



IRISITY

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Press release 13 November 2019, 17:31 (CET)

Irisity announces intention of directed new share issue

Irisity AB (publ) (“Irisity” or the “Company”) today announces its intention of a directed new share issue of approximately SEK 30 million (the “New Share Issue”). The New Share Issue is directed to Swedish and international institutional investors and is subject to approval at an extraordinary general meeting, expected to be held on 16 December 2019. Irisity has engaged Pareto Securities AB (“Pareto Securities”) to investigate the conditions for a new issue of shares through a so-called accelerated bookbuilding.

The subscription price and allocation of shares in the New Share Issue will be determined through an accelerated bookbuilding procedure, which will begin no earlier than 17:31 (CET) today, 13 November 2019, and end before the commencement of trading on Nasdaq First North Growth Market on 14 November 2019. The bookbuilding procedure, determination of the subscription price and allocation may, at the discretion of the Company or Pareto Securities, close earlier or later and may be cancelled at any time and consequently, the Company may refrain from completing the New Share Issue. On closing of the bookbuilding procedure, The Company will inform the outcome of the New Share Issue via press release.

After closing the bookbuilding procedure, the New Share Issue is subject to approval by an extraordinary general meeting, scheduled to be held on or about 16 December 2019.

Irisity has received a voting undertaking from larger shareholders representing approximately 7.6 million shares corresponding to approximately 40 percent of the outstanding capital and votes to vote in favour of the New Share Issue at the extraordinary general meeting, scheduled to be held on or about 16 December 2019.

Background and rationale

Irisity is in a phase of expansion and the New Share Issue is intended to strengthen the Company’s financial stability and will be used to grow the organization within research and development, marketing, and service. The proceeds from the New Share Issue is expected to be enough to take the Company to cash flow positive given the current business plan.

The reason for the deviation from the shareholders’ preferential rights are mainly to diversify the shareholder base in the Company among Swedish and international institutional investors

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and simultaneously time take advantage of the opportunity to raise capital in a time- and cost-efficient manner.

In connection with the New Share Issue, members of the Board and persons of the management holding shares and/or warrants have undertaken not to sell any shares in Irisity for a period of 90 calendar days after the announcement of the outcome of the New Share Issue, with customary exceptions.

Transaction between the Company's CTO and the Company's second largest shareholder

The Company's CTO, Erik Landolsi, has agreed to sell 180,000 shares through his fully-owned company, Pixelwise Holding AB, to Ulf Runmarker, one of the Company's largest shareholders. The proceeds from the sale will be used to fulfill commitments made regarding bonus payments to employees of Visionist in connection with the Company's acquisition of Visionist in 2018. The purchase price in the transaction will correspond to the subscription price in the New Share Issue.

Advisers

Pareto Securities is acting Sole Manager and Bookrunner and Advokatfirman Vinge is legal adviser to the Company in connection with the New Share Issue.

For additional information, please contact:

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About Irisity

Irisity AB (publ) is a leader in intelligent camera surveillance. Using AI and proactive, self-learning algorithms, we upgrade both existing and new surveillance cameras and monitoring systems from passive to proactive alarming devices. IRIS™, Irisity's SaaS solution, turns attention on true events rather than false alarms. Irisity's high-precision AI algorithms detect human activity at long distances during all light conditions down to 10 pixels only.

IRIS™ currently serves a wide range of security applications for hundreds of clients throughout Scandinavia; including schools, overnight monitoring of the elderly in their homes, car parks, critical infrastructure and various types of protective areas.

Irisity act in a turbulent world in which surveillance sentiment has transformed from being questioned as a integrity threat to an obvious safety factor. Through an ambitious growth strategy in one of the world's largest and most rapidly expanding industry sectors, Irisity is investing in new innovation and expanding the IRIS™ SaaS offer internationally.

Video: <https://www.youtube.com/watch?v=KQikmTVqajM>

Irisity AB (publ) is listed on Nasdaq First North Growth Market Sweden.

Erik Penser Bank (+46 8 463 83 00) is Certified Adviser to Irisity.

This information is such that Irisity AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact persons above, on 13 November 2019 at 17:31 (CET).

Important information

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision to buy or subscribe for new shares in the New Share Issue must be made solely on the basis of publicly available information, which has not been independently verified by Pareto Securities AB (the "Manager"). The Manager is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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