



**Q3 2019
CONFERENCE CALL**

November 6, 2019

Nasdaq: KRMD

DISCLAIMER / NON-GAAP MEASURES



This presentation contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "plan," "goal," "seek," "vision," "confident," "future," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding our Strategic Plan and other goals, our pathway to growth, the global Ig market in 2025, and the total global home infusion therapy market by 2026. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: introduction of competitive products; availability of insurance reimbursement; changes in U.S. Food and Drug Administration regulations; changes to health care policies; success of our research and development efforts; our ability to raise capital if or when needed; acceptance of and demand for new and existing products; expanded market acceptance of the FREEDOM Syringe Infusion System; our ability to obtain required governmental approvals; success in enforcing and obtaining patents; continued performance by principal suppliers; continued customer preference to work through distributors; continued service of key personnel and attracting and maintaining new personnel; the costs, duration and ultimate outcome of litigation; and general economic and business conditions. Any forward-looking statement made by us is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Non-GAAP Adjusted EBITDA

Adjusted EBITDA excludes from net income: tax expense, depreciation and amortization, interest income, operating expenses associated with the Company's organizational changes up to March 31, 2019, litigation costs, and stock option expense.

Non-GAAP Measures

This presentation includes non-GAAP financial measures that are not in accordance with, nor an alternate to, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Non-GAAP financial measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. They are limited in value because they exclude charges that have a material effect on our reported results and, therefore, should not be relied upon as the sole financial measures to evaluate our financial results. The non-GAAP financial measures are meant to supplement, and to be viewed in conjunction with, GAAP financial results. A reconciliation of our non-GAAP measures is included in this presentation.

WELCOME



Don Pettigrew
President & CEO



Karen Fisher, CPA
Chief Financial Officer

Q3 2019 at a Glance

Record Operating Results

Strong Financial Position

Significant Corporate Developments

Multiple Industry Tailwinds

KORU MEDICAL SYSTEMS



Our rebrand is inspired by the koru, a widely recognized symbol of a spiral-shaped, unfurling fern that represents new life and new beginnings. Providing patients' new beginnings with our at-home infusion systems is at the heart of our brand.

- Manufacture and sell innovative, easy-to-use mechanical infusion pumps, flow rate tubing, and needle sets for at-home or alternate-site drug infusion
- Patient-centric business model
 - Comfort
 - Compliance
 - Value-Based Care
- Integrity, Teamwork and Education
- Capitalizing on significant industry tailwinds
- Defined pathway to growth

Our **FREEDOM Integrated Infusion System** makes subcutaneous home infusion a reality for patients with PIDD and CIDP



Q3 2019 FINANCIAL SUMMARY



Q3 2019 v. Q3 2018

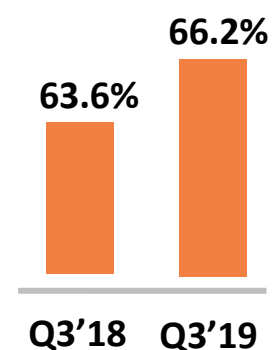
- Net sales **rose 45.5%** to \$6.6 M - a quarterly record
- Gross profit **up 51.6%** to \$4.4 M
- Gross margin **improved to 66.2%** from 63.6%
- Net income **rose to \$0.7 M** from \$0.4 M
- Adjusted EBITDA **increased 88.8%** to \$2.1 M

\$ in MMs

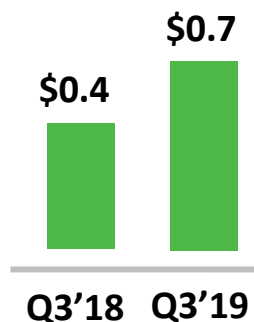
NET SALES



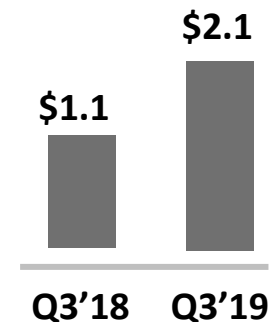
GROSS MARGIN



NET INCOME



ADJUSTED EBITDA*

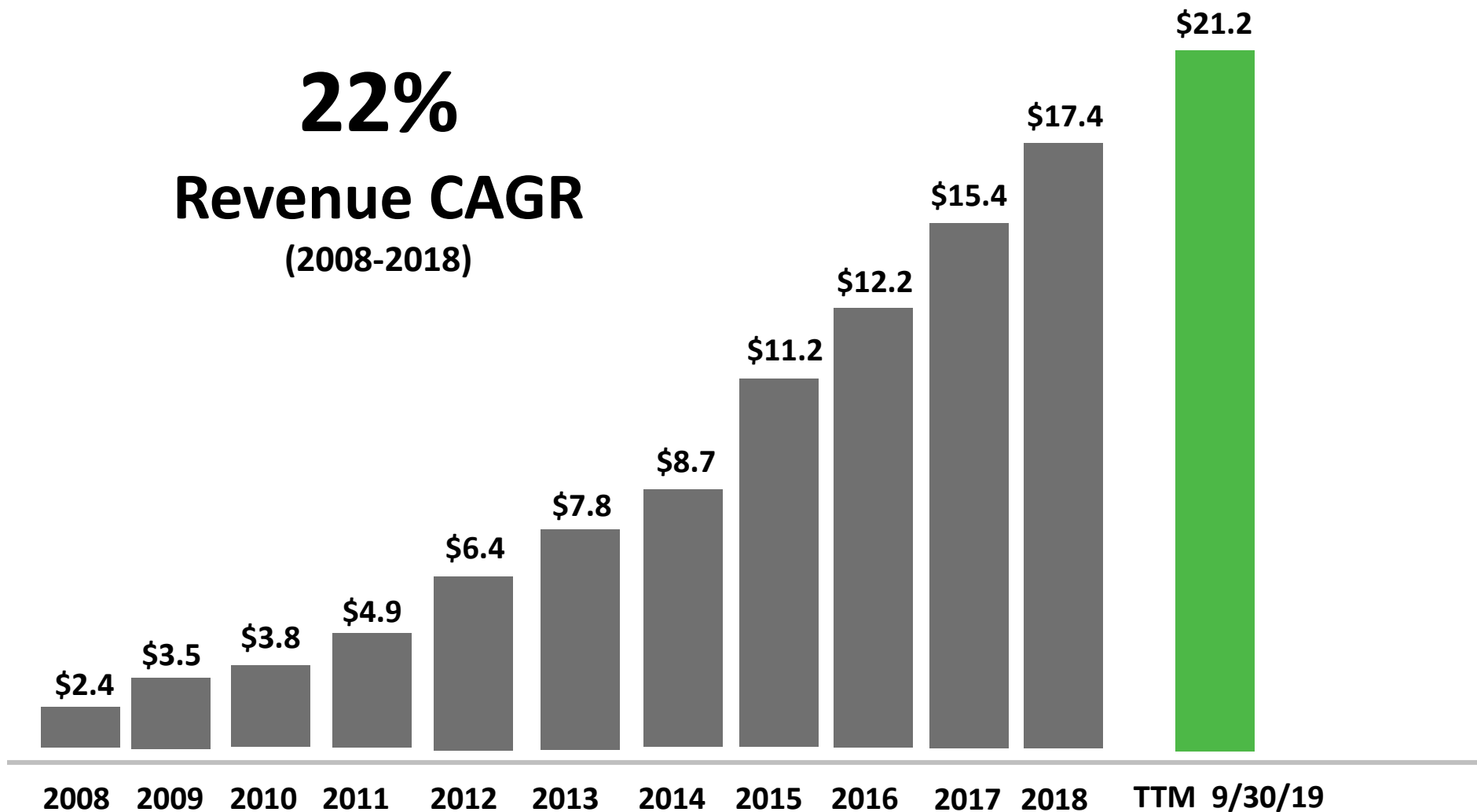


- Adjusted EBITDA excludes from net income: tax expense, depreciation and amortization, interest income, operating expenses associated with the Company's organizational changes up to March 31, 2019, litigation costs, and stock option expense. For a reconciliation of non-GAAP Adjusted EBITDA to GAAP net income, see slide 17.

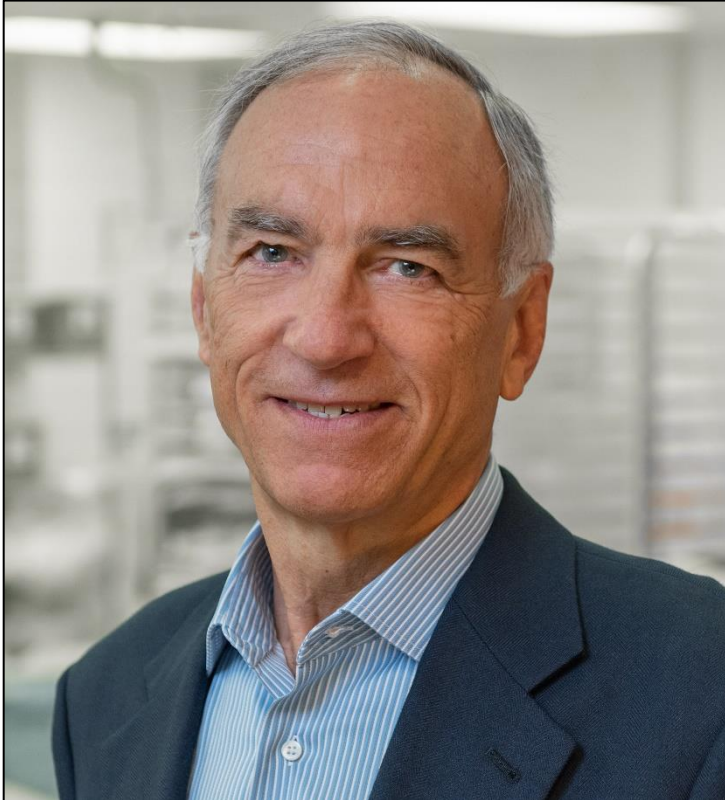
NET SALES GROWTH (\$ in MM\$)



22%
Revenue CAGR
(2008-2018)



CHAIRMAN OF THE BOARD



R. John Fletcher
Chairman of the Board

- Assumed role of Chairman of the Board September 2019
- 35 years of industry experience
- Former Chairman of the Board of Spectranetics Corporation (2010-2017)
- 2018 Director of the Year (National Association of Corporate Directors)

~\$300 M TOTAL U.S. ADDRESSABLE MARKET FOR PIDD & CIDP
(EXCLUDES OTHER DISEASE STATES AND SECONDARY IMMUNE DEFICIENCY DISEASES)



APPROVED SCIg THERAPIES

Hizentra[®]
Immune Globulin Subcutaneous
(Human) 20% Liquid

HyQvia
[Immune Globulin Infusion 10% (Human)
with Recombinant Human Hyaluronidase]

Cuvitru
[Immune Globulin Subcutaneous (Human)] 20%

cutaquig[®] *
Subcutaneous human immunoglobulin (SCIg)
16.5% (165 g/mL)

XEMBIFY[®] *

* Expected to launch Q4 2019

Hizentra[®]
Immune Globulin Subcutaneous
(Human) 20% Liquid

PIDD
\$185 - \$260 M

KORU Medical's
U.S. Addressable
Market ^(2,3)

- **350+** chronic disorders
- **270,000** U.S. patient population ⁽¹⁾
- **70,000** patients (**~26%**) are receiving Ig therapy today ⁽²⁾
- **20,000** patients (**~7%**) are receiving SCIg with the FREEDOM System ⁽³⁾
- **50,000** patients can potentially convert to KORU Medical infusion products

CIDP
\$25 - \$36 M

KORU Medical's
U.S. Addressable
Market ^(2,3)

- A neurological disorder
- **~25,000** U.S. patient population ⁽²⁾
- **2018:** Hizentra[®] becomes first and only SCIg for treatment of CIDP

GLOBAL Ig MARKET OVERVIEW



Total Available Market (TAM)

Global Home Infusion Therapy Market
+7% CAGR to \$38.7 B by 2026 ⁽²⁾

(1) Fortune Business Insights / <https://www.fortunebusinessinsights.com/press-release/immunoglobulins-market-9134>
(2) Grand View Research

NASDAQ: KRMD

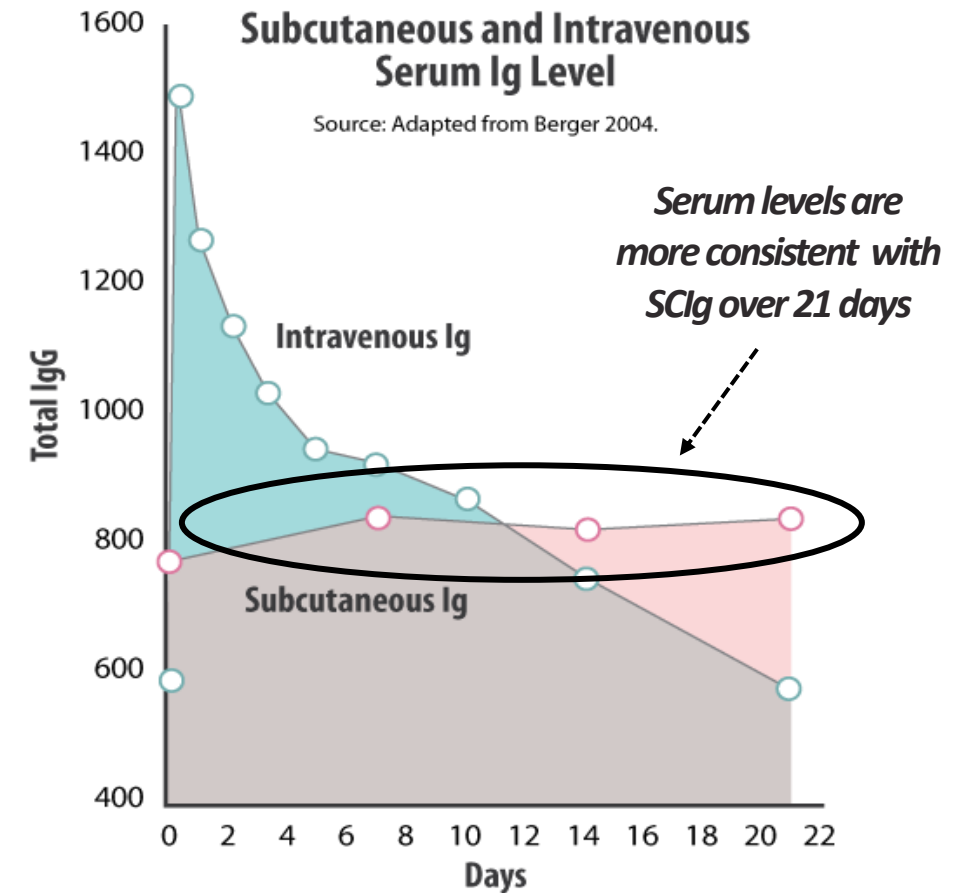


BENEFITS OF SCIg COMPARED TO IVIg



IVIg	SCIg
Venous access required	Infuse into fat tissue, not vein
Healthcare professional required	Patient administered
Administer every 3-4 weeks	Administer weekly
Rapid absorption	Gradual absorption (24-72 hours)
Increased lethargy between treatments due to low trough levels	Fewer peaks and troughs due to consistent IG levels
Pre-medication commonly required	Pre-medication often not required
Systemic side effects possible	Reactions generally localized

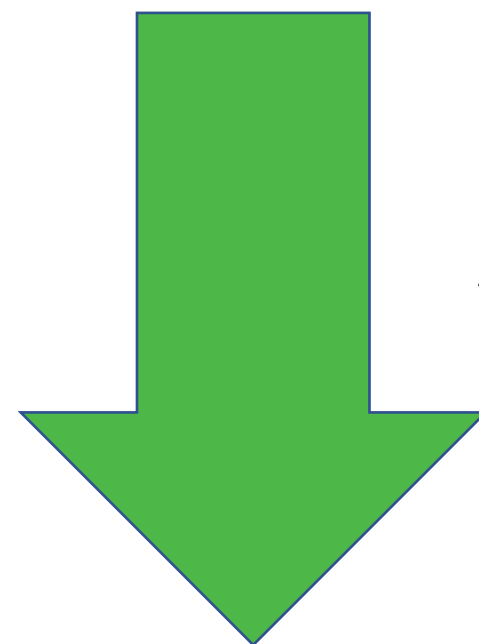
SCIg vs IVIg⁽¹⁾



DIAGNOSIS OF PRIMARY IMMUNODEFICIENCIES (PI) IMPROVES LIVES AND LOWERS COSTS



- A study by The Jeffrey Modell Foundation (2017) examined the economic burden of chronic immunodeficiency diseases
- Retrospective analysis of 1388 patients undiagnosed with PI for at least 5 years
- Increased incidence of pneumonia, sinusitis, bronchitis, and otitis
- Higher rate of hospitalization, outpatient visits and outpatient drug utilization



\$85,782

Decline in
Annual Treatment Costs
Per Patient
After Diagnosis of PI

(before Ig treatment)

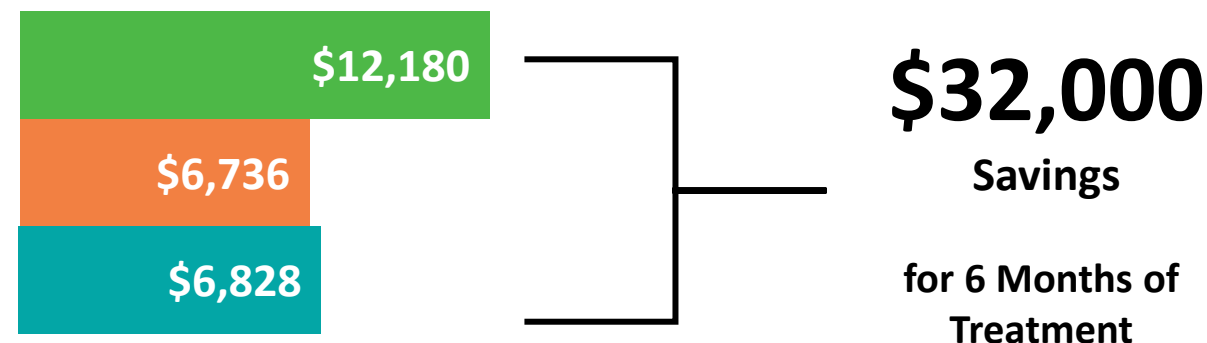
Source: <https://www.ajmc.com/journals/supplement/2019/examining-the-application-immunoglobulin/managing-cost-of-care-and-healthcare-utilization-in-patients-using-immunoglobulin-agents>

AT-HOME INFUSION: THE SAVINGS OPPORTUNITY ⁽¹⁾



Monthly Cost of Immune Deficiency Drugs for Privately Insured Individuals, 2018

■ Hospitals ■ Physician Offices ■ Patients' Home



"For certain administered specialty drugs, treatment at home can improve patients' physical and mental well-being and reduce disruption of work schedules and family responsibilities, all without increasing the likelihood of adverse drug events or side effects."

UNITEDHEALTH GROUP®

Reducing Specialty Drug Costs / September 2019

(1) UnitedHealth Group®: Reducing Specialty Drug Costs / September 2019

FREEDOM MECHANICAL SYRINGE DRIVERS

WIDELY ADOPTED SCIg DELIVERY SYSTEM



Infuse in 3 Easy Steps



Dynamic Equilibrium
maintains safe pressure of
13.5 psi throughout infusion



Maintenance-free



No batteries or
electricity required



Highly-accurate at
any fill volume



Low residual volume =
minimal drug waste



Easy-to-use,
easy-to train

STRATEGIC PLAN

TO BECOME THE PREFERRED DRUG DELIVERY PARTNER FOR SPECIFIC INFUSION THERAPIES IN SELECT MARKETS



FINANCIAL GOALS

**\$50M Net Revenue
Run Rate
by end of 2022**

**Gross Margin of 70%+
by end of 2022**

**20%+ Annual Organic
Revenue Growth
for each year**

Phase 1

Grow & Harvest
2019 - 2020

- Maintain baseline business
- Penetration of PIDD and CIDP
 - *Pharma reps*
 - *Home infusion sales reps*
 - *Distributors*
- New product development/ launch
- New indications
- Government partnership
- OUS development
- Pharma collaboration
- Funnel of clinical trials
- Margin improvement

Phase 2

Expand & Innovate
2020 - 2021

- Continued execution of Phase 1
- New products
- Expanded indications
- Post-acute care
- European expansion

Phase 3

Accelerated Growth
2021 - Beyond

- Continued Phase 1 & 2 execution
- New drugs and indications
- Post-acute care growth
- Global expansion
- Market share gains

2019 FINANCIAL SUMMARY (\$ in MM\$)



	Three Months Ended 9/30/19	Three Months Ended 9/30/18	Quarter Over Quarter Increase		Trailing Twelve Month Ended 9/30/19
Net Sales	\$ 6.6	\$ 4.5	45.5%		\$ 21.2
Gross Profit	\$ 4.4	\$ 2.9	51.6%		\$ 13.6
Gross Margin	66.2%	63.6%	2.60%		64.2%
Total Operating Expenses	\$ 3.6	\$ 2.4	47.7%		\$ 13.3
Net Income	\$ 0.7	\$ 0.4	68.6%		\$ 0.3
Non-GAAP Adjusted EBITDA*	\$ 2.1	\$ 1.1	88.8%		\$ 5.3

* Adjusted EBITDA excludes from net income: tax expense, depreciation and amortization, interest income, operating expenses associated with the Company's organizational changes up to March 31, 2019, litigation costs, and stock option expense.

BALANCE SHEET AND CAPITAL STRUCTURE



BALANCE SHEET (\$ in MMs)	September 30, 2019	December 31, 2018
Cash & Cash Equivalents	\$ 5.1	\$ 3.7
Certificates of Deposit	--	\$ 1.5
Current Assets	\$ 11.9	\$ 9.0
Total Assets	\$ 13.7	\$ 10.5
Total Liabilities	\$ 2.7	\$ 1.6
Shareholders' Equity	\$ 11.0	\$ 9.0

At September 30, 2019

- No debt
- \$1.5 million line of credit with no outstanding amounts
- Clean capital structure
- 39.5 M basic shares outstanding
- 44.4 M fully diluted shares outstanding

RECONCILIATION*



Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA

		Three Months Ended		Nine Months Ended		Trailing Twelve Months Ended	
		September 30,		September 30,		September 30	
		2019	2018	2019	2018	2019	
GAAP Net Income	\$	651,813	\$ 386,553	\$ 644,606	\$ 1,265,703	\$	289,473
Tax Expense		186,681	103,263	189,265	337,956		117,689
Depreciation/Amortization		82,774	78,345	252,594	228,900		332,956
Interest Income, Net		(23,368)	(6,972)	(59,091)	(13,088)		(74,106)
Reorganization Charges		—	232,471	354,926	383,668		967,705
Litigation		864,009	286,487	2,481,471	592,787		2,787,686
Stock Option Expense		324,135	24,922	640,775	51,592		837,223
Non-GAAP Adjusted EBITDA*	\$	2,086,044	\$ 1,105,069	\$ 4,504,546	\$ 2,847,518	\$	5,258,626

*Adjusted EBITDA excludes from net income: tax expense, depreciation and amortization, interest income, operating expenses associated with the Company's organizational changes up to March 31, 2019, litigation costs, and stock option expense.

THANK YOU



NEW LIFE, NEW BEGINNINGS