



Pressrelease 2021-09-02

Irisity AB (publ) acquires Agent Vi, a leader in AI-powered video analytics.

Irisity AB (publ) has today entered into an agreement to acquire 100 percent of the shares of Agent Vi, a leading provider of AI-powered video analytics. The consideration of USD 67,5M will be paid partly in cash USD 8M and partly in Irisity shares USD 59,5M. The merger creates a global leader in advanced AI video analytics for security and surveillance with unrivaled capabilities and product portfolio.

Agent Video Intelligence (Agent Vi), headquartered in Israel with offices in the United States and Singapore, is a leading provider of AI-powered video analytics solutions operating worldwide through a network of resellers and global partnerships, and with a world-class development team.

The merger creates one of the largest and most significant global providers of advanced AI-based video analytics solutions for improved security and safety. With strong partnerships including G4S and Securitas, and employees in Sweden, Israel, the United States and Singapore, together with an unmatched product portfolio, the combined entity is at the vanguard of advanced video analytics.

“We are very happy in welcoming this successful team to Irisity. Agent Vi has built a truly market-leading brand and global presence. We are impressed by both the team and the technology”, says Marcus Bäcklund, Irisity CEO.

Agent Vi has a large number of resellers and thousands of deployments in more than 90 countries, as well as partnership deals with security giants including Securitas. The total revenue 2020 was USD 6,1M, with EBITDA USD -0,4M and net profit USD 0,3M. The acquisition is expected to contribute with revenue exceeding USD 12M for the coming twelve months and is expected to contribute to positive cash flow on an annual basis in 2021.

“We are extremely proud of and excited about the prospects of the combined Irisity-Agent Vi future, and we look forward to our joint journey with expanded geographical coverage and stronger power of execution”, says Itsik Kattan, Agent Vi CEO.

Being of equal size, with complementary customer sets and geographical coverage, and both companies having an ambitious growth agenda, the merger is expected to unleash synergy effects within product development, technology, marketing, and sales.

“This acquisition is in line with our strategy and ambition building a market leader. We believe both companies complement each other in all important dimensions, management, product, and market as well as technology. Together we have an even stronger position serving an accelerating international demand for high precision analytics, continuously building shareholder value.”, says Lennart Svantesson, Irisity Chairman.

“The combination of Irisity and AgentVi will create an AI-enabled video analytics powerhouse, with unmatched capabilities and reach. I'm proud to be joining forces with such an accomplished and experienced team led by Irisity's CEO, Marcus Backlund, and its Chairman, Lennart Svantesson. I expect that our customers and shareholders will benefit greatly from this acquisition.”, says Dorian Barak, Agent Vi Chairman.

The security industry is undergoing a significant technology-based transformation providing opportunities to reach new levels of efficiency and customer value. Irisity takes the lead in this digitalization by developing the best and most advanced video security solutions with agile algorithms for customers worldwide.



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The transaction in brief:

The purchase price on cash- and debt-free basis amounts to USD 67,5M will be paid with USD 8M in cash and USD 59,5M in Irisity shares. Irisity intends to conduct a directed share issue to institutional investors with deviation from the shareholders' pre-emption rights to partly finance the cash consideration and partly to strengthen the company's working capital position subject to the approval from an extraordinary shareholders meeting. Issuance of the Consideration Shares will be resolved following an authorization from an extraordinary shareholders meeting.

The purchase price for Agent Vi's all outstanding shares on a cash- and debt-free basis and under the assumption that the working capital at closing equals the normalized working capital amounts to USD 67,5M. The purchase price will be paid by issuance of the Consideration Shares and the remaining purchase price will be paid in cash.

The acquisition is subject to the Company's board of directors' resolution on the directed share issue being approved by the Extraordinary Shareholders Meeting and a resolution from the Extraordinary General Meeting authorizing the Board of Directors to resolve on the issuance of the Consideration Shares. Additional information regarding the directed share issue will be announced shortly after the publishing of this press release. The Acquisition's completion is expected to take place no later than in October 2021 provided that all conditions for completion are met. Agent Vi will be consolidated into Irisity upon completion of the acquisition.

About Agent Vi

Agent Video Intelligence (Agent Vi™) is the leading global provider of AI-powered open architecture video analytics solutions. Agent Vi's comprehensive offering includes software products for automatic analysis of live or recorded surveillance video, allowing real-time detection of events of interest, and quick extraction of events and data from recorded video. Agent Vi's solutions can be deployed on-premise on the customer's infrastructure, or delivered as a cloud-based SaaS, and are fully integrated with a variety of third-party cameras, encoders, video management systems and alarm automation software

Agent Vi operates worldwide through a network of resellers and local branches in Israel, USA and Singapore. Its products have been deployed in thousands of security assets in key markets such as Smart Cities, Utilities, Transportation, Central Monitoring Stations and more.

Advisers

Irisity has appointed Erik Penser Bank as financial advisor. S. Horowitz&Co and Advokatfirman Vinge KB are acting as legal advisers and EY acts as financial and tax due diligence adviser to Irisity in connection with the transaction.



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This information is information that Irisity AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 18:26 CET on September 2, 2021.

About Irisity

Irisity AB (publ) is a leader in intelligent camera surveillance. We develop deep learning powered algorithms upgrading both existing and new surveillance cameras and security systems into proactive intelligent devices. IRIS™, our fully cloud based SaaS solution, detect with high precision unwanted activity and behavior at long distances.

Staying at the forefront of technology innovation we continue developing agile algorithms providing the best possible security solutions for clients worldwide.

The Irisity AB (publ) share is listed on Nasdaq First North Growth Market, with the ticker IRIS
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