics Unlock Growth Potential

The global AI surveillance market, 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 global AI in surveillance market is forecasted to reach USD 12.5bn by 2030.¹ 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 public and private sectors. Irisity, with over 3,000 deployments across more than 90 countries, has established a solid global footprint. The Company's 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 continue to support Irisity's positioning. The consolidation of Briefcam into Milestone Systems introduces a channel conflict with Genetec, Milestone's largest rival, that may prompt Genetec-aligned accounts to seek independent, hardware-agnostic alternatives. As a neutral provider with broad VMS compatibility, Irisity is well placed to benefit from this dynamic. The Company has seen encouraging commercial momentum across multiple regions and verticals, with MRR reaching SEK 4.4m at the end of 2025, driven by new customer additions. With a sharpened partner-first strategy and deepening VMS integrations, the foundation for scalable, recurring revenue growth appears increasingly tangible.

Strategic Shift Towards Profitability and Cash Flow Generation

Following years of prioritizing growth through large, complex enterprise deployments, Irisity has repositioned the Company's commercial strategy. Irisity is deliberately moving away from capital-intensive one-off projects with long quote-to-cash cycles, toward a partner-driven, recurring revenue model. By enabling partners to absorb a larger share of the customer acquisition effort, Irisity is systematically reducing CAC and shortening sales cycles, while building a more predictable revenue base through Software Upgrade Plans (SUP), Security-as-a-Service, and AI SaaS offerings. With strengthened VMS partnerships and a growing pipeline of OEM and white-label opportunities, the commercial infrastructure entering 2026 is meaningfully more efficient than in prior years, providing a strong foundation for reaccelerated growth.

Simplification Program Completed — Full P&L Impact Expected from Q2-26

Irisity launched a comprehensive simplification program during 2025, completed during Q4-25, targeting a 30% reduction in OPEX relative to Q2-25 levels, corresponding to approx. SEK 40m in annualized savings and an annual OPEX base of around SEK 94m. The program encompasses R&D consolidation, including the integration of Tel Aviv operations into Gothenburg, organizational streamlining, and a leaner go-to-market structure. Efficiency gains have been gradually materializing throughout H2-25, with the full effect expected to be visible in the income statement from Q2-26 onward. If executed as planned, the combination of a structurally lower cost base and improving revenue momentum should bring Irisity meaningfully closer to positive cash flows, which we estimate for FY 2027.

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 finalized initiatives to streamline the cost-base to drive profitability and cash flow. Based on FY2026 projected net sales of SEK 101m and an applied EV/S-multiple of 1.2x, coupled with a discount rate (WACC) of 12.4% and the current capital structure, a potential present value of SEK 0.24 per share is derived. This corresponds to an implied EV/EBITDA multiple of 8.7x for 2028E, which we consider reasonable given Irisity's pre-profitability stage and the execution risks that remain.

Risks to Monitor Ahead

Although Irisity has made meaningful progress through the simplification program, the Company has not yet established a proven track record of profitability and positive cash flow generation. With cash of SEK 3.0m and available credit lines of SEK 9.4m at the end of Q4-25, liquidity remains a key area to monitor, and Analyst Group cannot rule out that additional external capital may be required before reaching cash flow neutrality. Additionally, with the majority of sales in USD and the cost base primarily in SEK, Irisity remains exposed to currency fluctuations that could adversely impact both revenues and cash flow in the absence of hedging.

21.3% CAGR
AI in Surveillance Market
2024-2030E

¹Markets and Markets

Focus on
Capital-light Growth
Through a Partner-
Centric Model

Streamlining
Program Completed

SEK 0.24
Per Share
Base scenario

Financial Risks and
Currency Exchange
Exposure

SEK 18.6m
Net Sales
Q4-25

Revenue Recognition Lag Weighs on Reported Growth - Underlying Commercial Activity Encouraging

Net sales for Q4-25 amounted to SEK 18.6m (4.7), representing a substantial reported Y-Y increase, but below our expectations of SEK 23.0m. However, Analyst Group emphasizes that Q4-24 was negatively impacted by a SEK 13.7m in revenue recognition reversal related to prior periods, meaning the normalized Q4-24 revenue base was approx. SEK 18.4m, making the Y-Y development broadly flat. The Q-Q decline of approx. 24% relative to Q3-25 is therefore the more instructive comparison, reflecting a seasonally softer period compounded by the Company's deliberate shift toward partner-led and recurring revenue models, under which revenues are realized over the duration of the contract rather than at point of invoicing. Nevertheless, we had anticipated that a larger fraction of the reported Invoicing of approx. SEK 35m in Q3-25 would have translated into revenues. Furthermore, Analyst Group notes that FX headwinds are likely to have dampened reported net sales, although no specific impact is disclosed in the report.

**Multiple New
Customer Wins**

While the lag between invoicing and recognized revenue is an inherent feature of the recurring revenue model, Analyst Group assesses this as a dynamic that will continue to weigh on reported net sales in the near term as the contract mix shifts further toward subscription-based arrangements and away from larger one-off projects. That said, the quarter saw encouraging commercial activity across multiple geographies, including a third consecutive renewal of a U.S. Government agency agreement covering approx. 1,200 AI-enabled camera channels, a new critical infrastructure win in Sweden, a workplace safety deployment in Hungary, and the first phase of a large-scale public safety engagement in Colombia, a city currently operating approx. 2,000 surveillance cameras with plans to expand to more than 6,000. These wins underpin the MRR trajectory and demonstrate that the pipeline remains active.

80.2%
Gross Margin
Q4-25

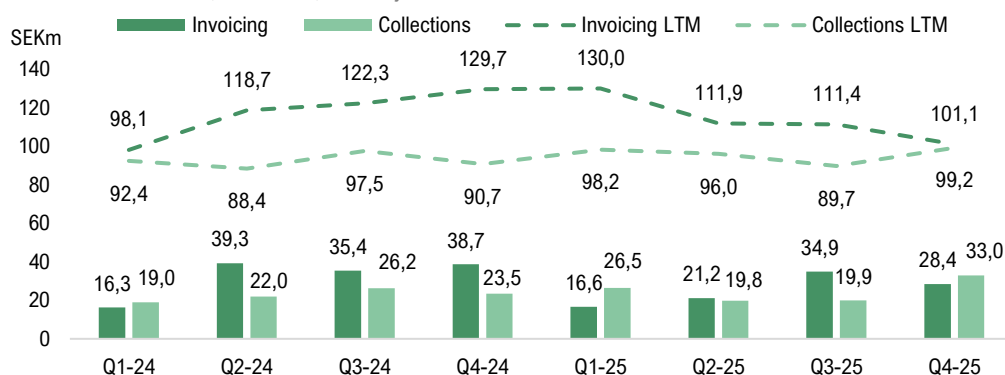
The gross margin of 80.2% in Q4-25 reflects the high-software composition of the revenue base and compares favorably with the FY 2025 figure of 77.2%.

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
-26.6% Y-Y
-18.6% Q-Q

Cash Collections
+40.4% Y-Y
+65.8% Q-Q



Source: Irisity

Invoicing Down on Tough Comparable - Collections Up 40% Y-Y Signalling Healthy Cash Conversion

Invoicing for Q4-25 amounted to SEK 28.4m (38.7), and SEK 29.6m on an FX-adjusted basis, a decline of 27% Y-Y. The primary driver of the decline is the large projects invoiced at the end of 2024, which creates a tougher comparable.

Collections advanced to SEK 33.0m (23.5), an increase of 40% Y-Y, or approx. SEK 35.6m FX-adjusted, confirming that the strong Q3-25 invoicing cycle is converting to cash with limited delay. Collections exceeding invoicing in the quarter contributed positively to working capital dynamics. Analyst Group views the collections trajectory as a meaningful indicator of customer health and the Company's ability to convert pipeline to cash, a key area to monitor given the relatively tight liquidity position at year-end, with a cash position of approx. SEK 3m.

Steady MRR Progression Reinforces Subscription-Driven Strategy

SEK 4.4m
MRR, Q4-25

MRR for Q4-25 reached SEK 4.4m (4.3), compared to SEK 4.0m in Q3-25, equivalent to an increase of 10% Q-Q. Analyst Group views the sequential progression as an encouraging indicator that the pivot toward subscription-based deployment models is translating into tangible, additive recurring revenue, with the commercial wins highlighted above beginning to feed through into the recurring revenue base.

The annualized run rate implied by Q4-25 MRR equates to approx. SEK 52.8m in ARR, representing a substantial proportion of the Company's total revenue base and underscoring the progress made in the recurring revenue transition. The directional trend is consistent with Analyst Group's investment thesis, and the phased nature of several recent deployments, most notably the Colombia C5 engagement, which carries expansion potential to more than 6,000 camera channels over three years, suggests that MRR growth could accelerate meaningfully as subsequent phases are activated, making the conversion rate of contracted deployments into live recurring revenue a key variable to monitor.

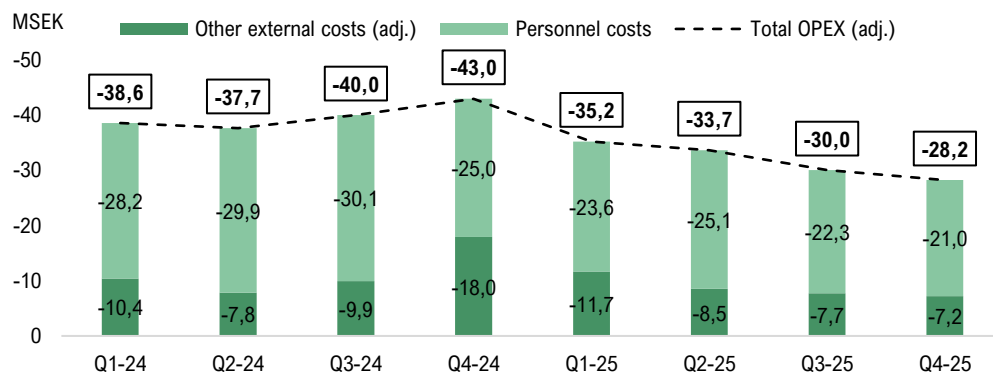
OPEX Broadly in Line: Simplification Plan Executing, but Full Impact Still Ahead (Q2-26)

-34% Y-Y
Adj. OPEX
Q4-25

Irisity reported other external costs of SEK 7.2m (restated: 44.9m) and personnel costs of SEK 21.0m (25.0m) during Q4-25, both broadly in line with Analyst Group's estimates. The restated Q4-24 other external costs was inflated by approx. SEK 26.9m in bad debt provisions and rights issue costs, excluding those items the costs would have amounted to approx. SEK 18m in Q4-24. Thus, the underlying decline Y-Y amounts to approx. 60% Y-Y, reflecting genuine structural improvement from the simplification programme. Personnel costs declined 16% Y-Y and 6% Q-Q, consistent with the reduction in headcount from 76 to 57 FTEs and consultants from 16 to 15. Adjusting for the one-off charges in Q4-24, adj. OPEX declined 34% Y-Y in Q4-25, a clear indication that the streamlining initiatives are materializing in the cost base.

Execution of the Simplification Plan has Yielded Tangible Results.

OPEX adjusted for one-off costs, 2024-2025A



Source: Irisity

On an adjusted EBITDA basis, excluding work performed for own account, other operating income and costs, Q4-25 came in at SEK -13.3m against an Analyst Group estimate of SEK -8.4m. The deviation is predominantly attributable to weaker-than-expected revenue and gross margin rather than cost overruns, suggesting the cost structure is broadly tracking to plan. The simplification programme is expected to reduce OPEX by 30% relative to Q2-25 levels, with the full income statement impact becoming visible from Q2-26. While Analyst Group assesses that the Company has executed well on the streamlining initiatives, as evidenced by the continued reduction in the OPEX base, the full benefit of the executed measures has yet to fully materialize in the P&L. Going forward, Analyst Group will monitor both the pace of remaining cost reductions and, more critically, whether revenue growth is converging at the rate required to approach cash flow neutrality.

-13.3m
Adj. EBITDA
Q4-25

Tightening Liquidity and Significant Restatements Introduce Complexity into the Investment Case

The cash position at the end of Q4-25 amounted to SEK 3.0m and coupled with the remaining available credit line of SEK 9.4m, total available liquidity amounted to SEK 12.4m at year-end. The rights issue of approx. SEK 26.1m gross provided net cash proceeds of approx. SEK 9.4m after set-offs of SEK 16.2m against the Stockhorn Capital AB loans and transaction costs of approx. SEK 0.5m. The OCF for the fourth quarter amounted to SEK -0.5m, positively impacted by WC changes of SEK 9.1m, driven by seasonally strong collections in Q4-25 following the high invoicing activity in H2-25. Analyst Group notes that this dynamic is likely to partially reverse in Q1-26, putting renewed pressure on working capital.

Analyst Group views liquidity as a key area to monitor, as the relatively tight financial position risks diverting management focus away from growth-driving initiatives at a critical point in the Company's transition. The solid invoicing of SEK 28.4m in Q4-25, combined with further cost reductions expected to materialize in H1-26, should contribute to a lower burn rate, though the tight liquidity position remains a substantial risk to monitor.

The report also discloses a set of prior-period restatements with a cumulative net reduction of SEK 77.9m in group equity, relating to adjustments in revenue recognition, goodwill amortization, and foreign exchange translation across earlier periods. While these have been transparently addressed and align the accounts with current standards, Analyst Group notes that they may affect comparability with previously reported figures, particularly when assessing historical trends.

Concluding Remarks About the Report

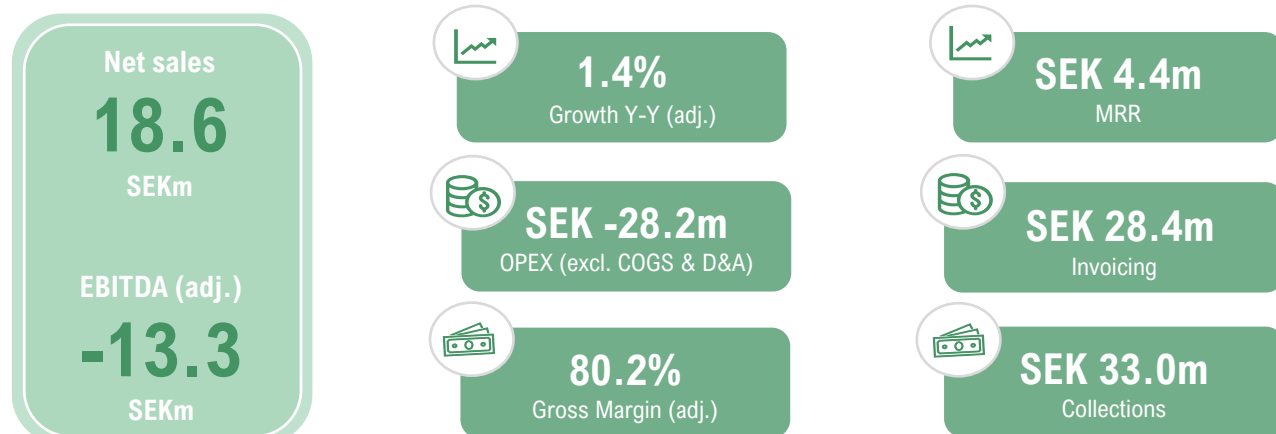
In summary, Analyst Group views Q4-25 as a quarter that marks the completion of a significant transformation, with Irisity entering 2026 as a leaner and more focused organization. With adj. OPEX down 34% Y-Y in Q4-25 and continued sequential MRR growth to SEK 4.4m, the strategic repositioning is yielding tangible results. The revenue outcome of SEK 18.6m fell short of Analyst Group's estimate of SEK 23.0m, though the miss is best understood as a consequence of the deliberate shift away from larger one-off projects toward subscription-based recurring revenue, a transition that compresses near-term recognized revenue while building a more durable long-term revenue base. The key variables going forward are whether the remaining cost reductions materialize in the P&L as expected in Q2-26, and whether the commercial momentum across the U.S., Sweden, Colombia, and Hungary translates into accelerating MRR and invoicing in H1-26. With total available liquidity of SEK 12.4m and a cash position of SEK 3.0m, the financial position leaves limited room for execution delays, and liquidity remains a key area to monitor on the path toward cash flow neutrality.

Overview of Irisity's Q4 report.

Core KPI's for Q4-25

Q4-25

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 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 , including intrusions, trespassing, flames, violence, falls, and unattended objects, as well as rapid search and analysis of record-ed 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+.

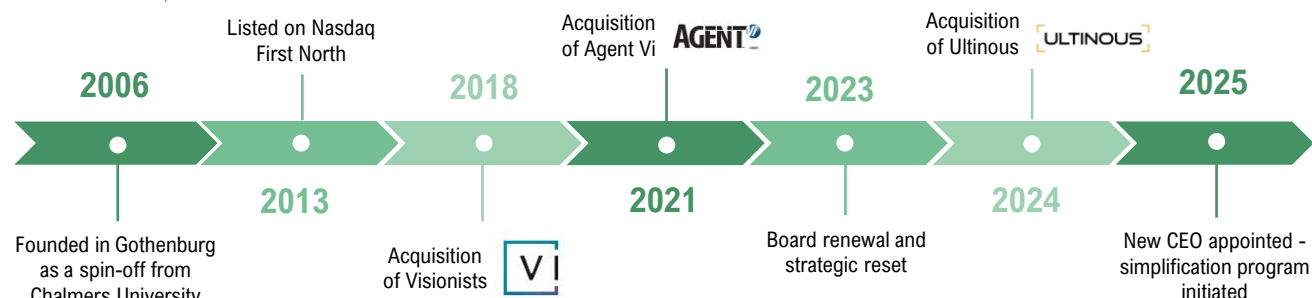
In H1-24, Irisity further strengthened the Company's AI capabilities through the acquisition of Hungarian AI software provider Ultinous Zrt, establishing a new development hub in Budapest. This acquisition supports Irisity's strategic investments in personalized AI solutions, incorporating the latest 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, 2006-2025



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. Across all segments, the Company has sharpened its commercial strategy with a partner-first approach, focusing on strategic partners, VMS integrations, OEM opportunities, and key channel partners to scale more efficiently while reducing complexity in go-to-market execution.

AI Solutions

AI Solutions comprise approx. 45% 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. 5% 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.

AI Solutions Selection of Customers

 TRAFIKVERKET

 Avangrid
GOBIERNO DE LA
REPUBLICA DOMINICANA



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)

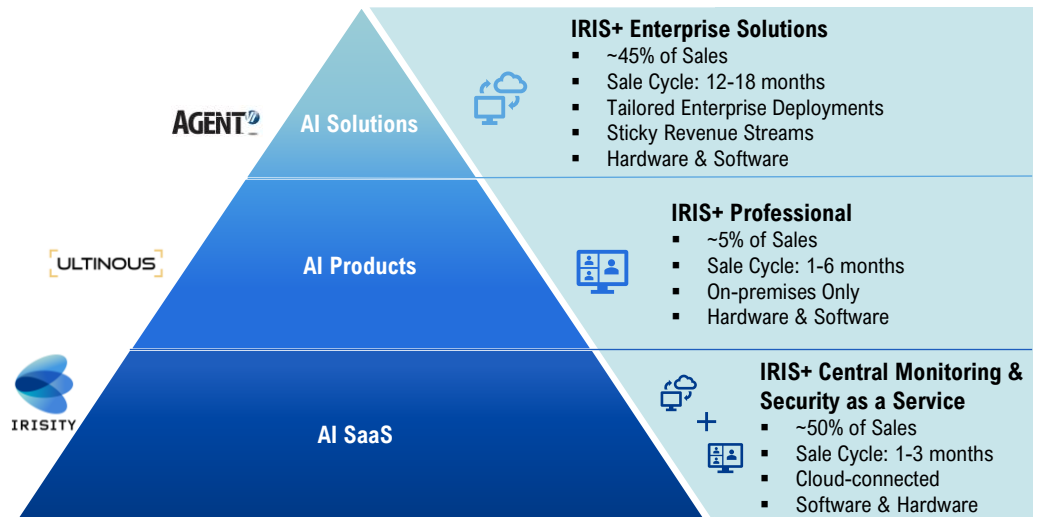
The AI SaaS segment, primarily developed and sold through Irisity AB, accounts for approx. 50% of Irisity's sales and comprises two sub-offerings, Central Monitoring (software only) and Security as a Service (software & hardware), and has the shortest sales cycle among product lines. The Central Monitoring offering 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, particularly within Central Monitoring which requires no 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, solution complexity, 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.

Across All Segments, Irisity Pursues a Partner-First Go-to-Market Approach.

Illustration of Irisity's Three Main Segments



Source: Irisity, Analyst Group (illustration)

AI SaaS Selection of Customers



Security as a Service Selection of Customers



City of
Gothenburg



Södertälje Hamn
HAMN OCH AVFALL



Security as a Service

As part of the AI SaaS segment, 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



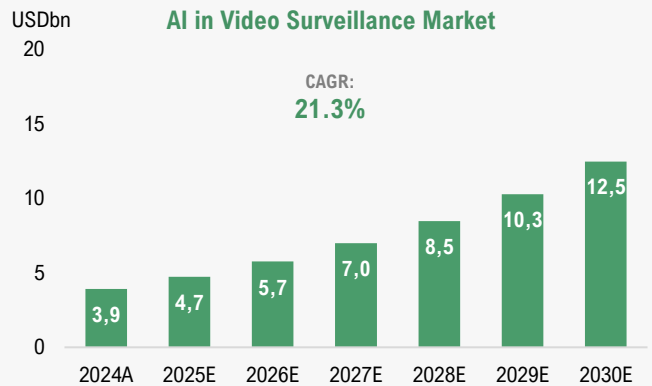
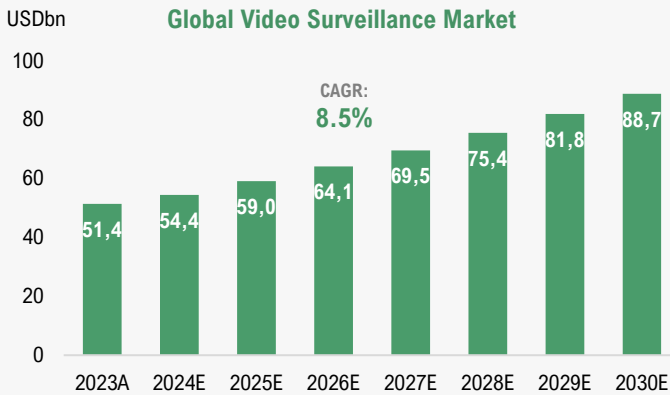
Operating in a High-Growth Market Niche

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 , 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.



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.

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).

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.

Reducing Customers' Operating Expenses

Shift in Legislation Supports Growth Initiatives



Revenue Forecast

Irisity's revenue is derived through three segments: AI Solutions, AI Products and AI SaaS, each with distinct business models, customer profiles, and revenue characteristics. In addition, the Security as a Service sub-offering, reported within the AI SaaS segment, integrates elements from all three main segments, targeting Swedish clients requiring end-to-end security management. As it is challenging to isolate specific sales figures for Security as a Service, we do not forecast explicit sales within this subsegment. Nevertheless, following the removal of the surveillance camera permit requirement in 2025, Analyst Group foresees gradual progression within this subsegment.

Revenue Forecast - AI Solutions

AI Solutions targets complex government entities requiring tailored offerings, with revenue primarily from perpetual software licenses (one-off), support agreements (SUPs), hardware, and installation services. Analyst Group estimates an average revenue of approx. USD 1.3k per customer across approx. 250 channels, with the current customer base close to 70. AI Solutions remains one of Irisity's primary growth focuses for 2026, pursued primarily via partners, with the strongest pipeline currently in South and North America. Recurring revenue from SUPs is projected to approx. 10% of the initial license fee, adjusted for the assumption that not all customers upgrade annually. Currently, AI Solutions constitutes approx. 45% of total sales, a share expected to gradually decrease to around 39% by 2028, as AI Products is estimated to scale at a faster pace.

Tailored Offerings
Creates
Sticky Revenues

Revenue Forecast - AI Products

AI Products represents one of Irisity's key growth areas, with the highest potential for generative AI-driven differentiation, a capability leveraged from the subsidiary Ultinuous. The revenue model combines software and hardware sales in a 3:1 ratio favoring software, with revenue from perpetual licensing and SUPs. Analyst Group estimates average combined revenue per channel of approx. USD 700, with an average of 50 channels per customer and SUP revenue at approx. 10% of the initial license cost. With a partner-first go-to-market strategy and an easily deployable offering for customers with existing surveillance infrastructure, Analyst Group projects strong growth in this segment, albeit from a lower base, representing roughly 5% of total sales in 2025. Analyst Group estimates a gradual increase toward 10% of sales by 2026, with continued scaling toward approx. 20% by 2028.

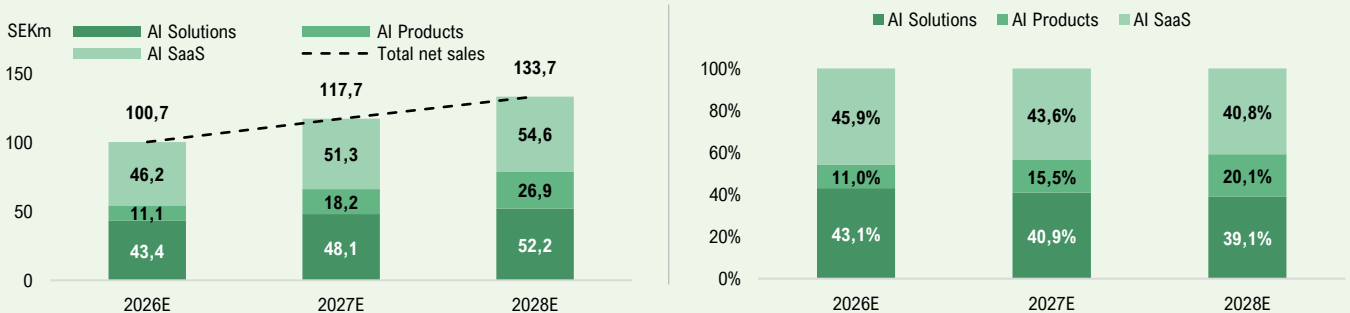
AI Products
Main Growth Segment
2026-2028E

Revenue Forecast - AI SaaS

The AI SaaS segment generates recurring revenue based on the number of channels deployed with Irisity's software. Analyst Group estimates a current customer base in the low hundreds, primarily consisting of central monitoring providers, with an estimated average of 150–200 channels per customer. The MSRP amounts to approx. USD 12 per channel, with Irisity projected to receive around 80% of the MSRP. While the core SaaS offering benefits from short sales cycles and a scalable delivery model, the adjacent Security as a Service subsegment, which involves direct client management and end-to-end service delivery, is inherently more resource-intensive to scale. As a result, growth within this segment is projected to be somewhat lower than overall sales growth, resulting in a gradual reduction in AI SaaS share of total sales, from approx. 50% in 2025 to around 41% by 2028.

Growth is Expected Across All Segments, With the Strongest Y-Y Growth Within AI Products.

Estimated Net Sales per Segment, 2026-2028E



Source: Analyst Group's estimates

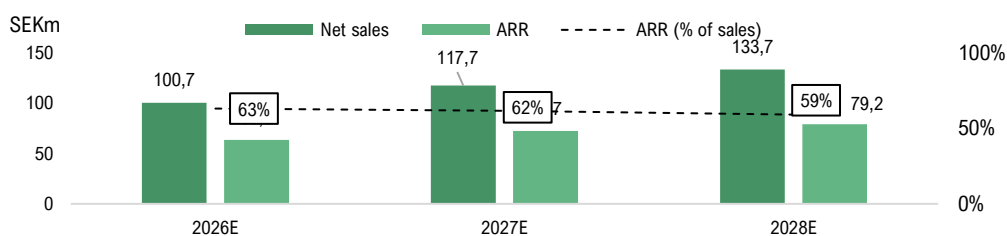
MRR & Recurring Revenue Strategy

Expanding the recurring revenue base is a primary strategic initiative. Irisity's recurring revenues stem from three sources: SUPs, the Security as a Service subsegment, and AI SaaS targeting central monitoring providers. At the end of Q4-25, MRR stood at approx. SEK 4.4m, equivalent to an ARR of approx. SEK 53m. MRR has declined from its peak of SEK 6m in Q4-23, primarily due to intensified competition, pricing pressure on per-channel software sales, and adverse FX effects. However, Q4-25 marked the third consecutive quarter of sequential MRR growth, driven by new customer additions and the phased activation of recent deployments, most notably the Colombia C5 engagement with expansion potential to over 6,000 camera channels over three years.

Solid ARR-Growth is Projected During the Coming Years.

Estimated Net Sales and ARR, 2026-2028E

SEK 79.2m
ARR 2028E



Source: Analyst Group's estimates

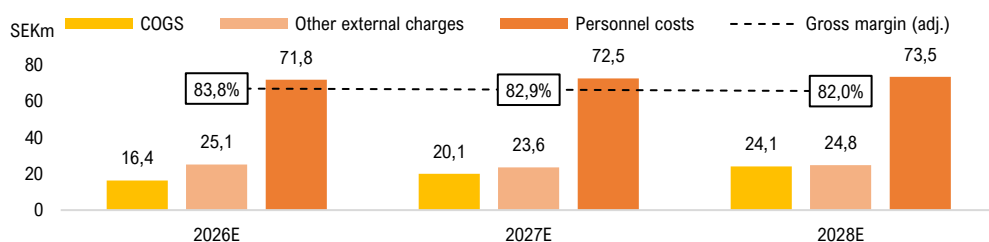
Gross Expenses

Irisity's three segments have a varying degree of software and hardware components, impacting the overall gross margin. Recurring software sales carry a gross margin close to 100%, while AI Products is estimated at approx. 70%, reflecting the 3:1 software-to-hardware ratio. As AI Products is projected to gradually constitute a larger share of total sales, this shift is likely to temper overall gross margin expansion. However, growth in recurring revenue from SUPs and AI SaaS is expected to partially offset this effect. Analyst Group projects a gross margin in the range of approx. 82-84% from 2026 to 2028.

82-84%
Gross Margin
2026-2028E

OPEX-Base Expected to Decline Alongside a Slight Reduction in Gross Margin Between 2026 to 2028.

Estimated Operational Costs (excl. D&A) and Gross Margin, 2026-2028E



Source: Analyst Group's estimates

Operating Expenses

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

The simplification programme announced in Q3-25, targeting SEK 40m in annual savings versus the Q2-25 run rate, was completed during Q4-25. Adj. OPEX declined 34% Y-Y in Q4-25, with personnel costs down 16% Y-Y and underlying other external costs down approx. 60% Y-Y. Headcount decreased from 76 to 57 FTEs and consultants from 16 to 15 at year-end 2025. The full P&L impact of the executed measures is expected to become visible from Q2-26 onwards.

Key drivers of the reduction include streamlined R&D operations consolidated into three leaner hubs, the shift toward a partner-based go-to-market model lowering the need for sales personnel and reducing CAC, and an increased focus on generative AI to accelerate innovation. Analyst Group estimates personnel costs of approx. SEK 72-74m in 2026-2028, compared to SEK 92m in 2025. Other external charges are projected to decrease to SEK 24-25m in 2026-2028, driven by organizational streamlining, including renegotiated rental agreements and lower marketing spend.

Please read our disclaimer at the end of the report

Currency Effects

While headquartered in Sweden, Irisity operates internationally with subsidiaries in Israel, the US, Singapore, and the UAE. In 2024, approx. 82% of net sales were attributable to foreign customers, while around 45% of expenses were incurred in SEK. Irisity primarily prices its offerings in USD and EUR. As the Company does not systematically hedge currency exposure, fluctuations in exchange rates can have a material impact on reported revenue and profitability.

Large Impact
From Currency
Fluctuations

A +/-10% change in SEK/USD exchange rates in 2024, based on the Company's budget, would impact Irisity's operating result by approximately +/- SEK 8.5m, highlighting the potential effect of currency risk on earnings and financial position. Analyst Group does not forecast currency movements, and the net impact remains difficult to assess given Irisity's exposure to multiple currencies across both revenues and costs.

D&A of Goodwill and Capitalized Development Costs

Irisity applies the K3 framework in the Company's financial reporting. D&A of goodwill and capitalized development costs from prior acquisitions (Visionists AB, Agent Vi, and Ultinous) have put significant pressure on EBIT, with D&A expenses ranging from approx. SEK 115–158m p.a. between 2022–2025. In Q4-25, goodwill amortization was restated from 8 years to 5 years in accordance with K3 standard practice, primarily affecting Agent Vi goodwill (~SEK 265m, acquired Q4-21). Agent Vi goodwill is expected to be fully amortized by year-end 2026, while Ultinous runs through 2028. Analyst Group estimates D&A of approx. SEK 140m in 2026, declining sharply to approx. SEK 79m in 2027 as Agent Vi falls away. This step-change materially improves the reported earnings profile from 2027 onward.

D&A From
Capitalized Costs
and Goodwill

R&D Investments

R&D is critical in Irisity's industry, where continuous advancements in machine learning and AI are essential for maintaining a competitive edge. Irisity's recent progress in generative AI, leveraging Ultinous's capabilities, has reduced the development cycle for customer-specific solutions from 3-9 months to 1-4 weeks, substantially enhancing speed and scalability. Analyst Group estimates that the reorganization into three leaner R&D hubs, coupled with generative AI progression, will create a more efficient R&D base, with estimated investments in the range of approx. SEK 14-16m during 2026-2028, compared to approx. SEK 21-28m in prior years.

SEK 14-16m
R&D Investments
2026-2028E

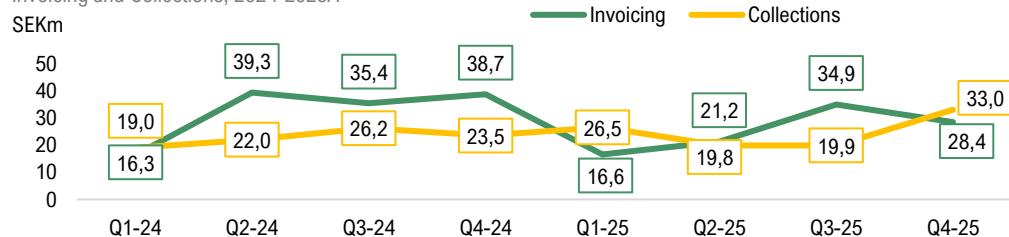
Working Capital

Historically, Irisity's quote-to-cash cycle has been extended, largely driven by a direct sales model with long sales cycles ranging between 12–18 months, as well as multi-year deferred payment structures. As the Company has shifted toward a partner-first go-to-market approach, with shorter sales cycles and faster conversion rates, this dynamic has gradually improved. Cash conversion has been a key area of focus throughout 2025. The invoicing and collections model has been simplified, with the Company moving toward monthly invoicing, replacing prior multi-year deferred payment structures. This implies that these two KPIs should track each other more closely going forward. Nevertheless, we believe that there always will be some fluctuations and timing effects. For example, SUP-revenues are recognized over time, which creates timing differences between invoicing and reported revenue, a normal periodization effect. Additionally, Swedish invoices include 25% VAT, which inflates gross invoicing figures and should be adjusted when compared to net revenue.

Analyst Group estimates that the quote-to-cash cycle will continue to improve as the revenue mix shifts toward partner-driven segments with lower capital intensity.

Cash Flow Impacted by Prior Invoicing-Collections Discrepancy.

Invoicing and Collections, 2024-2025A



Source: Irisity

Summary of the Financial Forecast

Irisity has faced a volatile period in recent years. Reported net sales for FY 2024 (SEK 88.3m) were materially impacted in Q4-24 following revised revenue recognition for several partner contracts, driven by project delays and postponed customer payments. This resulted in a reassessment and reversal of previously recognized revenue. In response, management has refocused on operational execution, and we view 2025 as a transition year with an emphasis on strengthening the underlying business fundamentals. Key initiatives include a shift toward a partner-led go-to-market model to shorten the quote-to-cash cycle, alongside execution of the simplification programme and a reduced cost base aligned with the current sales run rate. Collectively, these measures position the Company for improved scalability, with a gradual path toward profitability and positive cash flow.

We forecast net sales of approx. SEK 101m in 2026, implying growth of 27% Y-Y, supported by low comparables in 2025. Beyond 2026, we expect continued solid growth, reflected in an estimated CAGR of 19% 2026-2028E, with projected sales of approx. SEK 134m in 2028. The estimated growth is primarily driven by AI Products, which are expected to scale rapidly from a low base through the partner-driven model, increasing the share of total revenue from ~5% in 2025 to ~20% in 2028. Additionally, we expect continued growth within AI Solutions and AI SaaS, supported by increasing traction in Latin and North America and continued scaling through strategic partners, VMS integrations, OEM agreements, and key channel partners.

The evolving revenue mix is expected to modestly dilute gross margins from 2026 onwards, as AI Products carry structurally lower margins due to a higher hardware component. This is partly offset by a growing share of recurring revenues, particularly from SUPs and AI SaaS. We estimate gross margins to improve in 2026 versus 2025, before leveling off in the 82–84% range over 2026–2028. Operating expenses (excl. D&A) are projected at SEK 96–98m for 2026–2028, reflecting the full run-rate impact of the simplification programme from Q2-26 onwards.

Looking ahead, Irisity's scalable platform is expected to unlock operating leverage as growth accelerates. While cost discipline remains important, revenue growth is the primary driver toward break-even. We forecast adjusted EBITDA break-even in FY2027E (SEK 1.5m), with free cash flow turning positive in the same year. By 2028, we estimate adjusted EBITDA of SEK 11.3m, corresponding to a margin of 8.4%.

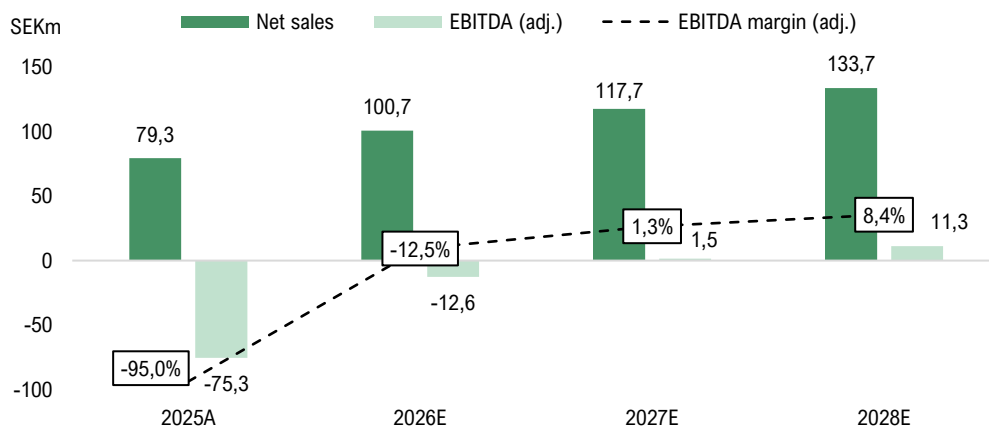
The key near-term risk remains the constrained liquidity position (SEK 12.4m at year-end 2025), limiting execution flexibility. As such, we cannot rule out the need for short-term bridge financing on the path to cash flow breakeven.

19% CAGR
Net Sales
2026-2028E

SEK 11.3m
Adj. EBITDA
2028E

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

Net Sales, EBITDA (adj.) and EBITDA-margin (adj.), 2025A-2028E



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. Given the limited number of publicly traded peers, a supplementary peer group of Nordic SaaS companies is also included in the comparison.

Relative Valuation: AI in the Security Industry

The publicly traded companies within the security sector differ in geographic reach, levels of hardware sales, and specific areas of focus within the sector. However, all peers address the same underlying market transition from traditional surveillance to AI-driven video analytics.



Gorilla Technology Group Inc. (Nasdaq-CM) is a global provider of AI-driven solutions spanning Security Intelligence, Network Intelligence, and IoT. Its capabilities include intelligent video surveillance, facial and license plate recognition, and edge computing. Gorilla serves sectors such as government, transportation, and healthcare, and is the only listed peer currently delivering positive EBITDA.



iCetana Ltd (ASX) is a SaaS company specializing in AI-assisted video surveillance for large-scale networks. The software integrates with existing video management systems and IP cameras to automatically detect anomalous events in real-time. iCetana serves customers across APAC, North America, and EMEA, with a focus on corrections, healthcare, and security services.



Rekor Systems, Inc. (Nasdaq) develops AI-enabled roadway intelligence systems utilizing computer vision and machine learning. The company's Rekor One® platform aggregates and processes large volumes of mobility data into actionable insights. Rekor's solutions are designed to provide governments and businesses with a comprehensive view of roadways, supporting safety and operational efficiency.

Peer Group: AI-Driven Video Analytics and Security Solutions Providers (SEKm, LTM)						
Company	Gorilla Technology	iCetana Ltd	Rekor Systems	Average	Median	Irisity
Mcap	2 927.8	134.6	1 172.1	1 411.5	1 172.1	45.0
EV	2 136.9	121.4	1 421.4	1 226.6	1 421.4	60.7
Sales	944.5	14.2	456.9	471.8	456.9	79.3
Gross Profit	315.7	-12.4	246.5	183.3	246.5	61.2
Gross Margin	33.4%	-87.5%	53.9%	0.0%	33.4%	77.2%
EBITDA	80.7	-23.3	-209.5	-50.7	-23.3	-47.4
EBITDA Margin	8.5%	-164.5%	-45.8%	-67.3%	-45.8%	-83.2%
EV/S	2.3	8.6	3.1	4.6	3.1	0.8
EV/EBITDA	26.5	-5.2	-6.8	4.8	-5.2	-1.3

An examination of the listed peers shows that Irisity is a smaller company in terms of market cap and sales, which motivates a valuation discount. Notably, Gorilla Technology is the only peer currently reporting positive profitability. Although Irisity currently reports negative EBITDA and, consequently, a negative operating margin, the Company has the highest gross margin at 77%, which Analyst Group views as an indicator of strong underlying margin potential, once critical sales volumes are reached, partially offsetting the discount.

Relative Valuation: Nordic SaaS

Given the limited number of publicly listed peers within the AI security industry, Analyst Group has examined a supplementary peer group of Nordic SaaS companies. Although these companies operate in different sectors than Irisity, spanning verticals such as healthcare IT, construction ERP, CRM, document management, and compliance, they share key structural characteristics that Analyst Group believes make them a reasonable basis for comparison. Specifically, the peer group consists of companies with a high share of predictable, recurring revenue streams (ARR), underpinned by high gross margins, resulting in scalable business models with strong long-term profitability potential.

Peer Group: Nordic SaaS (SEKm, LTM)							
Companies	EV	Sales Growth	Gross Margin	EBITDA Margin	EV/S	EV/ARR	EV/EBITDA
Carasent	1539	25%	84%	21%	4.5x	4.7x	21.2x
Admicom	1689	6%	96%	32%	4.1x	4.1x	12.7x
Lime	2803	8%	100%	31%	3.7x	5.6x	12.0x
Upsales	340	5%	100%	25%	2.3x	2.2x	9.1x
Formpipe Software	1275	-54%	100%	-11%	5.3x	5.8x	Neg.
Opter	387	9%	100%	25%	3.9x	4.1x	15.5x
Impero	286	21%	55%	-13%	4.1x	4.3x	Neg.
Average	1188	3%	91%	16%	4.0x	4.4x	14.1x
Median	1275	8%	100%	25%	4.1x	4.3x	12.7x
Irisity	61	-10%	77%	-83%	0.8x	1.1x	Neg.

Despite operating in different end-markets, the peer-group trades at a median EV/S of 4.1x and EV/ARR of 4.3x LTM, demonstrating that the market consistently assigns a structural premium to scalable, high-margin recurring-revenue software businesses. Compared against this peer group, Irisity currently trades at a significant discount, with an EV/S of 0.8x and an EV/ARR of 1.1x LTM. Analyst Group believes that a valuation discount is motivated, as the majority of peers exhibit stronger growth, are profitable, have a larger share of recurring revenues, and carry little to no hardware exposure, factors also reflected in the peer group's average gross margin of 91% LTM. Predictability and profitable cash flows clearly command a premium valuation, but we believe the current discrepancy is too wide.

As Irisity progresses toward projected break-even in FY2027E and the revenue mix continues to shift toward recurring software streams, Analyst Group considers the re-rating potential relative to Nordic SaaS peers to be meaningful. That said, material risks remain: Irisity has yet to demonstrate a track record of profitability and positive cash flow generation, and the Company's constrained liquidity position adds further uncertainty to the timeline.

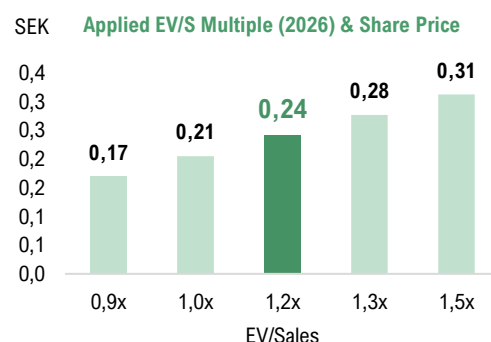
Summary of Valuation

With profitability expected to remain negative through 2026 and break-even projected for 2027, Analyst Group values Irisity on an EV/Sales basis, using the 2026 estimated sales as the foundation, a year we consider more representative of normalized performance than the transitional 2025.

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 a finalized cost base optimization with full effect expected in 2026. 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 operating leverage improves, Irisity is well positioned to grow into the valuation, although there remains much to be demonstrated in terms of both growth execution and cost discipline.

Analyst Group applies an EV/S multiple of 1.2x on FY2026 estimates, reflecting a cautious stance driven by executional delays, softer-than-anticipated sales development, and continued liquidity constraints. Given the applied multiple and estimated net sales for 2026 of SEK 101m, coupled with a discount rate (WACC) of 12.4% and the current capital structure, a potential present value of SEK 0.24 per share is derived. As a cross-check, this corresponds to an implied EV/EBITDA multiple of 8.7x for 2028E, which we consider reasonable given the expected margin improvement following break-even.

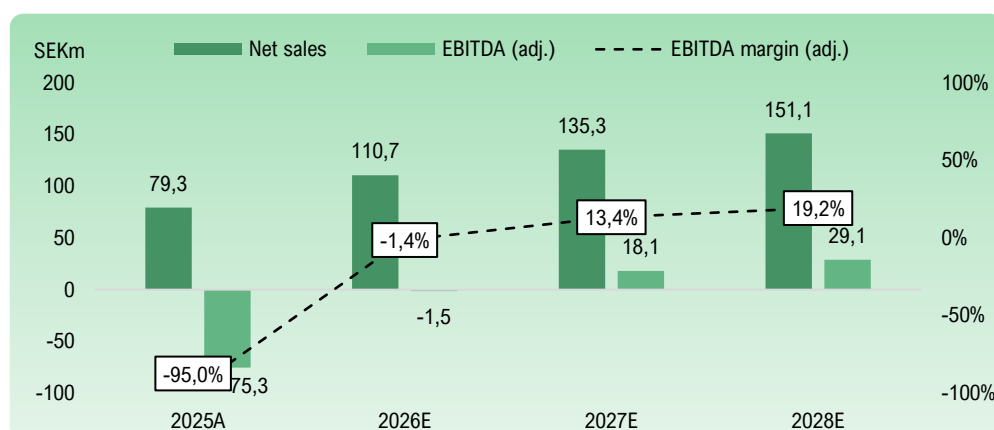
SEK 0.24
Per Share
Base Scenario



Key factors to monitor going forward include Irisity's ability to reaccelerate growth, evidence that the remaining cost savings materialize in the P&L, and continued improvement in the quote-to-cash cycle. Furthermore, the tight liquidity position leaves limited room for execution delays, underscoring the importance of near-term delivery.

Bull Scenario

In a Bull Scenario, Analyst Group estimates that the implemented growth strategy will result in a stronger-than-anticipated growth trajectory, leveraging the partner-based go-to-market strategy to drive sales across all segments, particularly within AI Products. Furthermore, Irisity is expected to increase the proportion of recurring revenues from Software Upgrade Plans (SUP), Security as a Service, and the broader AI SaaS segment, thereby enhancing revenue predictability. In addition, legislative changes in Sweden, which came into effect in mid-2025, are expected to act as a key driver of growth within the recurring revenue base. Combined with stronger-than-anticipated sales growth, robust cost control, and continued operational streamlining, such as more asset-light R&D, this supports a faster path to profitability, thereby unlocking the scalability of the business model. In a Bull scenario, Analyst Group estimates net sales of SEK 111m 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 111m

Applied EV/Sales Multiple

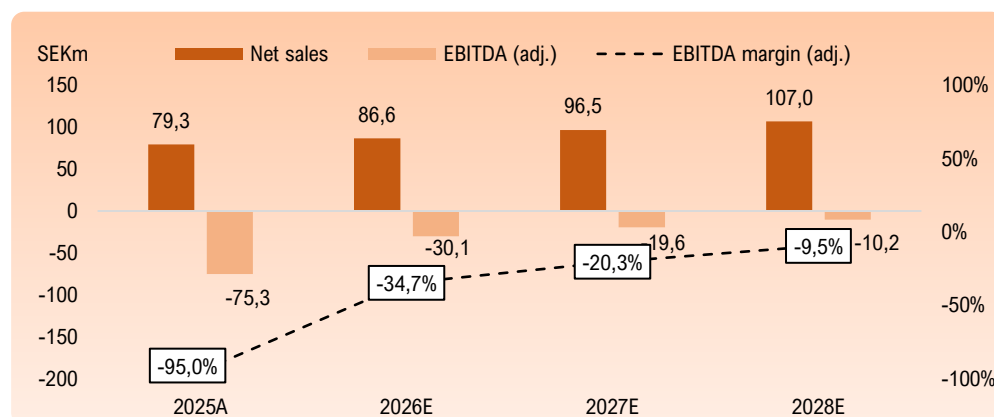
1.5x

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 86.6m for the fiscal year 2026, and, applying an EV/S-multiple of 0.8x, a share price of SEK 0.12 has been derived in a Bear scenario.



Bear Scenario

Estimated Sales 2026E

SEK 86.6m

Applied EV/S Multiple

0.8x

Potential Share Price

SEK 0.12

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: 833 334 + 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: 500 000 + 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: 408 033 + 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: 272 978 + 750 000 warrants

Lucas de Mendoza, Chairman of the board



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: 343 911 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: 221 333 443 shares through Stockhorn Capital AB

Bjørn Skou Eilertsen, Board member



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: 2 054 368

Base Scenario (SEKm)	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Net sales	87.7	117.6	88.4	79.3	100.7	117.7	133.7
Work performed for own account	25.0	28.1	24.4	21.1	16.0	14.0	14.0
Other operating income	8.6	7.1	15.6	6.8	0.0	0.0	0.0
Total income	121.2	152.8	128.3	107.2	116.7	131.7	147.7
COGS	-17.8	-16.6	-21.7	-18.0	-16.4	-20.1	-24.1
Gross profit (adj.)¹	69.8	101.0	66.6	61.2	84.3	97.6	109.6
Gross margin (adj.) ¹	79.7%	85.9%	75.4%	77.2%	83.8%	82.9%	82.0%
Other external charges	-30.1	-40.0	-73.0	-35.2	-25.1	-23.6	-24.8
Personnel costs	-101.6	-100.4	-113.2	-92.0	-71.8	-72.5	-73.5
Other operating costs	-3.7	-12.3	-13.0	-9.3	0.0	0.0	0.0
EBITDA (adj.)¹	-65.6	-51.7	-132.5	-75.3	-12.6	1.5	11.3
EBITDA margin (adj.) ¹	-74.8%	-43.9%	-150.0%	-95.0%	-12.5%	1.3%	8.4%
D&A	-115.4	-124.2	-157.8	-147.9	-139.6	-79.4	-73.4
EBIT (adj.)¹	-181.0	-175.9	-290.3	-223.2	-152.2	-77.9	-62.1
EBIT margin (adj.) ¹	-206.4%	-149.5%	-328.6%	-281.6%	-151.2%	-66.2%	-46.5%
Net financial items	-0.3	-3.3	-4.8	-1.7	-2.0	-1.7	-1.4
EBT (adj.)¹	-181.3	-179.1	-295.1	-224.9	-154.1	-79.6	-63.5
Tax	10.8	11.4	12.1	11.7	0.0	0.0	0.0
Net profit (adj.)¹	-170.5	-167.7	-283.0	-213.2	-154.1	-79.6	-63.5
Net profit margin (adj.) ¹	-194.4%	-142.6%	-320.4%	-269.0%	-153.1%	-67.6%	-47.5%
<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>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>	<i>neg.</i>

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

Bull Scenario (SEKm)	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Net sales	87.7	117.6	88.4	79.3	110.7	135.3	151.1
Work performed for own account	25.0	28.1	24.4	21.1	16.0	14.0	14.0
Other operating income	8.6	7.1	15.6	6.8	0.0	0.0	0.0
Total income	121.2	152.8	128.3	107.2	126.7	149.3	165.1
COGS	-17.8	-16.6	-21.7	-18.0	-17.2	-22.7	-25.7
Gross profit (adj.)¹	69.8	101.0	66.6	61.2	93.6	112.6	125.4
Gross margin (adj.) ¹	79.7%	85.9%	75.4%	77.2%	84.5%	83.2%	83.0%
Other external charges	-30.1	-40.0	-73.0	-35.2	-24.3	-23.1	-24.3
Personnel costs	-101.6	-100.4	-113.2	-92.0	-70.7	-71.4	-72.0
Other operating costs	-3.7	-12.3	-13.0	-9.3	0.0	0.0	0.0
EBITDA (adj.)¹	-65.6	-51.7	-132.5	-75.3	-1.5	18.1	29.1
EBITDA margin (adj.) ¹	-74.8%	-43.9%	-150.0%	-95.0%	-1.4%	13.4%	19.2%
D&A	-115.4	-124.2	-157.8	-147.9	-139.6	-79.4	-73.4
EBIT (adj.)¹	-181.0	-175.9	-290.3	-223.2	-141.1	-61.3	-44.3
EBIT margin(adj.) ¹	-206.4%	-149.5%	-328.6%	-281.6%	-127.4%	-45.3%	-29.3%
Net financial items	-0.3	-3.3	-4.8	-1.7	-2.0	-1.7	-1.4
EBT (adj.)¹	-181.3	-179.1	-295.1	-224.9	-143.0	-63.0	-45.7
Tax	10.8	11.4	0.0	0.0	0.0	0.0	0.0
Net profit (adj.)¹	-170.5	-167.7	-295.1	-224.9	-143.0	-63.0	-45.7
Net profit margin (adj.) ¹	-194.4%	-142.6%	-334.0%	-283.7%	-129.2%	-46.6%	-30.3%
<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>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>	<i>neg.</i>
Bear Scenario (SEKm)	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Net sales	87.7	117.6	88.4	79.3	86.6	96.5	107.0
Work performed for own account	25.0	28.1	24.4	21.1	16.0	14.0	14.0
Other operating income	8.6	7.1	15.6	6.8	0.0	0.0	0.0
Total income	121.2	152.8	128.3	107.2	102.6	110.5	121.0
COGS	-17.8	-16.6	-21.7	-18.0	-17.3	-20.3	-23.5
Gross profit (adj.)¹	69.8	101.0	66.6	61.2	69.3	76.2	83.4
Gross margin (adj.) ¹	79.7%	85.9%	75.4%	77.2%	80.0%	79.0%	78.0%
Other external charges	-30.1	-40.0	-73.0	-35.2	-25.4	-23.3	-22.3
Personnel costs	-101.6	-100.4	-113.2	-92.0	-74.0	-72.5	-71.3
Other operating costs	-3.7	-12.3	-13.0	-9.3	0.0	0.0	0.0
EBITDA (adj.)¹	-65.6	-51.7	-132.5	-75.3	-30.1	-19.6	-10.2
EBITDA margin (adj.) ¹	-74.8%	-43.9%	-150.0%	-95.0%	-34.7%	-20.3%	-9.5%
D&A	-115.4	-124.2	-157.8	-147.9	-139.6	-79.4	-73.4
EBIT (adj.)¹	-181.0	-175.9	-290.3	-223.2	-169.6	-99.0	-83.6
EBIT margin(adj.) ¹	-206.4%	-149.5%	-328.6%	-281.6%	-195.9%	-102.6%	-78.2%
Net financial items	-0.3	-3.3	-4.8	-1.7	-2.0	-1.7	-1.4
EBT (adj.)¹	-181.3	-179.1	-295.1	-224.9	-171.6	-100.7	-85.0
Tax	10.8	11.4	0.0	0.0	0.0	0.0	0.0
Net profit (adj.)¹	-170.5	-167.7	-295.1	-224.9	-171.6	-100.7	-85.0
Net profit margin (adj.) ¹	-194.4%	-142.6%	-334.0%	-283.7%	-198.2%	-104.4%	-79.4%
<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>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>	<i>neg.</i>

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

USD/SEK as of 2026-03-27

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Other

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