

## **Irisity AB (publ) intends to resolve on a rights issue of approximately SEK 70.6 million guaranteed to 80 percent**

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**The Board of Directors of Irisity AB (publ) ("Irisity" or the "Company") announces today its intention to resolve on a rights issue of a maximum of 8,403,742 units with preferential rights for the Company's existing shareholders (the "Rights Issue"). The Board of Directors intends to publish a notice to an extraordinary general meeting planned to be held on November 1, 2024, to grant the Board of Directors an authorization to resolve on the Rights Issue and for the adoption of new articles of association. Furthermore, it has been resolved to raise a bridge financing of SEK 20 million to finance the short-term liquidity needs before the proceeds from the Rights Issue are received. Each (1) existing share in the Company entitles to one (1) unit right. Eight (8) unit rights entitle the holder to subscribe for one (1) Unit, consisting of seven (7) newly issued shares and one (1) newly issued warrant of series 2024/2025:1 (collectively, a "Unit"). The subscription price per Unit amounts to SEK 8.40, corresponding to SEK 1.20 per share. With full subscription in the Rights Issue, Irisity will receive approximately SEK 70.6 million attributable to newly issued shares and SEK 12.6 million attributable to shares that will be subscribed for with the support of warrants, before transaction costs. The purpose of the Rights Issue is mainly to finance the Company's further market expansion including new generative AI use and general working capital. In connection with the Rights Issue, certain existing shareholders, such as Gustav Andersson through Stockhorn Capital AB and Ulf Runmarker, privately and via company, have made subscription commitments totaling SEK 25.6 million, equivalent to 36.3 percent of the Rights Issue. In addition to subscription commitments, a number of external investors, amongst others Fenja Capital AS, separately and not collectively, have provided guarantee undertakings totaling SEK 33.4 million, equivalent to 43.7 percent of the Rights Issue. Thus, the Rights Issue is, through the subscription commitments and guarantee undertakings, guaranteed to approximately 80.0 percent.**

### **Summary**

- The Board of Directors announces today its intention to resolve on the Rights Issue of approximately SEK 70.6 million for newly issued shares and SEK 12.6 million for shares that may be subscribed for with the support of warrants, before issuance costs.
- An extraordinary general meeting at which the Board of Directors will be proposed to be authorized to resolve on the Rights Issue and amendment of the Company's articles of association is intended to be held on November 1, 2024 and notice will be published by a separate press release.
- The proceeds from the Rights Issue are intended to finance repayment of bridge loan, market expansion including new generative AI use and general working capital.
- One (1) existing share in the Company entitles to one (1) unit right. Eight (8) unit rights entitles the holder to subscribe for one (1) Unit, consisting of seven (7) newly issued shares and one (1) newly issued warrant of series 2024/2025:1 (the "Warrants"). This means that a maximum of 58,826,194 new shares and 8,403,742 new Warrants can be issued. The Warrants are intended to be admitted to trading on Nasdaq First North Growth Market.
- The subscription price has been set at SEK 8.40 per Unit, corresponding to SEK 1.20 per share. The Warrants are issued free of charge.
- The subscription period for the Rights Issue runs from November 12, 2024, to November 26, 2024.

- The Rights Issue is guaranteed to approximately 80.0 percent of the issue amount through subscription commitments and guarantee undertakings.
- In connection with the announcement of the Rights Issue, the Company has entered into bridge loan agreements of SEK 20 million, which will be repaid with the proceeds from the rights issue.
- The exercise period for the Warrants runs from May 27, 2025, to June 10, 2025. The subscription price upon the exercise of Warrants is SEK 1.50 per share.
- If all Warrants are exercised for the subscription of shares, the Company, as stated above, will receive up to approximately SEK 12.6 million before issuance costs.

### **Background and Motives**

Irisity is a provider of AI-based video analysis solutions, developing software that transforms ordinary security cameras into intelligent sensors while safeguarding personal privacy. The technology protects people and assets by detecting incidents in real-time. Features such as intrusion detection, fire, violence, falls, and abandoned objects, along with rapid scanning and analysis of recorded video and the issuance of statistical data, are included in the offering. Irisity focuses on ethical surveillance without infringing on personal privacy, providing all analytical functionalities along with patented anonymization technology.

With the acquisitions of Ultinous Zrt and Agent Vi, Irisity looks forward to future opportunities and the company's ability to manage various market uncertainties. The growing global implementation of AI solutions for surveillance and security offers the Company future growth opportunities. Together with strategic investments in the Company's AI Open Platform and new generative AI capabilities, Irisity is well-positioned to become a leader in software and licenses for video analytics software.

Upon full subscription of the newly issued shares, the Company will receive net proceeds of approximately SEK 47.6 million, after set offs of approximately SEK 15.3 million (from Stockhorn Capital AB and Anders Trygg, via company) and deducting issuance costs of around SEK 7.7 million. Irisity intends to use the net proceeds for the following purposes, stated in order of priority:

- Repayment of bridge loan, approximately SEK 21.9 million
- Market expansion including new generative AI use, approximately SEK 5.0 million
- Working capital, approximately SEK 20.7 million

Through the Rights Issue, Subscription Warrants will be issued free of charge, which, if fully utilized, can provide the Company with an additional approximately SEK 12.6 million before issue costs. The exercise period for the Subscription Warrants runs from May 27, 2025, to June 10, 2025. The subscription price upon exercise of the Subscription Warrant is 1.50 SEK per share. The proceeds from the exercised Subscription Warrants are intended to be used entirely for general working capital purposes.

### **Rights Issue in Summary**

The right to subscribe for units is granted with pre-emptive rights for the Company's shareholders. Each (1) existing share in the Company entitles to one (1) unit right. Eight (8) unit rights entitle the holder to subscribe for one (1) Unit, consisting of seven (7) newly issued shares and one (1) newly issued warrant of series 2024/2025:1. The subscription price per Unit amounts to SEK 8.40, corresponding to SEK 1.20 per share.

If all of the new units are not subscribed for with unit rights, the Board of Directors shall, up to the maximum amount of the Rights Issue, resolve on allocation of new units which have been subscribed for without unit rights, in accordance with the following:

- Firstly, allotment without preferential rights shall be made to such subscribers who have also subscribed for units by virtue of unit rights, regardless of whether the subscriber was a shareholder on the record date or not, and in case allotment to such subscribers cannot be made in full, allotment shall be made in proportion to the number of unit rights exercised for subscription of units;

- Secondly, allotment of units subscribed for without unit rights shall be made to others who have subscribed without unit rights, and in the event that allotment to these cannot be made in full, allotment shall be made in relation to the number of units that each person has expressed an interest in subscribing for;
- Thirdly and ultimately, allotment of units subscribed for without unit rights shall be made to those who, by agreement, have entered into a guarantee undertaking in their capacity as guarantors, and in the event that allotment to these cannot be made in full, allotment shall be made in relation to the amount that each has guaranteed for subscription. To the extent that allotment at any stage according to the above cannot be made pro rata, allotment shall be made by drawing lots.

Subscription of units takes place during the period from November 12, 2024, to November 26, 2024. With full subscription in the Rights Issue, the Company will raise approximately SEK 70.6 million before transaction costs and set offs.

#### **Subscription commitments and guarantee undertakings**

The Rights Issue is guaranteed to approximately 80.0 percent through subscription commitments and guarantee undertakings. Subscription commitments have been made by certain existing shareholders, among others Gustav Andersson via Stockhorn Capital AB and Ulf Runmarker, private and via company, and amount to approximately 36.3 percent of the Rights Issue.

Approximately 43.7 percent of the Rights Issue is guaranteed through guarantee undertakings from the following external investors: Fenja Capital AS, Gerhard Dal, VIFC Nordic AB, Karkas Capital AB and Philip Ohlsson. Guarantee commission will be paid for the guarantee commitments, whereby commission is paid with either twelve (12) percent of the guaranteed amount in cash or in the form of newly issued shares and warrants. No compensation is paid for submitted subscription commitments. Subscription commitments and guarantee undertakings have been agreed upon in writing. The subscription commitments and guarantee undertakings are not secured through bank guarantees, restricted funds, pledged assets or similar arrangements. Further information regarding the parties that have provided guarantee undertakings will be available in the prospectus to be published on November 7, 2024.

#### **Prospectus**

The prospectus and subscription form will be made available before the subscription period commence on Irisity's website, <https://irisity.com>, as well as on Carnegie Investment Bank AB:s (publ) website, [www.carnegie.se](http://www.carnegie.se).

#### **Preliminary time plan for the Rights Issue**

October 4, 2024	Notice to Extraordinary General Meeting
November 1, 2024	Extraordinary General Meeting
November 6, 2024	Last trading day of the share with the right to participate in the Rights Issue
November 7, 2024	First trading day of the share without the right to participate in the Rights Issue
November 7, 2024	Estimated date for publication of prospectus
November 8, 2024	Record date for participation in the Rights Issue
November 12 – 21, 2024	Trading in unit rights
November 12 – 26, 2024	Subscription period
November 27, 2024	Estimated date for publication of the outcome of the Rights Issue
December 12, 2024	Estimated first day of trading in warrants
May 27 – June 10, 2024	Subscription period for the exercise of warrant

#### **Shares and Share Capital**

Provided that the Rights Issue is fully subscribed, the share capital of the Company will increase by a maximum of SEK 5,294,357.46, from SEK 6,050,694.24 to SEK 11,345,051.70, through the issuance of a maximum of 58,826,194 shares. The number of shares will thus increase from 67,229,936 to a maximum of 126,056,130 shares.

Shareholders who choose not to participate in the Rights Issue will, provided that the Rights Issue is fully subscribed, have their shareholdings diluted by approximately 46.7 percent of the shares and votes, but are able to financially compensate for this dilution by selling their unit rights (excluding the issuance of Warrants).

If the Rights Issue is fully subscribed and all guarantors choose to receive their guarantee commission in the form of shares and Warrants, the share capital of the Company will increase by a maximum of SEK 277,938.99 through the issuance of up to 3,088,211 shares. This will result in an additional dilution of approximately 2.4 percent (excluding the issuance of Warrants).

Upon full utilization of the Warrants (including those that may be received by guarantors as commission), the share capital of the Company will increase by an additional maximum of SEK 796,042.35 to SEK 12,419,033.04 through the issuance of up to 8,844,915 shares. The total number of shares will thereby increase to a maximum of 137,989,256 shares. This corresponds to a dilution effect of approximately 6.4 percent of the capital and votes in the Company, considering the full subscription of shares (including those that may be received by guarantors as guarantee commission) issued in the Rights Issue.

### **Bridge financing**

To fulfill existing commitments before the completion of the Rights Issue, the Company has entered into bridge loan agreements of SEK 20 million on market terms with Fenja Capital AS, Gerhard Dal, VIFC Nordic AB, Karkas Capital AB and Philip Ohlsson. The loan carries a monthly interest of 1.5 percent and a set-up fee of 5.0 percent. The bridge loans are intended to be repaid with the proceeds from the Rights Issue.

### **Advisors**

Irisity has mandated Penser by Carnegie, Carnegie Investment Bank AB (publ) and Advokatfirman Vinge KB as financial and legal advisors respectively in connection with the Rights Issue.

### **For further information, please contact:**

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*This is information of the type that Irisity AB (publ) is obligated to make public in accordance with the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person above on [2024-10-01 19:00] CEST.*

### **About Irisity**

Irisity's AI Open Platform enhances any camera and video management system by integrating a choice of advanced AI and video metadata management featuring hybrid architecture, built-in anonymization, and flexible deployment (on-premises, cloud, or hybrid). Globally trusted in over 3000 locations, our platform delivers real-time, efficient, and precise data, augmenting human decisions to improve safety, operational efficiency and organizational intelligence.

The Irisity AB (publ) share is listed on Nasdaq First North Growth Market, with the ticker IRIS, the Company's Certified Adviser is Carnegie Investment Bank AB.

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<https://irisity.com>

### **Important information**

This announcement is not and does not form a part of any offer for selling, or a request to submit an offer to buy or acquire, shares or other securities of the Company. Copies of this announcement are not

being made and may not be distributed or sent into the United States, Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, South Korea or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures than what is required under Swedish law.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be exercised, offered, sold, resold, delivered or otherwise transferred, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the requirements of the Securities Act and in compliance with any applicable securities legislation in any state or other jurisdiction of the United States. The Company do not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

### **Forward-looking statements**

Matters discussed in this announcement may constitute forward-looking statements. Forward looking statements are statements that are not historical facts and events and such statements that are attributable to the future and may be identified by words such as "considers", "appreciate", "believe", "estimate", "expect", "deems", "assess", "assume", "anticipate", "intend", "may", "will", "should", "believe", "plan", "continue", "potential", "calculate", "forecast", "as far as is known" and similar expressions. This applies in particular to statements relating to future results, financial position, cash flow, plans and expectations of the Company's operations and management, future growth and profitability, general economic and regulatory environment and other factors affecting the Company, many of which are based on further assumptions, such as no changes in existing political, legal, fiscal, market or economic conditions or applicable law (including but not limited to accounting principles, accounting methods and tax policies), which may or may not be of importance to the Company results or its ability to operate. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. 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.

Potential investors should therefore not attach undue confidence to the forward-looking information herein, and potential investors are urged to read the parts of the prospectus that include a more detailed description of factors that may affect the Company's operations and the market in which the Company operates.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date and could be subject to change without notice.