



**IRISITY**

Pressrelease 2021-09-02

## IRISITY CARRIES OUT A DIRECTED NEW SHARE ISSUE OF SEK 130 MILLION, CONDITIONAL ON APPROVAL FROM THE EXTRAORDINARY SHAREHOLDERS' MEETING.

Irisity AB (publ) ("Irisity" or the "Company") has resolved on a directed new share issue of 2,700,000 shares conditional on approval granted by the extraordinary shareholders' meeting (the "Directed New Share Issue"). The subscription price of the shares in the Directed New Share Issue amounts to SEK 49 per share. Through the Directed New Share Issue, Irisity will receive proceeds amounting to approximately SEK 130 million before deduction of transaction costs. The issue proceeds will be used as part of the financing of the acquisition of Agent Video Intelligence Ltd ("Agent") (the "Acquisition") whilst the remaining purchase price will be paid in newly issued shares in Irisity which the Company announced earlier today. A large number of Swedish and international institutional investors, including a mutual fund managed by the Asset Management of German bank Joh. Berenberg, Gossler & Co. KG (Berenberg), Tin Fonder, Handelsbanken Fonder and Lannebo Fonder, participated in the Directed New Share Issue.

The board of directors of Irisity has resolved on a Directed New Share Issue of 2,700,000 shares conditional on approval resolved by the extraordinary shareholders' meeting estimated to be held on September 20 2021. Further the extraordinary shareholders meeting will take a resolution to authorize the board of directors to issue the consideration shares to the sellers of Agent in connection with the completion of the Acquisition. Notice of the extraordinary shareholders' meeting will be published through a separate press release.

A large number of Swedish and international institutional investors, including a mutual fund managed by the Asset Management of German bank Joh. Berenberg, Gossler & Co. KG (Berenberg), Tin Fonder, Handelsbanken Fonder and Lannebo Fonder, participated in the Directed New Share Issue. The subscription price in the Directed New Share Issue is SEK 49 per new share and has been determined through an accelerated bookbuilding procedure carried out by the Company's financial advisor Erik Penser Bank AB ("Penser Bank"), why it is the board of directors' assessment that the subscription price is in accordance with market terms and conditions. The subscription price in the Directed New Share Issue constitutes a discount of approximately 6 per cent compared to ten days VWAP as of September 2, 2021. The net proceeds from the Directed New Share Issue are intended to be used to finance the cash part of the purchase price in the Acquisition, transaction costs and working capital needs. For further information regarding the funding of the Acquisition, see separate press release with the headline "Irisity AB (publ) acquires Agent Vi, a leader in AI-powered video analytics" which was announced earlier today.

The reasons for the deviation from the shareholders' preferential rights was to raise capital in a time and cost efficient manner and further to diversify the ownership base in the Company among Swedish as well as international institutional and reputable investors. Given that the subscription price in the Directed New Share Issue was determined through an accelerated bookbuilding procedure, it is the board of directors' assessment that the subscription price has been determined at market terms and conditions.

Payment from the investors and delivery of untraded BTAs in the Directed New Share issue is expected to occur on September 7, 2021. Conversion from BTA to traded shares in Irisity is expected to occur around September 30, 2021.

Through the Directed New Share Issue, the number of outstanding shares and votes will increase by 2,700,000 from 25,840,904 to 28,540,904. The share capital will increase by SEK 243,000, from SEK



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2,325,681.36 to SEK 2,568,681.36, corresponding to a dilution of approximately 6 per cent of the number of shares and votes in the Company.

Large institutional shareholders and management, has undertaken, with certain customary exceptions, not to sell the newly issued shares received as consideration in the Acquisition for a certain period after the closing date. For management and key personnel in Agent, the lock-up period is 24 months from the closing date, for large shareholders, the lock-up period is 12 months from the closing date. The lock-up agreements allow off-market transactions after six months.

Two large shareholders lock-up in Agent was waived, due to their difficulty in owning Swedish publicly traded shares, and they have entered into sales agreements regarding the majority of their shares in connection to the Directed New Share Issue. (for further information regarding the Acquisition, see separate M&A-press release which was released earlier today).

### Advisers

Penser Bank is acting as Sole Manager and Bookrunner, Advokatfirman Vinge is legal counsel to the Company in connection with the Directed New Share Issue.

This information is such information as Irisity AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on September 2, 2021 at 23:45 CET.

### 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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### Important information

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. IRISITY has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.



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#### Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Undue reliance should not be placed on the forward-looking statements in this press release. The information, opinions and forward-looking statements contained in this press release speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or First North Growth Market rule book for issuers.

#### Information to distributors

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Security Beyond Human Intelligence



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Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in IRISITY have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment").

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in IRISITY may decline and investors could lose all or part of their investment; the shares in IRISITY offer no guaranteed income and no capital protection; and an investment in the shares in IRISITY is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Bookrunner will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in IRISITY.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in IRISITY and determining appropriate distribution channels.