



IRRAS Shifts Commercial Strategy to Focus Resources on United States Market Opportunity and Publishes Financial Update

Stockholm, Sweden (29 June 2023) – IRRAS AB (publ) (“IRRAS” or the “Company”) today announced that it will shift the Company’s commercial strategy to prioritize the launch of its IRRAS*flow* system in the United States and will focus its resources accordingly. As part of this shift, IRRAS is planning to consolidate its operations within the US and begin the process to close its wholly owned commercial subsidiaries in Europe.

Due to the extended impact of COVID-19 pandemic restrictions and the evolving regulatory landscape, the commercial launch of IRRAS’ products in Europe has developed more slowly than in the United States, and the US market today accounts for more than 80 percent of the Company’s revenue. As a result, IRRAS will now focus its commercial investments on the US market, which has a shorter path to profitability due to the advanced nature of the product launch, the ongoing commercial partnership with Medtronic, and the market’s more attractive price points.

In relation to the restructuring, IRRAS will incur non-recurring one-time costs of SEK 3 million, which will impact the Company during the third quarter of this year. The restructuring is projected to result in cost savings amounting to approximately SEK 17 million on an annual basis.

The table below summarizes the financial performance of IRRAS from 1 April to 31 May 2023. IRRAS estimates that net sales for Q2 will amount to approximately SEK 8.5 - 11.5 million.

	1 April – 30 April	1 May – 31 May
Net sales (US)	0	2.9
Net sales (Europe)	0	0.2
Total net sales	0	3.1
Gross profit	(neg)	(neg)
Operating profit (EBIT)	-16.1	-13.9

“The commercial adoption of our IRRAS*flow* system continues to increase with key neurosurgical centers in the United States, and clinical data confirms that the use of IRRAS*flow* positively impacts patients with intracranial bleeding,” said Will Martin, President and Chief Executive Officer of IRRAS. “At the same time, though, the financial environment remains challenging for early-stage commercial companies, and we must make the difficult decisions that are necessary to extend IRRAS’ cash runway and secure our path forward to profitability.”

The Company will continue to serve physicians and patients across the world via its network of distribution partners and will also ensure that its current regulatory activities remain active, including the transition of the IRRAS*flow* system’s CE mark to Europe’s upgraded Medical Device Regulations (MDR).

IRRAS plans to begin the process of closing its wholly owned commercial subsidiaries in Europe to focus its commercial investments on the US market. IRRAS will continue to strengthen its direct sales and education team in the United States, but, as part of this shift in commercial strategy, IRRAS plans to no longer employ a direct sales and education team in Europe and will prioritize key markets where it currently has active and engaged distribution partners in place. With the Company's focus now prioritized on US operations, IRRAS also plans to not draw upon its 10 million EUR loan facility with the European Investment Bank (EIB). IRRAS is still actively exploring alternatives to secure the long-term financing of the Company.

"The planned decision to close down our commercial operations in Europe is difficult, but, after extended consideration, we believe that this is the best path forward for our patients, our employees, and our shareholders," said Martin. "In the near term, the Company plans to focus its resources on the US market, but this decision does not mean that we are abandoning our other markets. Instead, this is a necessary realignment of our resources and operations to best serve the worldwide need for IRRAS' products in the most cost-efficient manner possible."

About IRRAS

IRRAS is a global medical care company focused on delivering innovative medical solutions to improve the lives of critically ill patients. IRRAS designs, develops, and commercializes neurocritical care products that transform patient outcomes and decrease the overall cost of care by addressing complications associated with current treatment methodologies. IRRAS markets and sells its comprehensive, innovative *IRRAflow* and Hummingbird ICP Monitoring product lines to hospitals worldwide through its direct sales organization in the United States and select European countries as well as an international network of distribution partners.

IRRAS maintains its headquarters in Stockholm, Sweden, with corporate offices in Munich, Germany, and San Diego, California, USA. For more information, please visit www.irras.com.

IRRAS is listed on Nasdaq Stockholm (ticker: IRRAS).

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