

Action Summary – 2 September 2025 – Analyst: Theodore R. O'Neill

- **Another major new order brings the total to \$49MM in 2025.** On August 19, 2025, IINN announced the Ministry of Health in Africa had placed a \$27 million binding purchase order for Inspira's FDA-cleared ART100 systems. The purchase order provides for full contractual payment scheduled for completion during 2025, bringing the total of orders to \$49MM. Under the terms of the binding purchase order, full payment of \$22.5 million is to be made during 2025. This purchase order is another significant commercial milestone for Inspira, marking a clear transition into full-scale revenue generation. We estimate that this purchase order represents only a small portion of the total addressable market the Company is currently targeting globally.
- **Raising estimates and price target.** We are not certain whether the company can produce and ship \$49MM worth of product in the remaining four months of the year or when it can recognize the revenue from those shipments. To be conservative, we have assumed the majority of the revenue from these orders will be recognized in 2026. As a result, our new 2025 revenue estimate is now \$1.5MM, up from a revenue of \$1MM with no change in EPS loss of \$0.37. For 2026, our new revenue and EPS estimates are now \$48MM and a gain of \$0.11, respectively, up from \$21.5MM and a loss of \$0.13, respectively. This raises our price target to \$5 from \$3.
- **Attractive Valuation.** We believe the shares are priced significantly below absolute and comparative metrics. We value this company in two ways. We used a price target model that looks at earnings into the future and discounts them back to today. That determines our price target. We then compare that by looking at the 2026 sales multiple of its peers and what it implies at the average of its peers. In both cases, the valuations lead us to believe the shares are undervalued in the marketplace.

8/29 price: US\$ 1.15	Market cap: \$35M	2026 Market Cap/Sales: 0.73	2026 EV / Sales: 0.63
Shares outstanding: 30MM	Insider ownership: ~7%	3-mo. avg. trading vol: >400,000	Dividend/Yield: NA/NA

GAAP estimates (EPS in \$ – Revenue in \$Million)

Period	EPS	Revenue	Op Margin
1H23A	(\$0.53)	\$0.0	NMF
2H23A	<u>(\$0.26)</u>	<u>\$0.0</u>	<u>NMF</u>
FY23A	<u>(\$0.72)</u>	<u>\$0.0</u>	<u>NMF</u>
1H24A	(\$0.38)	\$0.0	NMF
2H24A	<u>(\$0.15)</u>	<u>\$0.0</u>	<u>NMF</u>
FY24A	<u>(\$0.46)</u>	<u>\$0.0</u>	<u>NMF</u>
1H25E	(\$0.22)	\$0.0	NMF
2H25E	<u>(\$0.16)</u>	<u>\$1.5</u>	<u>NMF</u>
FY25E	<u>(\$0.37)</u>	<u>\$1.5</u>	<u>NMF</u>
1H26E	(\$0.03)	\$15.0	(8.7)%
2H26E	<u>\$0.12</u>	<u>\$33.0</u>	<u>16.5%</u>
FY26E	<u>\$0.11</u>	<u>\$48.0</u>	<u>8.6%</u>

Note: December ending year. Numbers may not add due to rounding. See our full model at the back of this report.

Cash balance (in \$millions)

• 2023A	• \$7.36
• 2024A	• \$5.78
• 2025E	• \$51.43
• 2026E	• \$9.80

LT Debt (in \$millions)

• 2023A	• \$0.0
• 2024A	• \$0.0
• 2025E	• \$0.0
• 2026E	• \$0.0

Adj. EBITDA (in \$million)

• 2023A	• (\$9.47)
• 2024A	• (\$9.12)
• 2025E	• (\$8.65)
• 2026E	• \$6.95

Risks/Valuation

- Risks include competition, regulatory issues, product acceptance and business execution.
- Our USD\$5.00 target is derived using a discounted future earnings model.

Company description: Inspira Technologies is a commercial-stage medical device company specializing in advanced respiratory support and real-time blood monitoring solutions. The Company's U.S. FDA (Food and Drug Administration)-cleared INSPIRA ART100 system is approved for cardiopulmonary bypass in the U.S. and ECMO (Extracorporeal Membrane Oxygenation) procedures outside the U.S and serves as a regulatory foundation for the development of the INSPIRA ART500 -- a next-generation system designed to deliver oxygenation while patients remain awake and spontaneously breathing.

Figure 1 – Inspira Technologies – One-Year Trading snapshot



Source: FactSet

Financial Estimates and Guidance

The company does not provide financial guidance. The company does have a track record of forecasting sales for the ART100, which it announced last week. With the announcement of commercial sales totaling \$49MM, in our estimates, we assume the majority of revenue will occur in 2026. This is because the company has to deliver the product before it can book it as revenue. As such, we have recorded the order on the balance sheet in Deferred Revenue.

Valuation Methodology

We believe IINN is undervalued, and we support that belief with an absolute and relative valuation. To determine our price target, we use a discounted future earnings model. The following valuation techniques are being used:

- 1) The discounted value of all future earnings was used for our price target (see Figure 2)
- 2) Valuation relative to peers (see Figure 3)

Discounted Future Earnings – Basis for Price Target

Our 12-month price target of \$5.00 is based on a discounted earnings model. For valuation purposes, we sum up all future earnings discounted at 10%, which we feel adequately addresses the risk. We assume the company reaches GAAP breakeven in 2026, exhibits strong topline growth for several years and then we slow growth until it eventually grows at the rate of global GDP. Our valuation model is shown in Figure 2 below. Note, this model understates future new products and growth through acquisitions and probably understates the tax benefits, but offsetting that, the earnings never have a down year. The implied share price is \$4.84, which we round to \$5.00.

Figure 2 – Inspira Technologies – Price Target Calculation

Discounted Earnings		\$4.84
Year 1 is	Forecast	Discounted
2025	EPS	EPS
1	(\$0.37)	(\$0.37)
2	\$0.11	\$0.09
3	\$0.20	\$0.15
4	\$0.30	\$0.20
5	\$0.37	\$0.23
6	\$0.44	\$0.25
Terminal Value		\$4.53

Source: Litchfield Hills Research LLC

Valuation Relative to Peers

Figure 3 is a summary of our IINN peer comparison. We looked at companies in similar lines of work that are worth \$400MM or less. The multiple of sales ranges from 0.25x to 17.55x with an average of 4.21x. We believe that if the ART500 product is approved it will be well accepted and as such, we would expect the shares to trade towards the high end of the range. Assuming it reaches our estimate of BE sales in 2026 of \$48MM, and has an average multiple, the implied price would be \$6. This broadly confirms our view that, along with our discounted earnings model, the shares are undervalued.

Figure 3 – Inspira Technologies – Comp Tables

FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	2026 Consensus Estimates	
					Market Cap / Sales	EV /Sales
KNW-USA	USBC, Inc.	\$1.02	392	400		
MGRM-USA	Monogram Technologies Inc.	\$5.78	235	316	17.55	14.40
OWLT-USA	Owlet Inc.	\$6.92	118	162	1.07	1.13
NSPR-USA	InspireMD Inc.	\$2.42	101	132	6.74	7.19
ELUT-USA	Elutia Inc	\$2.33	99	129	1.98	2.76
HYPR-USA	Hyperfine, Inc.	\$1.24	97	75	5.17	3.79
ALCJ-PAR	CROSSJECT SA	\$1.77	90	111	2.04	2.17
XTNT-USA	Xtant Medical Holdings Inc	\$0.63	82	114	0.70	1.06
APYX-USA	Apyx Medical Corporation	\$2.02	76	91	1.43	1.73
CREO-LON	Creo Medical Group Plc	\$0.18	73	67	5.38	4.40
TELA-USA	TELA Bio, Inc.	\$1.80	71	90	0.68	0.84
EDAP-USA	Edap TMS Sa (Adr) (Adr)	\$1.82	68	51	1.27	1.05
SRTS-USA	Sensus Healthcare Inc	\$3.30	54	32	1.21	0.73
ZYXI-USA	Zynex Inc.	\$1.64	50	92	0.49	1.03
MLSS-USA	Milestone Scientific Inc.	\$0.60	47	47	4.67	4.86
BEAT-USA	HeartBeam, Inc.	\$1.27	44	39	12.52	10.98
RBOT-USA	Vicarious Surgical Inc	\$6.34	38	14		
RVP-USA	Retractable Technologies Inc	\$0.84	25	(4)		
HBIO-USA	Harvard Bioscience	\$0.52	23	52	0.25	0.66
GME-FRA	Geratherm Medical AG	\$3.61	20	17		
ALUR-USA	Allurion Technologies, Inc.	\$2.22	17	34	0.71	1.41
NVNO-USA	enVveno Medical Corporation	\$0.87	17	(18)		
SINT-USA	SiNtx Technologies Inc	\$4.24	12	16	3.82	3.24
FEMY-USA	Femasys, Inc.	\$0.36	12	22	1.43	1.84
XAIR-USA	Beyond Air Inc.	\$2.18	11	17	0.35	0.51
LFWD-USA	Lifeward Ltd.	\$0.62	10	5	0.26	0.06
PAVM-USA	PAVmed Inc (US Listing)	\$0.47	8	(5)	17.12	66.40
HSDT-USA	Helius Medical Technologies Inc	\$6.22	7	1	10.07	(8.13)
AEMD-USA	Aethlon Medical Inc.	\$2.04	5	2		
TIVC-USA	Tivic Health Systems, Inc.	\$3.09	3	2		
TBIO-USA	Telesis Bio, Inc.	\$0.01	1	8,709		
SONX-USA	Sonendo Inc	\$0.03	0	3		
WHSI-USA	Wearable Health Solutions Inc	\$0.00	0	2		
UTRS-USA	Minerva Surgical, Inc.	\$0.00	0	28		
AVERAGE					4.21	5.40

Source: Litchfield Hills Research LLC and FactSet

Figure 4 – Inspira Technologies – Income Statement (US\$000)

December year-end	2023A	2024A		2024A	2025E		2025E	2026E		2026E
	Year	1H24A	2H24A	Year	1H25E	2H25E	Year	1H26E	2H26E	Year
Total revenue	\$0	\$0	\$0	\$0	\$0	\$1,500	\$1,500	\$15,000	\$33,000	\$48,000
<i>Growth</i>										
Cost of Goods						840	840	9,000	19,800	28,800
Gross Profit						660	660	6,000	13,200	19,200
Gross Margin								40.0%	40.0%	40.0%
Research and development	\$7,320	\$3,270	\$3,053	\$6,323	\$3,200	\$3,500	\$6,700	\$3,600	\$3,800	\$7,400
% of total expense	60%	56%	56%	56%	55%	56%	56%	49%	49%	49%
General and administrative	\$4,063	\$2,182	\$2,003	\$4,185	\$2,100	\$2,200	\$4,300	\$2,400	\$2,500	\$4,900
% of total expense	33%	38%	37%	37%	36%	35%	36%	33%	32%	33%
Sales and marketing	\$746	\$349	\$405	\$754	\$500	\$500	\$1,000	\$550	\$600	\$1,150
% of total expense	6%	6%	7%	7%	9%	8%	8%	8%	8%	8%
Other oper.(income)/expense	\$4	\$5	\$0	\$5	\$4	\$4	\$8	\$750	\$850	\$1,600
% of total expense	0%	0%	0%	0%	0%	0%	0%	10%	11%	11%
Total Operating Expenses	12,133	5,806	5,461	11,267	5,804	6,204	12,008	7,300	7,750	15,050
Operating Income	(12,133)	(5,806)	(5,461)	(11,267)	(5,804)	(5,544)	(11,348)	(1,300)	5,450	4,150
Operating Margin										
Adjusted EBITDA	(9,478)			(9,120)			(8,648)			6,950
Total Other Items	847	(434)	648	214	100	100	200	100	100	200
Pre-Tax Income	(11,286)	(6,240)	(4,813)	(11,053)	(5,704)	(5,444)	(11,148)	(1,200)	5,550	4,350
Pre-Tax Margin										
Taxes (benefit)	0	0	0	0	0	0	0	0	0	0
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income (loss)	(11,286)	(6,240)	(4,813)	(11,053)	(5,704)	(5,444)	(11,148)	(1,200)	5,550	4,350
Net Margin										
EPS, as reported	(0.72)	(0.38)	(0.15)	(0.46)	(0.22)	(0.16)	(0.37)	(0.03)	0.12	0.11
Diluted Shares Outstanding	15,652	16,629	31,875	24,252	26,000	35,000	30,500	36,000	45,000	40,500

Source: Company reports and Litchfield Hills Research LLC

Figure 5 – Inspira Technologies – Balance Sheet (US\$000)

	FY2026E	FY2025E	FY2024A	FY2023A
Current Assets				
Cash and S.T.I.	\$9,795	\$51,428	\$5,779	\$7,361
Trade receivables	600	600	587	432
Inventories	500	450	444	0
Other assets	0	0	0	0
Total Current Assets	10,895	52,478	6,810	7,793
Net PP&E	500	500	499	506
Right-of-use assets	700	700	761	1,011
Other non-current assets	0	0	0	0
Total Assets	\$12,095	\$53,678	\$8,070	\$9,310
Current Liabilities				
Trade payables	\$400	\$200	\$154	\$198
Other payables and accruals	\$1,500	\$1,400	\$1,364	\$1,026
Financial Liabilities at fair value	\$1,600	\$1,600	\$1,575	\$1,470
Deferred revenue	\$0	\$47,500	\$0	\$0
Other current liabilities	\$350	\$300	\$277	\$290
Total current liabilities	3,850	51,000	3,370	2,984
Long-term liabilities, net	0	0	0	0
Other Liabilities	1,200	400	378	588
Total Liabilities	5,050	51,400	3,748	3,572
Stockholders' Equity				
Preferred stock	0	0	0	0
Share Capital	417	0	0	0
Additional paid-in-capital	80,000	80,000	70,896	61,259
Retained earnings	(73,372)	(77,722)	(66,574)	(55,521)
Cum. Other comp and treasury stock	0	0	0	0
Total stockholders' equity	7,045	2,278	4,322	5,738
Total Liabilities and equity	\$12,095	\$53,678	\$8,070	\$9,310

Source: Company reports and Litchfield Hills Research LLC

Figure 6 – Inspira Technologies – Cash Flow (US\$000)

	FY26E	FY25E	FY24A
Net Income	\$4,350	(\$11,148)	(\$11,053)
Trade receivables	0	(13)	(155)
Inventories	(50)	(6)	(444)
Other assets	0	0	0
Net PP&E	0	(1)	7
Right-of-use assets	0	61	250
Other non-current	0	0	0
Trade payables	200	46	(44)
Financial Liabilities at fair value	0	25	105
Other payables and accruals	100	36	338
Deferred revenue	(47,500)	47,500	0
Other current liabilities	50	23	(13)
Long-term liabilities, net	0	0	0
Other Liabilities	800	22	(210)
Preferred stock	0	0	0
Share Capital	417	0	0
Additional paid-in-capital	0	9,104	9,637
Cum. trans. adj. and treasury stock	0	0	0
Other	0	0	0
Total Cash Flow	(\$41,633)	\$45,649	(\$1,582)

Source: Litchfield Hills Research LLC

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