

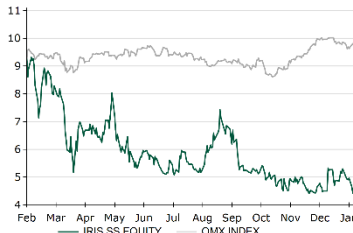
Software | Sweden | 30 January 2024

Volume update on UK project

During December 2023, Irisity increased volumes with a UK customer that uses Milestone's XProtect VMS (Video Management System) and has integrated Irisity's open AI platform IRIS+ to reduce the number of false alarms caused by animals, among other things. The security operator has reported a substantial decrease in error messages over this period, reducing costs for the end-customer. Inivatech, the operator that carried out the installation, believes Irisity's camera-compatible system enables easier deployment, allowing the use of existing cameras. The customer in question has been a client since 4Q(20), with initial volumes of six cameras. This is now 661 cameras.

Assuming revenues at SEK150–200 per camera, this business adds MRR of around SEK0.12m versus the existing base of SEK4.5m. Based on the guidance provided, we assess that MRR was SEK4.7m as of year-end 2023. We thus see the increase in MRR as a step in the right direction towards our growth projections.

We have previously stated our belief that Irisity's reports offered low transparency regarding volumes and customer business. We welcome this move from the company to announce the actual number of cameras deployed in a project. We expect further transparency in Irisity's future reports, which we believe can reduce the discount at which it trades versus other Swedish software companies.

Change in estimates				Forecast (SEKm)					Value and risk													
	23e	24e	25e		2022	2023e	2024e	2025e	Fair value	SEK 9.1 - 9.5												
Total Revenues	0.0%	0.0%	0.0%	Total Revenues	121	159	197	237	Share price	SEK 4.5												
EBITDA, adj.	0.0%	0.0%	0.0%	Revenue growth	30%	31%	24%	20%	Risk level	High												
EPS, adj.	0.0%	0.0%	0.0%	EBITDA, adj.	-32	0	24	35	<div>Price Performance 12 months</div> 													
Upcoming events				EBIT, adj.	-147	-129	-100	-88														
Q4 - report	23 February 2024			EPS, adj.	-3.6	-2.8	-2.1	-1.8														
Q1 - report	15 May 2024			BV/share	19.3	13.6	11.5	9.7														
Company facts (SEKm)				EV/Sales	2.1x	1.6x	1.3x	1.1x														
Number of shares	49m			EV/EBITDA	Neg.	Nm.	10.4x	7.1x	<div>Conflicts of interest</div> <table><tr><th></th><th>Yes</th><th>No</th></tr><tr><td>Liquidity provider</td><td></td><td>✓</td></tr><tr><td>Certified adviser</td><td>✓</td><td></td></tr><tr><td>Transactions 12m</td><td>✓</td><td></td></tr></table>			Yes	No	Liquidity provider		✓	Certified adviser	✓		Transactions 12m	✓	
	Yes	No																				
Liquidity provider		✓																				
Certified adviser	✓																					
Transactions 12m	✓																					
Market capitalization	221			EV/EBIT	Neg.	-2.0x	-2.5x	-2.9x														
Net debt	32			P/E, adj.	-1.3x	-1.6x	-2.2x	-2.4x														
EV	254			FCF yield	-40%	-23%	-8%	-6%														
Free float	85%			Net debt / EBITDA	0.1x	-42.9x	0.3x	0.6x														
Daily trading volume, average	53k																					
Bloomberg Ticker	IRIS SS EQUITY																					
Analyst																						
Rikard Engberg																						
rikard.engberg@carnegie.se																						

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Carnegie Investment Bank AB
Regeringsgatan 56
SE-103 38 Stockholm
Tel: +46 8 676 88 00 Fax +46 8 676 88 95