

Q3

Irisity AB (publ)  
INTERIM REPORT

July - September 2023



Building the world leader in security  
video analytics

- Keven Marier

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This is a translation of the Swedish version of the interim report. When in doubt, the Swedish wording prevails



# 01

## THE GROUP'S SUMMARY OF THE PERIOD

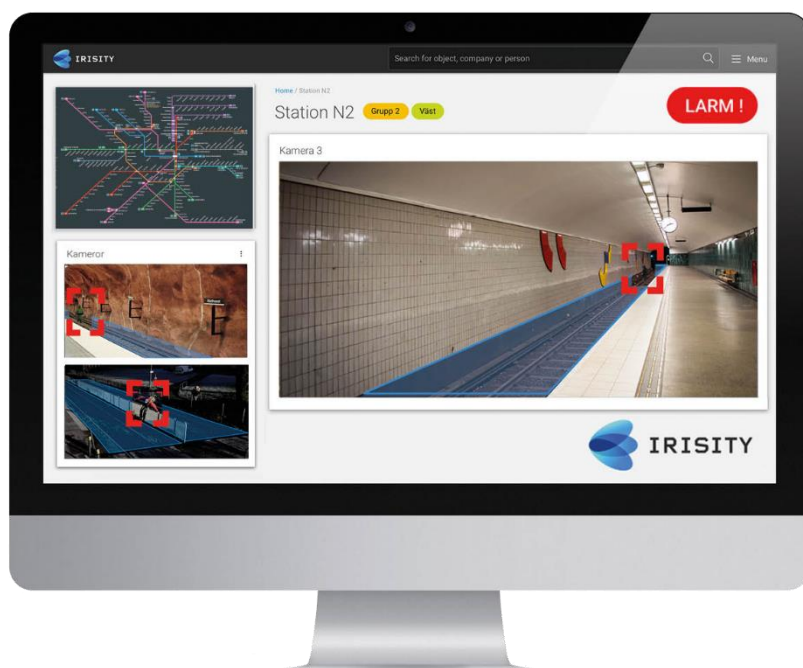


## 1 July – 30 September 2023

- Net sales amounted to MSEK 32.3 (13.3).
  - Work performed for own account amounted to MSEK 9.6 (3.9).
  - Gross margin amounted to 82.4 percent (67.6).
  - EBITDA amounted to MSEK 1.4 (-14.0).
  - Result after tax amounted to MSEK -32.1 (-40.5).
  - Cash and available credit lines at the end of the period was MSEK 4,8 <sup>(\*)</sup> (38.0).
  - MRR at the end of the quarter amounted to MSEK 4.5 (4.5) Q/Q.
- (\*) 39.0 MSEK has been added to liquid funds after the end of the period from the directed issue approved by the annual general meeting.

## 1 January – 30 September 2023

- Net sales amounted to MSEK 90.0 (75.2).
- Work performed for own account amounted to MSEK 21.4 (13.2).
- Gross margin amounted to 83.4 percent (78.1).
- EBITDA amounted to MSEK -3.7 (-17.6).
- Result after tax amounted to MSEK -93.2 (-92.7).



# A WORD FROM THE CEO:

## *Fast tracking Irisity's path to profitability*

### **Return to YoY growth**

We are pleased to announce our third-quarter outcomes, which are in line with our revenue projections, achieving 32.3 MSEK in net sales corresponding to a year-over-year growth of 143%. Concluding the first three quarters of 2023, our net sales have climbed to 89.98 MSEK from 75.20 MSEK, a 19% year-over-year increase. During this period, we have successfully developed our leadership, sales, and financial operations into highly efficient teams. Which is strategic to accelerating Irisity's progress toward enduring profitability and positive cash flow operations.

### **Operational performance milestones**

We have achieved a second consecutive quarter of positive EBITDA, while continuing to uphold a robust gross margin.

Our current financial position includes cash and credit facilities totaling 31.4 MSEK, which encompasses the recent directed share issue of 39 MSEK resolved at the EGM on October 10. The net result was negative because of large amortization of goodwill and intangible assets after the acquisition of Agent Vi.

### **Enhanced communication**

Moving forward, we are sharing information on key projects and strategic partnerships through regular updates in between our reporting periods. This effort is to ensure that our stakeholders are well-informed about our progress and the initiatives that drive our growth. For example, our recent partnerships with Protek S.R.L in Paraguay, Venses Technology in Brazil, and Idata Technology in Chile are pivotal to our expansion strategy. These collaborations are targeted at advancing the penetration of our IRIS+ platform in smart cities and vital infrastructure projects, reflecting our proactive approach to meet the growing demand for advanced AI security solutions.

### **Fortifying financial operations**

In the quarter, we also successfully concluded a directed share issue, raising 39 MSEK, which reflects robust investor confidence. The third quarter saw the

welcome reappointment of Anna Forsberg as Irisity's interim CFO. With her extensive experience as our former interim CFO, she has promptly realigned our financial team and operations with our strategic priorities, significantly aiding our rapid progression toward profitability and improved cash flow. To facilitate this, we are implementing three main improvements to our financial operations: enhancing cash flow budgeting, forecasting, and management; improving detailed operational reporting and management of key performance indicators; and streamlining our subsidiary financial control.

### **Strong long-term outlook**

The current global events have underscored the importance of robust security solutions. This has led to a heightened awareness and an expected long-term corresponding uptick in demand for advanced AI enabled technologies. Irisity's intelligent, machine-learning-driven algorithms stand at the vanguard of this shift, offering adaptable and responsive solutions suited for today's challenging environments.

As reported in the market update on November 7 we maintain our fourth-quarter guidance of 37-42 million SEK, but with the caveat that unfolding events could potentially affect our ability to meet these targets.

Our commitment to the safety and well-being of our employees, customers, and partners remains paramount. As we closely monitor the evolving situations, we are poised to respond proactively to ensure uninterrupted service and support. In the spirit of transparency, we will continue to provide updates as more information becomes available.

Sincerely,

**Keven Marier**  
Chief Executive Officer, Irisity  
Gothenburg, 2023-11-14





# 02

## SALES & RESULTS

Sales and results, Group (KSEK)	July - September 2023	July - September 2022	January - September 2023	January - September 2022
Net sales	32,311	13,268	89,987	75,194
Work performed for own account	9,569	3,949	21,354	13,242
Other operating income	2,056	5,357	5,431	8,463
EBITDA	1,390	-13,998	-3,723	-17,570
EBIT	-34,249	-43,081	-99,307	-100,621
Operating margin %	neg	neg	neg	neg
Result after financial items	-35,178	-43,407	-101,893	-100,672
Result for the period	-32,119	-40,549	-93,168	-92,671

### Irisity in brief

Irisity is a leading provider of AI-powered video analytics solutions. We develop innovative software upgrading ordinary security cameras to intelligent detection devices, while safeguarding personal privacy. Irisity currently serve customers in more than 90 countries and has active presence in Sweden, USA, Israel, Singapore, UAE, Brazil, Colombia, Denmark and Germany. We operate through a network of resellers, partners, OEMs, Central Monitoring providers (security companies) and camera manufacturers globally.

### Products and services

Irisity's technology safeguards people and assets by detecting incidents in real time. This includes the detection of events such as intrusions, trespassing, flames, violence, falls, and unattended objects, as well as rapid search and analysis of recorded video, and extraction of statistical data. Irisity ensures ethical guarding without infringement on personal privacy by offering all functionality with patented real-time anonymization technology.



Central Monitoring



Smart & Safe Cities



Rail & Transportation



Education & Public



Critical Infrastructure



Health & Elder Care



Construction



Custom Solutions



## **Recalibrated Americas expansion**

During the quarter, we undertook a strategic realignment of our sales framework to establish a basis for additional geographic expansion, augmented customer engagement, and fortified sales achievements. In the Americas, we have segmented the market into North America, which includes the United States and Canada, under the leadership of the Vice President of Sales for the Americas, Miki Schwartzberg. In parallel, in Central and Latin America, we have elevated JP Souza to the position of Vice President of Sales for CALA.

These strategic changes have yielded a strengthened third quarter in North America, attributed to growth with our central monitoring clients and targeted sales drives on U.S. state government projects. In Central and Latin America, we have initiated partnerships with three key strategic partners: Protek S.R.L in Paraguay, Venses Technology in Brazil, and Idata Technology in Chile. These partnerships are devoted to boosting sales of our IRIS+ platform in smart cities and critical infrastructure projects, which are expected to significantly enhance public safety and security. The strong growth in CALA during 2023 has led to the expansion of our sales team and the inauguration of a new sales office in Argentina, with additional expansions in Brazil, Chile, and Mexico anticipated for the coming periods.

## **Sales in Asia, Europe, Middle East, and Africa**

In the ASEAN region, our emphasis remains on driving growth from our Singapore sales office, which has realized positive developments in the third quarter through our long-standing partner, DRON Singapore Pte Ltd. In the markets in Europe, the Middle East, and Africa, we have reevaluated our approach enhancing our sales and operational efficiency.

## **Sweden domestic market growth focus**

The Irisity school guard and IRIS remote monitoring operations in Sweden have returned to growth in the quarter. This strong outcome stems from our COO, Raziel Bareket's execution plan on refining Swedish operations, cutting monitoring expenses, and boosting sales performance. In the quarter, we commenced a phased expansion of our security operations in Sweden, beginning with a new office in Malmö. We will continue our investments in domestic sales operations throughout the coming quarters, including the launch of another sales office in Stockholm, in preparation for the expected 2024 reforms aimed at simplifying camera monitoring for municipalities and regions. We are closely monitoring the special investigation by the Swedish Ministry of Justice, anticipated to conclude in April 2024, which is expected to propose a simplification of the permit requirements for camera surveillance.

# 03

# SHARE & OWNERSHIP

## The ten major owners, 2023-09-30:

Shareholders	Number of shares	Ownership interest
AVANZA PENSION	3,750,912	9.1%
Sun Red Beach Growth Partners ApS	3,127,608	7.5%
WESTERGYLLEN AB	3,077,500	7.4%
Altshuler Shaham Trusts Ltd*	3,019,506	7.3%
CHALMERS INNOVATION SEED FUND AB	2,444,634	5.9%
PERSHING, LLC, W9	1,910,000	4.6%
Runmarker, Ulf	1,800,000	4.3%
Perninger, Bo	976,000	2.4%
HANDELSBANKEN LIV FORSAKRINGSAKTIEBO	732,550	1.8%
FORVALTNINGSAKTIEBOLAGET BRUNNEN	600,000	1.4%
The ten major shareholders in total	21,438,710	51.7%
Others	19,991,226	48.3%
<b>Total</b>	<b>41,429,936</b>	<b>100.0%</b>

\*Paying agent of former Agent Vi shareholders

## Number of shares

Irisity AB (publ) has 41,429,936 shares outstanding as of September 30, 2023.

## Ownership

Irisity AB (publ), org. nr./Reg. No. 556705-4571 is a public company listed on Nasdaq First North Growth Market under the ticker IRIS. The shareholder overview describes the situation as of September 30, 2023, when 6,302 shareholders were registered.

## Risk factors

The Company's significant risk and uncertainty factors include operational risks such as risks related to market and technology development, patents, competitors, interest rates, currency and future financing, as well as securities-related risks, such as risks related to share performance, volatility and liquidity.

With increased interest rates and inflation, the risk has increased both in terms of order intake and on the cost side. At the same time as the company is expanding internationally and with larger projects, there is also a tendency for longer project time, longer invoicing cycle and extended payment periods that require more working capital.

Investors are urged to make their own assessment of each risk factor and their respective impact on the group's future potential. The above-mentioned risk factors are presented in no order of importance, and the list should not be regarded as exhaustive.



## Accounting policies

The interim financial report is prepared in accordance with the recommendations and statements from the Swedish Accounting Standards Board, as well as the Swedish Annual Accounts Act. The accounting policies applied in this interim report are the same as those used in the most recent annual report. The accounting policies applied are the same for the Group and for the Parent Company. Goodwill arising on the acquisition of Visionists AB is depreciated over five years. Goodwill arising on the acquisition of Agent Video Intelligence Ltd. is depreciated over 8 years.

## The financial result and position of the Group and the Parent Company

The financial result and position of the Group and the Parent Company in general is set out in the income statement and balance sheet below.

## Related party transactions

Transactions with related parties took place in 2023 from the parent company Irisity AB (Publ). The Parent Company has purchased advisory consulting services for SEK 0.1 million, of which SEK 0.05 million relates to the third quarter from the company Airstream Enterprise Capital AB, which is owned by board member Marcus Bäcklund. In addition to the salary paid to the CEO from 2023-09-01, for the full year, consultancy fees of SEK 1.8 million have been paid to CEO Keven Marier to the company KMarier Consulting, of SEK 0.7 million for the third quarter. A marked-based salary has also been paid to the CEO's wife Hannah Marier in the role of Senior Manager EMEA regional marketing.

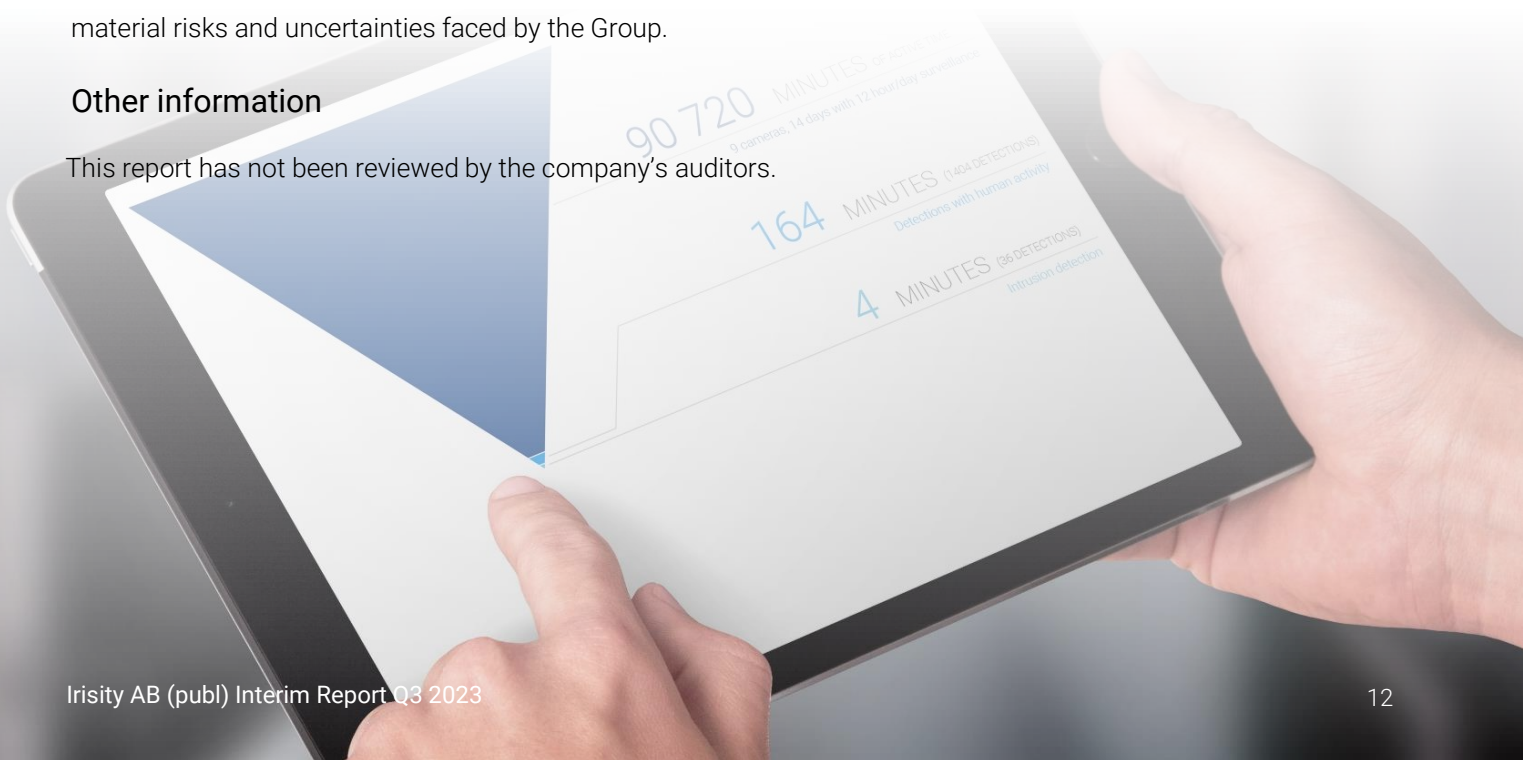
No other transaction with related parties which significantly affected the result or financial position of the Company has occurred.

## True and fair view

The Managing Board has mandated the CEO to publish the report. The Managing Board and the CEO confirm that this report provides a true and fair view of the Group's operations, position and performance, and describes material risks and uncertainties faced by the Group.

## Other information

This report has not been reviewed by the company's auditors.



## Incentive scheme

The AGM 2022 resolved to adopt a long-term incentive programme directed at senior executives and key individuals in Irisity. The rationale behind the incentive programme is, among other things, to contribute to higher motivation and commitment among the employees and to retain employees. In order to enable the incentive programme, the AGM also resolved on a directed issue of not more than 470,000 warrants. Based on the outstanding number of shares, Warrant programme 2022 will upon exercise of all 470,000 Warrants increase the share capital by a maximum of SEK 42,300 and a maximum dilution corresponding to approximately 1.23 percent.

## Disclosure of significant events after the end of the period

Irisity AB (publ) has held an Extraordinary General Meeting in Gothenburg on 10 October 2023, which resolved to approve the Board of Directors' resolution on a directed share issue. Through the Directed Share Issue, Irisity received SEK 39 million before transaction costs.

# 04

## FINANCIAL OVERVIEW



## Net sales and result

The Group's net sales during the quarter amounted to MSEK 32.3 (13.3), and the work performed for own account amounted to MSEK 9.6 (3.9).

EBITDA amounted to MSEK 1.4 (-14.0) and the result after tax amounted to MSEK -32.1 (-40.5). Depreciation charges of MSEK -35.6 (-29.1) are for the most part related to goodwill arising on the acquisition of Visionists AB, Agent Video Intelligence Ltd. and to amortizations attributable to capitalized development work.

## Investments

During the third quarter, the Group invested towards the new Personalized AI offering, released the first OEM of the IRIS+ platform, and further strengthened the IT security of the vSaaS (video surveillance as a service) cloud platforms.

In the Personalized AI realm, a notable project during the quarter is the release of the "2 men on a motorcycle" Personal AI Classifier. It has been developed together with customers and partners in the South American region, where multiple riders on a single motorcycle is a strong indicator of a serious crime waiting to happen. The first tests have been carried out by the customer in October and the results are looking positive.

The Personalized AI focus has been accompanied by the launch of a new Irisity website at [www.irisity.com](http://www.irisity.com), where high-impact growth initiatives including customized R&D and marketing to accelerate market penetration and generate higher returns are highlighted.

In the quarter, Irisity also released the first OEM of the IRIS+ platform, "Identiv VisionAI - powered by Irisity". Identiv, Inc. (NASDAQ: INVE), a global leader in digital security and identification in the Internet of Things (IoT) in October subsequently launched the Vision AI platform, a "high-performance video analytics solution that transforms how users perceive, interpret, and act on visual data".

"Vision AI enhances our Velocity Vision VMS by harnessing the power of artificial intelligence to create total situational awareness in installations of all sizes," said Mike Taylor, VP Global Sales, Identiv. "With Vision AI, integrators and end users can accomplish more without the need for additional headcount, delivering the most attractive total cost of ownership in the video analytics market."

## Financial position

The Group's cash flow from operating activities before changes in working capital amounted to MSEK 0.7 (-13.9) during the quarter. The cash flow from operating activities was MSEK -10.9 (-7.7), driven by the company's international expansion with larger projects with longer project periods and extended payment times.

During the same period, the cash flow from investing activities amounted to MSEK -10.3 (-4.1), mainly related to product development. For further explanation, it is described in more detail under the Investments section.

Cash flow from financing activities was SEK 15.2 million (-0.5), which is mainly attributable to the rights issue carried out to the CEO. The company has continued amortization of loan to DBT.

The cash flow for the period amounted to MSEK -5.9 (-12.4).

After the end of the period, an extra general meeting was held which decided on a directed new share issue. The new issue resulted in liquidity of SEK 39.0 million having been received after the end of the period.

The balance sheet total amounted to MSEK 841.4 (944.4) on September 30, 2023, with an 83.0 percent (88.0) solidity. The Groups' net debt amounted to MSEK 32.3 (-6.2). The Parent Company has short term credit facility up to MSEK 20 in total, which on the balance sheet date was used with 19.3 MSEK. In addition to the credit facility the business mortgages consist of two loans to DBT of 15 MSEK and 5 MSEK. Per 2023-09-30 a capital debt of 17 MSEK remains after paid amortization.

## Staff and organization

At the end of the period, the company had 76 (84) full-time equivalent employees, 22 (14) of whom were women. In addition to the employees, the number of consultants increased to 11 compared to 5 previous year. The workforce is distributed across Sweden, USA, Israel, Singapore, UAE, Brazil, Colombia and Germany.



	July - September 2023	July - September 2022	January - September 2023	January - September 2022
<b>THE GROUP'S INCOME STATEMENT (KSEK)</b>				
Net sales	32,311	13,268	89,987	75,194
Work performed for own account	9,569	3,949	21,354	13,242
Other operating income	2,056	5,357	5,431	8,463
Cost of sales	-5,673	-4,299	-14,979	-16,494
<b>Gross result</b>	<b>38,263</b>	<b>18,274</b>	<b>101,793</b>	<b>80,405</b>
Other external charges	-10,780	-6,543	-28,467	-22,418
Personnel costs	-24,086	-25,730	-73,414	-75,557
Other operating costs	-2,007	0	-3,636	0
Depreciation of tangible and intangible assets	-35,638	-29,083	-95,583	-83,051
<b>Operating results</b>	<b>-34,249</b>	<b>-43,801</b>	<b>-99,307</b>	<b>-100,621</b>
Interest income	3	-428	3	0
Interest costs	-931	101	-2,589	-51
<b>Result after financial items</b>	<b>-35,178</b>	<b>-43,407</b>	<b>-101,893</b>	<b>-100,672</b>
Income taxes	3,059	2,858	8,725	8,001
<b>Net profit or loss for the period</b>	<b>-32,119</b>	<b>-40,549</b>	<b>-93,168</b>	<b>-92,671</b>
<hr/>				
Basic earnings per share (SEK)	-0.78	-1.06	-2.25	-2.42
Diluted earnings per share (SEK)	-0.78	-1.06	-2.25	-2.42
Number of shares at the end of the period	41,429,936	38,302,328	41,429,936	38,302,328
Fully diluted shares outstanding	41,429,936	38,772,328	41,429,936	38,772,328
Weighted average number of shares	39,006,899	38,302,328	40,393,066	38,302,328



THE GROUP'S BALANCE SHEET (KSEK)	30-Sep 2023	30-Sep 2022	31-Dec 2022
<b>Assets</b>			
Intangible fixed assets	429,874	480,784	446,396
Patent	276	0	0
Goodwill	285,583	346,335	310,212
Tangible fixed assets	1,727	2,126	2,100
Deferred tax assets	40,069	41,191	38,576
<b>Total fixed assets</b>	<b>757,529</b>	<b>870,437</b>	<b>797,283</b>
Accounts receivable	24,541	29,653	18,882
Other current assets	55,003	26,286	29,640
Cash and bank balances	4,071	18,050	17,580
<b>Total current assets</b>	<b>83,615</b>	<b>73,988</b>	<b>66,103</b>
<b>Total assets</b>	<b>841,144</b>	<b>944,425</b>	<b>863,386</b>
<b>Equity and liabilities</b>			
Share capital	3,730	3,447	3,447
Other contributed capital	885,409	868,175	868,175
Other equity including result for the period	-190,624	-40,913	-132,550
<b>Total equity</b>	<b>698,514</b>	<b>830,709</b>	<b>739,072</b>
<b>Long-term liabilities</b>	<b>33,975</b>	<b>11,876</b>	<b>21,312</b>
<b>Deferred tax liabilities</b>	<b>56,297</b>	<b>68,120</b>	<b>65,198</b>
Short-term financial liabilities	7,935	0	4,000
Accounts payable	6,388	4,689	5,285
Other short-term liabilities	38,034	29,031	28,519
<b>Total short-term liabilities</b>	<b>52,357</b>	<b>33,720</b>	<b>37,804</b>
<b>Total equity and liabilities</b>	<b>841,144</b>	<b>944,425</b>	<b>863,386</b>
<b>Pledged assets</b>			
Business mortgages	40,000	20,000	35,000
Pledged account	0	0	0
<b>Total</b>	<b>40,000</b>	<b>20,000</b>	<b>35,000</b>
<b>Contingent liabilities</b>	None	None	None

## THE GROUP'S CHANGES IN EQUITY (KSEK)

	Share capital	Other contributed capital	Other equity including result for the period	Total
<b>Opening balance equity 2022-01-01</b>	<b>3,447</b>	<b>868,575</b>	<b>-109,981</b>	<b>762,041</b>
<i>Transactions with owners</i>				
Costs attributable to the issue		-400		-400
Conversion difference			114,355	114,355
Result for the period			-136,924	-136,924
<b>Closing balance equity 2022-12-31</b>	<b>3,447</b>	<b>868,175</b>	<b>-132,550</b>	<b>739,072</b>

	Share capital	Other contributed capital	Other equity including result for the period	Total
<b>Opening balance equity 2022-01-01</b>	<b>3,447</b>	<b>868,575</b>	<b>-109,981</b>	<b>762,041</b>
<i>Transactions with owners</i>				
Costs attributable to the issue		-400		-400
Subscription warrants			342	342
Conversion difference			161,397	161,397
Result for the period			-92,671	-92,671
<b>Closing balance equity 2022-09-30</b>	<b>3,447</b>	<b>868,175</b>	<b>-40,913</b>	<b>830,709</b>

	Share capital	Other contributed capital	Other equity including result for the period	Total
<b>Opening balance equity 2023-01-01</b>	<b>3,447</b>	<b>868,175</b>	<b>-132,550</b>	<b>739,072</b>
<i>Transactions with owners</i>				
New share issue	281	17,233		17,514
Non-cash issue				0
Costs attributable to the issue				0
Conversion difference			35,096	35,096
Result for the period			-93,168	-93,168
<b>Closing balance equity 2023-09-30</b>	<b>3,728</b>	<b>885,408</b>	<b>-190,622</b>	<b>698,514</b>

	July - September 2023	July - September 2022	January - September 2023	January - September 2022	January - December 2022
<b>THE GROUP'S CASH FLOW STATEMENT (KSEK)</b>					
Cash flow from operating activities before change in working capital	-740	-13,884	-6,373	-17,106	-3,631
Cash flow from operating activities	-10,864	-7,741	-27,414	-38,000	-29,988
Cash flow from investing activities	-10,264	-4,084	-24,454	-14,117	-10,304
Cash flow from financing activities	15,204	-553	34,751	-1,174	-621
Cash flow for the period	-5,925	-12,378	-17,117	-53,291	-40,913
Cash and cash equivalents at the beginning of the period	6,571	30,428	17,580	71,341	71,341
Exchange rate difference in cash equivalents	3,425	0	3,608	0	0
Cash and cash equivalents at the end of the period	4,071	18,050	4,071	18,050	30,428

	July - September 2023	July - September 2022	January - September 2023	January - September 2022
<b>THE PARENT COMPANY'S INCOME STATEMENT (KSEK)</b>				
Net sales	7,819	11,281	42,104	33,828
Work performed for own account	2,559	1,963	7,318	9,601
Other operating income	2,052	4,035	5,407	8,442
Cost of sales	-4,616	-2,790	-10,893	-12,355
<b>Gross profit</b>	<b>7,813</b>	<b>14,490</b>	<b>43,937</b>	<b>39,516</b>
Other external charges	-7,154	-4,959	-21,319	-17,676
Personnel costs	-8,412	-10,092	-31,214	-31,908
Other operating cost	-2,007	0	-3,636	0
Depreciation of intangible assets	-2,991	-2,498	-8,615	-7,710
<b>Operating result</b>	<b>-12,752</b>	<b>-3,059</b>	<b>-20,847</b>	<b>-17,778</b>
Interest income	1	0	3	0
Interest costs	-931	-5	-2,589	-51
<b>Profit after financial items</b>	<b>-13,682</b>	<b>-3,064</b>	<b>-23,434</b>	<b>-17,829</b>
Group contribution received	0	0	0	0
Income taxes	0	0	0	0
<b>Net profit or loss for the period</b>	<b>-13,682</b>	<b>-3,064</b>	<b>-23,434</b>	<b>-17,829</b>





	30-sep 2023	30-sep 2022	31-dec 2022
<b>THE PARENT COMPANY'S BALANCE SHEET (KSEK)</b>			
<b>Assets</b>			
Intangible fixed assets	55,636	57,447	56,843
Tangible fixed assets	239	283	253
Financial fixed assets	631,599	630,501	630,501
Deferred tax assets	58,272	82	0
<b>Total fixed assets</b>	<b>745,745</b>	<b>688,312</b>	<b>687,597</b>
Accounts receivable	13,516	11,624	5,239
Receivables from Group companies	3,075	38,707	43,859
Other current assets	34,708	24,783	18,262
Cash and bank balances	227	9,285	12,793
<b>Total current assets</b>	<b>51,526</b>	<b>84,399</b>	<b>80,153</b>
<b>Total assets</b>	<b>797,271</b>	<b>772,711</b>	<b>767,750</b>
<b>Equity and liabilities</b>			
Restricted equity	59,519	61,638	60,652
Non-restricted equity	662,338	687,303	667,124
<b>Total equity</b>	<b>-721,857</b>	<b>748,941</b>	<b>727,776</b>
<b>Long-term liabilities</b>	<b>-33,823</b>	<b>0</b>	<b>11,000</b>
Short-term financial liabilities	-7,935	0	4,000
Advance from customer	-781	0	0
Accounts payable	-4,841	3,058	3,317
Liabilities to group companies	-5,376	5,032	6,343
Other short-term liabilities	-22,658	15,680	15,315
<b>Total current liabilities</b>	<b>-41,591</b>	<b>23,769</b>	<b>28,974</b>
<b>Total equity and liabilities</b>	<b>-797,271</b>	<b>772,711</b>	<b>767,750</b>
<b>Pledged assets</b>			
Business mortgages	40,000	20,000	35,000
Pledged account	0	0	0
<b>Total</b>	<b>40,000</b>	<b>14,500</b>	<b>35,000</b>
<b>Contingent liabilities</b>			
	None	None	None

**THE PARENT COMPANY'S  
 CHANGES IN EQUITY (KSEK)**

	Share capital	Fund for development costs	Share premium reserve	Retained earnings	Result for the period	Total
<b>Opening balance equity 2022-01-01</b>	<b>3,447</b>	<b>54,314</b>	<b>868,575</b>	<b>-150,545</b>	<b>-8,964</b>	<b>766,827</b>
Change in fund for development costs		2,891		-2,891		0
New share issue	-					0
Issuance cost			-400			-400
Subscription warrants				342		342
Transfer of previous year's result				-8,964	8,964	0
Result for the period					-38,994	-38,994
<b>Closing balance equity 2022-12-31</b>	<b>3,447</b>	<b>57,205</b>	<b>868,175</b>	<b>-162,058</b>	<b>-38,994</b>	<b>727,775</b>
<b>Opening balance equity 2022-01-01</b>	<b>3,447</b>	<b>54,314</b>	<b>868,575</b>	<b>-150,545</b>	<b>-8,964</b>	<b>766,827</b>
Change in fund for development costs		3,876		-3,876		0
Issuance cost			-400			-400
Subscription warrants					342	342
Transfer of previous years's result				-8,964	8,964	0
Result for the period					-17,829	-17,829
<b>Closing balance equity 2022-09-30</b>	<b>3,447</b>	<b>58,190</b>	<b>868,175</b>	<b>-163,385</b>	<b>-17,487</b>	<b>748,940</b>
<b>Opening balance equity 2023-01-01</b>	<b>3,447</b>	<b>57,205</b>	<b>868,175</b>	<b>-162,058</b>	<b>-38,994</b>	<b>727,775</b>
Change in fund for development costs		-1,415		1,415		0
New share issue	281		17,233			17,514
Costs attributable to the issue						0
Subscription warrants						0
Transfer of previous years's result				-38,994	38,994	0
Result for the period					-23,432	-23,432
<b>Closing balance equity 2023-09-30</b>	<b>3,728</b>	<b>55,790</b>	<b>885,408</b>	<b>-199,637</b>	<b>-23,432</b>	<b>721,857</b>

The share capital consists of 41,429,936 shares, each with a quota value of SEK 0.09.

<b>THE PARENT COMPANY'S CASH FLOW STATEMENT (KSEK)</b>	<b>July - September 2023</b>	<b>July - September 2022</b>	<b>January - September 2023</b>	<b>January - September 2022</b>	<b>January - December 2022</b>
Cash flow from operating activities before change in working capital	-10,699	-5,622	-14,818	-9,616	-29,234
Cash flow from operating activities	-12,914	-13,793	-33,181	-32,180	-68,894
Cash flow from investing activities	-11,772	-3,264	-23,659	-7,873	-12,157
Cash flow from financing activities	24,677	-314	44,273	-621	18,770
Cash flow for the period	-9	-17,371	-12,567	-40,674	-52,412
Cash and cash equivalents at the beginning of the period	236	41,902	12,794	65,205	65,205
Exchange rate difference in cash equivalents	0	0	0	0	121
Cash and cash equivalents at the end of the period	227	24,532	227	24,532	12,915

# 05

## Sustainability



## Irisity Sustainability – Smart @ Heart

We create safe cities, safe working environments – protecting assets and people by delivering sustainable solutions through products, services and operations.

We cultivate a corporate culture based on freedom and responsibility, a positive people culture with fairness and equality and gender balance .

We want to inspire and drive change, with the ambition to enable the security industry and society to change making the most out of intelligent technology.

Technology in service of mankind, enabling ethical use of advanced video analytics solutions, making the most out of intelligent technology, while preserving integrity, equality and freedom.



# 06

# DEFINITIONS



## OPERATING RESULTS

Profit or loss before financial items.

## OPERATING MARGIN (PERCENT)

Operating result divided by net turnover (since the operating margin is calculated in accordance with the definition of net turnover in the Annual Accounts Act, work performed for own account is not included in the margin calculation).

## SOLIDITY (PERCENT)

Adjusted equity capital in relation to the balance sheet total, expressed in percent.

## BALANCE SHEET TOTAL

The total of assets or the total of debts and equity.

## NET DEBT

Interest-bearing liabilities less interest-bearing assets and liquid assets.

## NUMBER OF SHARES (ST)

The number of outstanding shares at the end of the period.

## RESULT PER SHARE (SEK)

The result after taxes for the period divided by the number of shares.

## THE OBJECT

The object refers to the physical location where a client has installed Irisity's surveillance solution. A municipality may for instance use the system in a number of schools. Each school would then be considered a separate object.

## MRR

Monthly recurring revenue.

## R&D

Research and Development.

## PAYMENT MODEL

Depending on their needs, the company's customers can choose between the following payment models :

- Licensing – the customer pays a continuous fee for the service
- One-time purchase – the customer purchases a version of a specific algorithm of the software
- Support subscription – the customer pays a continuous support fee in respect of the service connected to the licenses.

## ADJUSTED EBITDA

EBITDA adjusted for items affecting comparability.



07

# FINANCIAL CALENDAR



### Publication dates for interim reports

- 2024-02-24 Year end report
- 2024-04-23 Annual General Meeting
- 2024-05-15 Interim report 1
- 2024-08-15 Interim report 2

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