

Irisity AB (publ) is exploring the conditions for conducting a directed issue of approximately MSEK 35.

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Irisity AB (publ) ("Irisity" or the "Company") has engaged Erik Penser Bank AB ("Erik Penser Bank") to explore the conditions for conducting a directed issue of approximately MSEK 35 (the "Directed Issue") through an accelerated book building procedure. Irisity's Chairman of the Board of Directors, Ulf Runmarker, and the Board members Anders Trygg and Christian Andersson have, directly or indirectly (privately and/or via companies), committed to subscribe for shares in the Directed Issue for an amount totaling approximately MSEK 16. The Directed Issue is subject to approval by an extraordinary general meeting expected to be held on or about 10 October 2023.

With a strategic focus on fast-tracking the company's path to profitability, the proceeds will primarily be used to strengthen the company's working capital and otherwise be allocated for enhancing operational efficiencies and revenue streams to achieve profitability. This includes strengthening the balance sheet to build financial resilience with focus on profitable projects while reducing reliance on external financing, and to invest in high-impact growth initiatives including customized R&D and marketing to accelerate market penetration and generate higher returns.

The subscription price in the Directed Issue shall be determined through an accelerated book building procedure arranged by Erik Penser Bank, commencing immediately after the publication of this press release and expected to be completed before trading commences on Nasdaq First North Growth Market on 22 September 2023. The outcome of the Directed Issue will be announced immediately after the completion of the accelerated book building procedure. The timing of closing, pricing, and allocation will be determined by the Company, which may at any time decide to cancel, shorten, or extend, as well as, wholly or partly, refrain from completing the Directed Issue.

Irisity's Chairman of the Board of Directors, Ulf Runmarker, and the Board members Anders Trygg and Christian Andersson have, directly or indirectly (privately and/or via companies), committed to subscribe for shares in the Directed Issue for an amount totaling MSEK 16. The Directed Issue is conditional upon approval by an extraordinary general meeting by a majority of 9/10 of both the votes cast and the shares represented at the extraordinary general meeting. Assuming that the Board of Directors decides to implement the Directed Issue, the extraordinary general meeting is expected to be held on or about 10 October 2023.

The Company's Board of Directors has conducted a comprehensive assessment and carefully considered the option of raising capital through a rights issue. However, considering the current market conditions, the Board of Directors believes that, for example, it would pose a risk to the Company's ability to meet its capital needs and maintain an optimal capital structure. The reasons for deviating from the shareholders' pre-emptive rights are therefore (i) that the Directed Issue can be carried out in a more time-efficient manner and at a lower cost and with less complexity than a rights issue, (ii) to diversify the Company's shareholder base with mainly Swedish funds as well as professional and qualified investors, which is expected to strengthen Irisity's long-term ability to implement the Company's growth strategy, and (iii) considering the current market conditions and the market volatility observed, the Board of Directors has assessed that a rights issue would likely require significant underwriting from an underwriting consortium, which would incur additional costs and/or further dilution for shareholders depending on the type of consideration paid for such guarantee commitments, particularly considering the total proceeds of the Directed Issue. Moreover, a rights issue would likely be conducted at a lower subscription price, given the discount levels for rights issues recently seen in the market. The Board of Directors' overall assessment is that the reasons for implementing the Directed

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Directed Issue

Issue with deviation from the shareholders' pre-emptive rights outweigh the reasons justifying the main rule that new share issues should be carried out with pre-emptive rights for shareholders and that an issuance of new shares with deviation from the shareholders' pre-emptive rights is in the interest of Irisity and all shareholders.

As the subscription price in the Directed Issue is intended to be determined through an accelerated bookbuilding procedure, the Board of Directors' assessment is that the subscription price in the issuances reflect market terms and conditions.

Advisors

Irisity has engaged Erik Penser Bank and Advokatfirman Vinge KB as financial and legal advisers in connection with the Directed Issue.

For further information:

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This information is such information that Irisity AB (publ) is obliged to make public according to the EU's market abuse regulation. The information was submitted for publication, through the above contact person, at 17:31 CEST on 21 September 2023.

Important information

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Forward-looking statements

The matters discussed in this press release may include forward-looking statements. Forward-looking information is all statements that do not relate to historical facts and events and are forward-looking statements attributable to the future and may include expressions such as "believes", "estimates", "expects", "assesses", "expects", "estimates", "expects", "intends", "may", "will", "shall", "should", "according to estimate", "is of the opinion", "receives", "plans", "continues", "potential", "calculates", "forecasts", "to the best of its knowledge", or similar expressions. This applies in particular to statements concerning future results, financial position, cash flow, plans, and expectations regarding the Company's business and management, future growth, and profitability, as well as the general economic and regulatory environment and other circumstances affecting the Company, many of which, in turn, are based on further assumptions, such as no changes in existing political, legal, tax, market, or economic conditions or applicable laws (including, but not limited to, accounting principles, accounting policies, and tax policies), which, individually or together, could be significant for the Company's results or its ability to conduct its business. Although the Company believes that these assumptions were reasonable when made, they themselves are subject to significant known and unknown risks, uncertainties, unforeseen events, and other important factors that are difficult or impossible to predict and that may be beyond the Company's control. Such risks, uncertainties, unforeseen events, and other important factors may cause actual events to differ materially from the expectations expressed or implied in such forward-looking statements.

Accordingly, prospective investors should not place undue reliance on the forward-looking information herein.

The information, opinions, and forward-looking statements found in this press release apply solely as of the date of this press release and may be subject to change without notice. Neither the Company nor any other undertakes to review, update, confirm or publicly announce any revisions to any forward-looking statement to reflect events that occur or circumstances that arise regarding the content of this press release.

About Irisity

Irisity AB (publ) is a world-leader in AI-powered video analytics solutions for enhanced safety and security. As of October 13, 2021, Agent Vi is part of Irisity. Founded in 2006, Irisity has offices in Sweden (HQ), Israel, North and South America, UAE, Denmark, Japan and Singapore. The combined company is serving a network of integrators, distributors, and technology partners globally.

The Irisity AB (publ) share is listed on Nasdaq First North Growth Market, with the ticker IRIS, Certified Adviser: Erik Penser Bank AB +46 8 463 83 00 certifiedadviser@penser.se