

Q4

Irisity AB (publ)
INTERIM REPORT

January – December 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

www.irisity.com

01

THE GROUP'S SUMMARY OF THE PERIOD



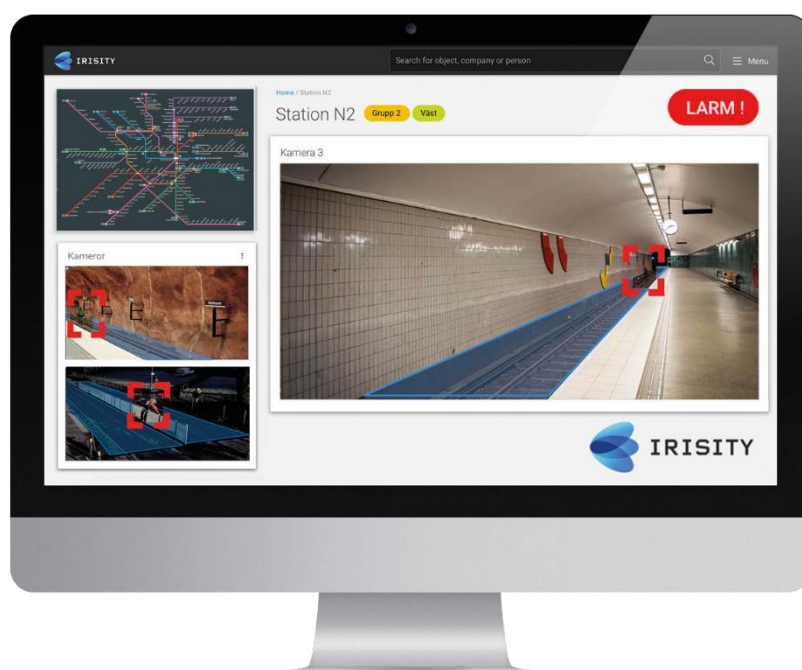
1 October – 31 December 2023

- Net sales amounted to MSEK 27.6 (12.5).
- Work performed for own account amounted to MSEK 6.8 (11.7).
- Gross margin amounted to 94.1 percent (89.2).
- EBITDA amounted to MSEK -12.7 (-14.4).
- Result after tax amounted to MSEK -39.4 (-44.2).
- Cash and utilized credit lines at the end of the period was MSEK 13.6 (17.6).
- Cash and total credit facility including unutilized credit amounted to MSEK 25.4.

1 January – 31 December 2023

- Net sales amounted to MSEK 117.6 (87.7).
- Work performed for own account amounted to MSEK 28.1 (24.9).
- Gross margin amounted to 85.9 percent (79.7).
- EBITDA amounted to MSEK -16.4 (-32.0).
- Result after tax amounted to MSEK -132.5 (-136.9).

The Board of Directors proposes, to the Annual General Meeting on May 30, 2024, that no dividend will be paid.



A WORD FROM THE CEO:

Accelerating Momentum: Iristity's Path to Sustained Profitability

Dear Shareholders,

We are pleased to provide an overview of our recent progress in Q4. During this period, Iristity has achieved significant milestones in expanding our global presence and enhancing our products. In Q4 net sales grew by 121% YoY to MSEK 27.6 (12.5) while the gross margin improved to 94.1% (89.2%).

The global landscape has witnessed a remarkable surge in the acceptance, utilization and dependence on AI technologies, signalling a fundamental shift in industry operations. Businesses and public entities increasingly acknowledge the value of AI in driving innovation, enhancing safety measures and optimizing efficiencies. This heightened reliance on sophisticated AI-driven metadata management platforms, like Iristity's, is anticipated to continue to grow.

Our sales force has expanded significantly, with strategic hires in key regions like the UK, US and Middle East, reflecting our commitment to global sales and customer engagement. With IRIS+™ our AI Open Platform, Iristity is positioned to meet the evolving needs of our diverse clientele, fostering smarter, safer and more efficient communities worldwide.

Our net sales of MSEK 27.6, came in below our guidance, influenced by a stronger MRR contracts sale ratio, regulatory delays in 'School Guard' projects in Sweden and delays in the EMEA projects from the ongoing conflicts in Israel and Ukraine, as well as negative currency effects.

Looking ahead, we aim to deepen market penetration and bolster our industry presence, supported by a skilled, well-connected sales team. As global reliance on AI continues to grow, Iristity is poised to lead the transition towards smarter, safer and more efficient communities and industries.

To build upon the sales growth achieved in 2023, Iristity has acquired Ultinous, a Hungarian AI-based technology company with offices in Budapest and Malmö. This acquisition aligns with Iristity's AI Open Platform strategy, adding AI hardware industry leader NVIDIA to Iristity's edge hardware appliances. This merger will expand Iristity and Ultinous's addressable market.

Complementing this acquisition, we are pleased to announce an agreement for a MSEK 45 directed share issue to renowned tech investor and entrepreneur Gustav Andersson, strengthening our financial foundation for continued innovation and market growth.

Thank you for your unwavering support as we continue our journey of innovation and expansion.

Sincerely,

Keven Marier
Chief Executive Officer, Iristity
Gothenburg, 2024-02-29



02

SALES & RESULTS

Sales and results, Group (KSEK)	October - December 2023	October - December 2022	January - December 2023	January - December 2022
Net sales	27,611	12,487	117,599	87,681
Work performed for own account	6,775	11,709	28,129	24,951
Other operating income	1,655	154	7,086	8,617
EBITDA	-12,716	-14,454	-16,440	-32,024
EBIT	-41,338	-46,809	-140,644	-147,429
Operating margin %	neg	neg	neg	neg
Result after financial items	-42,036	-47,080	-143,928	-147,752
Result for the period	-39,362	-44,254	-132,529	-136,925

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, Australia, Argentina, 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

Q4 Expansion, New Global Hires and Key Saudi Sale

Global Sales Expansion: Strategic recruitment of new sales directors in Australia, UK and the Americas, coupled with a major Saudi Arabian monitoring system contract marked significant progress. In the fourth quarter, we strategically expanded our sales team to enhance customer engagement and drive global sales, welcoming four highly experienced specialists across three key regions.

- In the Central USA, Brian Schmittiel, a veteran of US Airforce and an experienced VP of Sales, has been appointed as Sales Director, USA Central.
- In the West USA, David Nieweg, previously leading Business Development for Tech Alliances and Sales for Milestone Systems, has joined us as Irisity's VP of Business Development, Americas and acting Sales Director, USA West.
- In the UK & Ireland, Peter Greener, formerly a key account manager for northern Europe at Milestone Systems, has taken on the role of Sales Director, UK and Ireland.
- In Oceania, Mike Metcalfe, with his extensive experience at Everbridge and Milestone Systems, has been appointed as Sales Director, Oceania based in Australia.

This completes our planned international sales team expansion and is the strong foundation for global growth in 2024. In Central America and Latin America, we have continued to expand our regional presence with key strategic dealers. Beeness LLC, headquartered in Delaware with a subsidiary in Mexico City, Smart International LLC, located in the Dominican Republic and Construtora Transvia, based in Leme, a municipality of São Paulo, Brazil, have signed regional sales agreements for the deployment of Irisity's IRIS+ AI Open Platform to their existing and new customer base. These partnerships, focus on smart cities, critical infrastructure and transportation projects, where AI can significantly improve public safety and security operations.

Sales in Asia, Europe, Middle East, and Africa

In Saudi Arabia, we have secured our inaugural central monitoring customer in Saudi Arabia through Dar SAS Security Services. Located in Riyadh, this Saudi company is renowned for offering a comprehensive suite of safety and security services.

03

SHARE & OWNERSHIP

The ten major owners, 2023-12-31:

Shareholders	Number of shares	Ownership interest
AVANZA PENSION	7 193 559	14,6%
WESTERGYLLEN AB *	3 677 500	7,5%
Sun Red Beach Growth Partners ApS **	3 127 608	6,4%
Altshare Trusts Ltd	3 016 220	6,1%
CHALMERS INNOVATION SEED FUND AB	2 444 634	5,0%
Runmarker, Ulf	2 400 000	4,9%
HANS ANDERSSON HOLDING AB	1 300 000	2,6%
Perninger, Bo	1 066 000	2,2%
PERSHING, LLC, W9	900 622	1,8%
FORVALTNINGSAKTIEBOLAGET BRUNNEN	600 000	1,2%
The ten major shareholders in total	25 726 143	52,3%
Others	23 503 793	47,7%
Total	49 229 936	100,0%

* Controlled by Ulf Runmarker

** Controlled by Keven Marier

Number of shares

Irisity AB (publ) has 49 229 936 shares outstanding as of December 31, 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 December 31, 2023, when 6 180 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.

Incentive scheme

During the AGM 2022, a resolution was passed to adopt a long-term incentive program aimed at senior executives and key individuals within Irisity. The rationale behind this incentive program is multifaceted, aiming to enhance heightened motivation and commitment among employees, while retaining top talent. To facilitate the incentive program, the AGM approved a directed issue of up to 470,000 warrants.

Based on the outstanding number of shares, upon exercise of all 470,000 warrants, the Warrant Program 2022 will result in a maximum increase in share capital of SEK 42,300 and a corresponding maximum dilution of approximately 1.23 percent.

Disclosure of significant events after the end of the period

Irisity has acquired Ultinous, a Hungarian AI-based technology company with offices in Budapest and Malmö.

Complementing this acquisition, we are pleased to announce securing a MSEK 45 directed share issue to renowned tech investor and entrepreneur Gustav Andersson, strengthening our financial foundation for continued innovation and market growth.

Accounting policies

The interim financial report is prepared in accordance with recommendations and statements from the Swedish Accounting Standards Board, as well as from 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 and they are uniform for both the Group and for the Parent Company. Goodwill arising from the acquisition of Visionists AB is depreciated over a period of 5 years, while goodwill arising from the acquisition of Agent Video Intelligence Ltd. is depreciated over a period of 8 years.

The financial results and positions of the Group and the Parent Company are outlined in the income statement and balance sheet provided 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 0.2 million, of which SEK 0.1 million relates to the fourth 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 during the first and second 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.



04

FINANCIAL OVERVIEW

Write down in Agent Vi

The Board of Directors has resolved to write down shares in the subsidiary, Agent Vi. This write-down negatively affects the Parent Company's equity and earnings for the fourth quarter but does not impact the Group's earnings and cash flow. The write-down amounts to MSEK 137. Following the write-down, the shares in the subsidiary, Agent Vi are valued at MSEK 463. The impairment is attributed to delayed growth compared to the initial valuation.

Net sales and result

The Group's net sales for the quarter amounted to MSEK 27.6 (12.5) and work performed for own account totalling MSEK 6.8 (11.7).

EBITDA for the quarter stood at MSEK -12.7 (-14.4) and the result after tax amounted to MSEK -39.4 (-44.2). The result was burdened by accrued severance in Agent Vi, in compliance with Israeli law, resulting in higher personnel cost compared to the previous quarter.

EBITDA for the full year was MSEK -16.4 compared to MSEK -32.0 in 2022. EBITDA was affected by other operating costs, which include both realised and unrealised exchange losses. An amount of MSEK 8.7 in other operating costs in Q4 is attributed to monthly currency revaluation of the loan to Agent Vi, which is unrealized and varies, depending on the exchange rate.

Depreciation charges of MSEK -28.6 (-29.5) are mainly related to goodwill arising from the acquisitions of Visionists AB and Agent Video Intelligence Ltd., as well as amortizations attributable to capitalized development work.



Cont. Net sales and result

The Group's financial performance in Q4 reflects both challenges and strategic responses. Net sales fell short of the anticipated MSEK 37-42, closing at MSEK 27.6 (12.5) which is a 121% YoY growth. This shortfall was influenced by the introduction of new MMR contracts, regulatory delays in our 'School Guard' projects in Sweden and significant currency volatility. The decision to reverse bookings and write off investments in several Swedish projects, combined with the impact of exchange rate fluctuations, notably affected our financials. Despite these factors, we saw a strong increase in Monthly Recurring Revenue (MRR) with an increased order value of MSEK 6.

The delayed resolution of the 'School Guard' projects, stemming from ongoing investigations by the Swedish Privacy Protection Authority (IMY) into national camera and data protection laws, led to cautious financial adjustments. However, there are positive indications that our anonymization technology aligns with legal requirements, potentially allowing these projects to restart and streamline future processes.

Currency exchange rate fluctuations, especially the shift from the dollar to the Swedish crown, led to a decrease in net revenues, with a notable impact in December when a significant portion of our revenue is generated. The decline in the currency exchange value in December accounted for a decrease in net revenues of over MSEK 0,5. Additionally, the delay of a major customer deal from December into early 2024 affected our immediate Q4 results, providing a solid foundation for the start of 2024.

In Q4, our net sales of MSEK 27.6 underscore our resilience amid challenges. The increase in Monthly Recurring Revenue (MRR) is evidence of the market valuing our software. These experiences are integral to refining our financial strategy, maintaining momentum and navigating towards sustained growth and profitability.

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Investments

During the fourth quarter, the Group prioritized enhancing deployment flexibility by introducing an on-premises version of our IRIS+™, tailored for customers which prefer or are required to operate security and safety operations with on-premises infrastructure.

Critical to this strategy is delivering our software on an open platform, facilitating integration with ongoing innovation. To support this direction, we strategically hired Morten Sommer as our new Vice President of Engineering Services. As a founding developer of Milestone's open platform, Dr. Sommer brings invaluable expertise in on-premises and cloud technologies crucial for the development of Irisity's AI Open Platform.

In Q4, we released a new version of IRIS+™ with several algorithm improvements across our technology stack supporting our focus on smart city and central monitoring verticals. These enhancements include 'stopped vehicle' and 'unattended object' as well as unmoving object filters.

This latest version also now supports the central monitoring Patriot alarm receiver to our growing list of integrations supported by IRIS+™ AI open platform.

Financial position

The Group's cash flow from operating activities before changes in working capital amounted to MSEK -14.3 (-14.7) during the quarter. The cash flow from operating activities was MSEK -15.3 (-2.9). As in previous quarters, delayed invoicing and long payment times are the reason for the negative cash flow from operating activities.

During the same period, the cash flow from investing activities amounted to MSEK -2.5 (-12.2), mainly related to product development. For further explanation, it is described in more detail under the Investments section.

Cash flow from financing activities was MSEK 28.4 (15.0), which is largely attributable to new share issue. During the fourth quarter, an Extraordinary General Meeting was held which resolved on a directed share issue. As a result of the new share issue, liquidity of MSEK 39.0 before costs has been obtained. The company has continued to repay loans to DBT.

The cash flow for Q4 amounted to MSEK 10.7 (-0.1). The board assesses the current working capital position to be enough for a 3-month runway.

The company has arranged a bridge loan with Aros Kapital, during the time of the pending approval of the EGM vote on the previously announced acquisition of Ultinuous and directed share issue to Gustav Andersson. After the share issue to Gustav Andersson the board assesses the working capital to cover for the next 12 months.

The balance sheet total amounted to MSEK 760.2 (863.4) on December 31, 2023, with an 83.1 percent (85.6) solidity. The Groups' net debt amounted to MSEK 9.6 (-2.6). The Parent Company has short term credit facility up to MSEK 20 in total, which on the balance sheet date was used with MSEK 8.2.

In addition to the credit facility the business mortgages consist of two loans to DBT of MSEK 15 and MSEK 5. Per 2023-12-31 a capital debt of MSEK 15 remains after paid amortization.

Staff and organization

At the end of the period, the company had 75 (74) full-time equivalent employees, 22 (23) of whom were women. In addition to the employees, the number of consultants maintained at 6 (6). The workforce is distributed across Sweden, Denmark, USA, Israel, Singapore, UAE, Brazil, Colombia and Germany.

	October - December 2023	October - December 2022	January - December 2023	January - December 2022
THE GROUP'S INCOME STATEMENT (KSEK)				
Net sales	27,611	12,487	117,599	87,681
Work performed for own account	6,775	11,709	28,129	24,951
Other operating income	1,655	154	7,086	8,617
Cost of sales	-1,619	-1,344	-16,599	-17,838
Gross result	34,422	23,006	136,215	103,412
Other external charges	-11,501	-11,383	-39,968	-33,801
Personnel costs	-26,955	-26,077	-100,369	-101,635
Other operating costs	-8,683	0	-12,318	0
Depreciation of tangible and intangible assets	-28,621	-32,355	-124,204	-115,406
Operating results	-41,338	-46,809	-140,644	-147,430
Interest income	1	7	4	7
Interest costs	-699	-278	-3,288	-329
Result after financial items	-42,036	-47,080	-143,928	-147,752
Income taxes	2,674	2,826	11,399	10,827
Net profit or loss for the period	-39,362	-44,254	-132,529	-136,925

Basic earnings per share (SEK)	-0.80	-1.16	-2.69	-3.57
Diluted earnings per share (SEK)	-0.80	-1.16	-2.69	-3.57
Number of shares at the end of the period	49,229,936	38,302,328	49,229,936	38,302,328
Fully diluted shares outstanding	49,229,936	38,302,328	49,229,936	38,302,328
Weighted average number of shares	41,327,226	38,302,328	40,393,066	38,302,328

**THE GROUP'S
BALANCE SHEET (KSEK)**
**31-Oct
2023**
**31-Dec
2022**
Assets

Intangible fixed assets	382,720	446,396
Patent	267	0
Goodwill	246,410	310,212
Tangible fixed assets	1,760	2,100
Deferred tax assets	37,114	38,576
Total fixed assets	668,271	797,283
Accounts receivable	26,767	18,882
Other current assets	51,509	29,640
Cash and bank balances	13,643	17,580
Total current assets	91,919	66,103
Total assets	760,190	863,386

Equity and liabilities

Share capital	4,431	3,447
Other contributed capital	922,072	868,175
Other equity including result for the period	-294,854	-132,550
Total equity	631,649	739,072
Long-term liabilities	22,919	21,312
Deferred tax liabilities	53,555	65,198
Short-term financial liabilities	7,935	4,000
Accounts payable	5,708	5,285
Other short-term liabilities	38,423	28,519
Total short-term liabilities	52,067	37,804
Total equity and liabilities	760,190	863,386

Pledged assets

Business mortgages	40,000	35,000
Pledged account	0	0
Total	40,000	35,000

Contingent liabilities

None

None

THE GROUP'S CHANGES IN EQUITY (KSEK)

	Share capital	Other contributed capital	Other equity including result for the period	Total
Opening balance equity 2022-01-01	3,447	868,575	-109,981	762,041
<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
Closing balance equity 2022-12-31	3,447	868,175	-132,550	739,072

Opening balance equity 2023-01-01	3,447	868,175	-132,550	739,072
<i>Transactions with owners</i>				
New share issue	983	55,531		56,514
Non-cash issue				0
Costs attributable to the issue		-1,635		-1,635
Conversion difference			-29,773	-29,773
Result for the period			-132,530	-132,530
Closing balance equity 2023-12-31	4,430	922,071	-294,853	631,648

	October - December 2023	October - December 2022	January - December 2023	January - December 2022
THE GROUP'S CASH FLOW STATEMENT (KSEK)				
Cash flow from operating activities before change in working capital	-14,315	-14,714	-17,364	-31,820
Cash flow from operating activities	-15,256	-2,942	-42,710	-41,956
Cash flow from investing activities	-2,482	-12,216	-26,936	-26,328
Cash flow from financing activities	28,407	15,000	63,158	13,768
Cash flow for the period	10,669	-158	-6,488	-54,515
Cash and cash equivalents at the beginning of the period	4,071	18,050	17,580	71,341
Exchange rate difference in cash equivalents	-1,096	-311	2,551	755
Cash and cash equivalents at the end of the period	13,642	17,580	13,643	17,580

THE PARENT COMPANY'S INCOME STATEMENT (KSEK)	October - December 2023	October - December 2022	January - December 2023	January - December 2022
Net sales	17,075	1,496	59,178	35,326
Work performed for own account	1,442	1,921	8,761	11,522
Other operating income	1,596	146	7,003	8,588
Cost of sales	-5,875	-3,215	-16,768	-15,569
Gross profit	14,238	348	58,174	39,866
Other external charges	-7,509	-7,523	-28,828	-25,199
Personnel costs	-12,522	-11,683	-43,736	-43,591
Other operating cost	-8,717	0	-12,352	0
Depreciation of intangible assets	-3,143	-2,554	-11,759	-10,264
Operating result	-17,653	-21,412	-38,501	-39,188
Interest income	1	7	4	7
Interest costs	-690	-278	-3,280	-329
Profit after financial items	-18,342	-21,684	-41,777	-39,510
Group contribution received	273	598	273	598
Procees from sale of participations in group companies	-10	0	-10	0
Write-down in subsidiary company	-137,731	0	-137,731	0
Income taxes	0	-82	0	-82
Net profit or loss for the period	-155,810	-21,167	-179,245	-38,994



	31-Dec 2023	31-Dec 2022
THE PARENT COMPANY'S BALANCE SHEET (KSEK)		
Assets		
Intangible fixed assets	53,971	56,843
Tangible fixed assets	271	253
Financial fixed assets	493,828	630,501
Receivables from Group companies	69	0
Total fixed assets	548,138	687,597
Accounts receivable	13,392	5,239
Receivables from Group companies	63,295	43,859
Other current assets	39,078	18,262
Cash and bank balances	928	12,793
Total current assets	116,694	80,153
Total assets	664,832	767,750
Equity and liabilities		
Restricted equity	58,135	60,652
Non-restricted equity	545,276	667,124
Total equity	603,411	727,776
Long-term liabilities	15,343	11,000
Short-term financial liabilities	7,935	4,000
Advance from customer	311	0
Accounts payable	4,206	3,317
Liabilities to group companies	11,722	6,343
Other short-term liabilities	21,904	15,315
Total current liabilities	46,078	28,974
Total equity and liabilities	664,832	767,750
Pledged assets		
Business mortgages	40,000	35,000
Pledged account	0	0
Total	40,000	35,000
Contingent liabilities	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
Opening balance equity 2022-01-01	3,447	54,314	868,575	-150,545	-8,964	766,827
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
Closing balance equity 2022-12-31	3,447	57,205	868,175	-162,058	-38,994	727,775

Opening balance equity 2023-01-01	3,447	57,205	868,175	-162,058	-38,994	727,775
Change in fund for development costs		-3,501		3,501		0
New share issue	983		55,531			56,514
Costs attributable to the issue			-1,635			-1,635
Subscription warrants						0
Transfer of previous years's result				-38,994	38,994	0
Result for the period					-179,244	-179,244
Closing balance equity 2023-09-30	4,430	53,704	922,071	-197,551	-179,244	603,410

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

THE PARENT COMPANY'S CASH FLOW STATEMENT (KSEK)	October - December 2023	October - December 2022	January - December 2023	January - December 2022
Cash flow from operating activities before change in working capital	-11,223	-19,125	-26,833	-29,234
Cash flow from operating activities	-17,572	-9,571	-49,092	-68,894
Cash flow from investing activities	-2,190	-1,921	-25,931	-12,157
Cash flow from financing activities	20,462	15,000	63,158	18,770
Cash flow for the period	792	3,509	-11,865	-52,412
Cash and cash equivalents at the beginning of the period	227	9,285	12,793	65,205
Exchange rate difference in cash equivalents	0	0	0	121
Cash and cash equivalents at the end of the period	928	12,794	928	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

- 2024-02-29 Year end report
- 2024-04-24 Annual report
- 2024-05-15 Interim report 1
- 2024-05-30 Annual General Meeting
- 2024-08-15 Interim report 2

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