KORU™ MEDICAL SYSTEMS

Q3 2020 Financial Results

November 4, 2020

NASDAQ: KRMD

FORWARD-LOOKING STATEMENTS / 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 : “expect,” “plan,“ “goals,” “believe,” “intend,” “see,” “could,” “should,” and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding our long-term growth potential and sustainability, our strategic growth initiatives and long-term financial goals, issues expected with U.S. plasma supply, expected increase in IG supply, and the potential impact of COVID-19 in the market. 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: impact of COVID-19; 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; 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 / (loss): income tax expense, depreciation and amortization, interest income, net, reorganization charges, discontinued product expense, litigation expenses including stock-based settlement expense, manufacturing initiative expenses, and stock option expense

Non-GAAP Measures

This presentation includes the non-GAAP financial measure of “Adjusted EBITDA” that is 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, this non-GAAP measure is 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 measure is meant to supplement, and to be viewed in conjunction with, GAAP financial results. A reconciliation of our non-GAAP measure is included in an attachment to this press release.

Q3 2020 FINANCIAL SUMMARY ($ in MMs)

Less clinical trial activity

Increased allowances

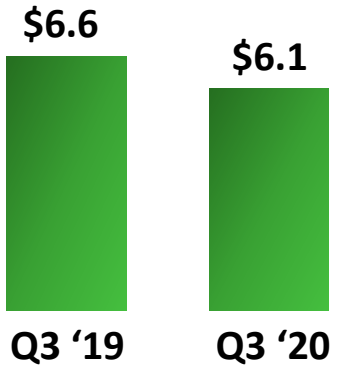
$1.0 M (net) early distributor order

Q3 2019 included two unusually large orders

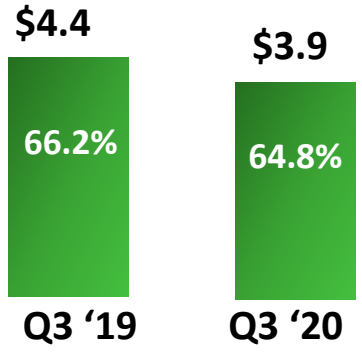
65% gross margin; profitable operations

Strong balance sheet at 9/30/2020

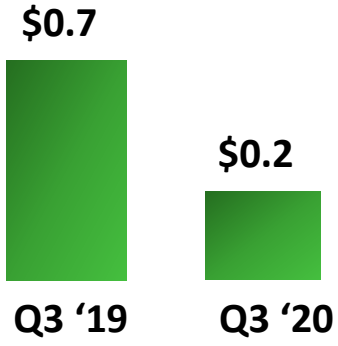
Net Sales



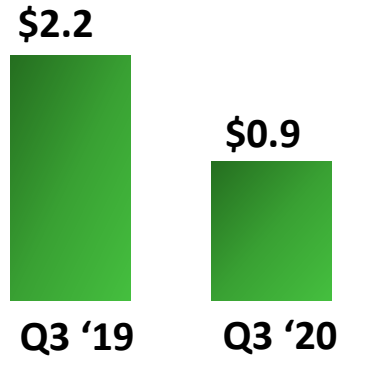
Gross Profit / Margin



Net Income

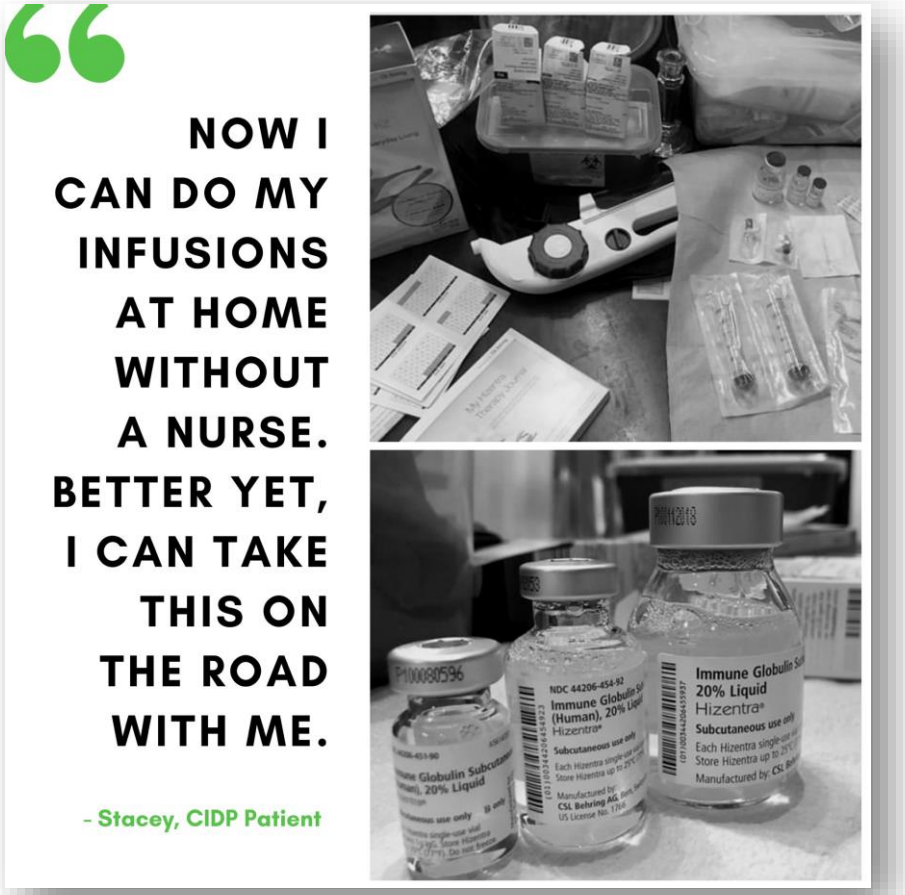


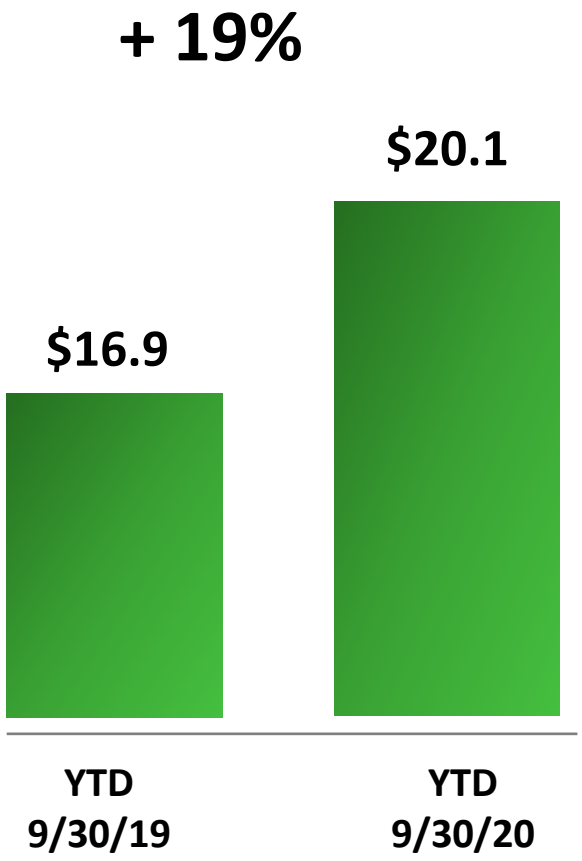
Adjusted EBITDA *



*Adjusted EBITDA excludes from net income / (loss): income tax expense, depreciation and amortization, interest income, net, discontinued product expense, litigation expenses including stock-based settlement expense, manufacturing initiative expenses, and stock option expense

2020 NINE MONTH NET SALES ($ in MMs)





BUSINESS PROFILE

Core Business

PIDD & CIDP Patients

Other Growth Drivers

Clinical Trials

Geographic Expansion

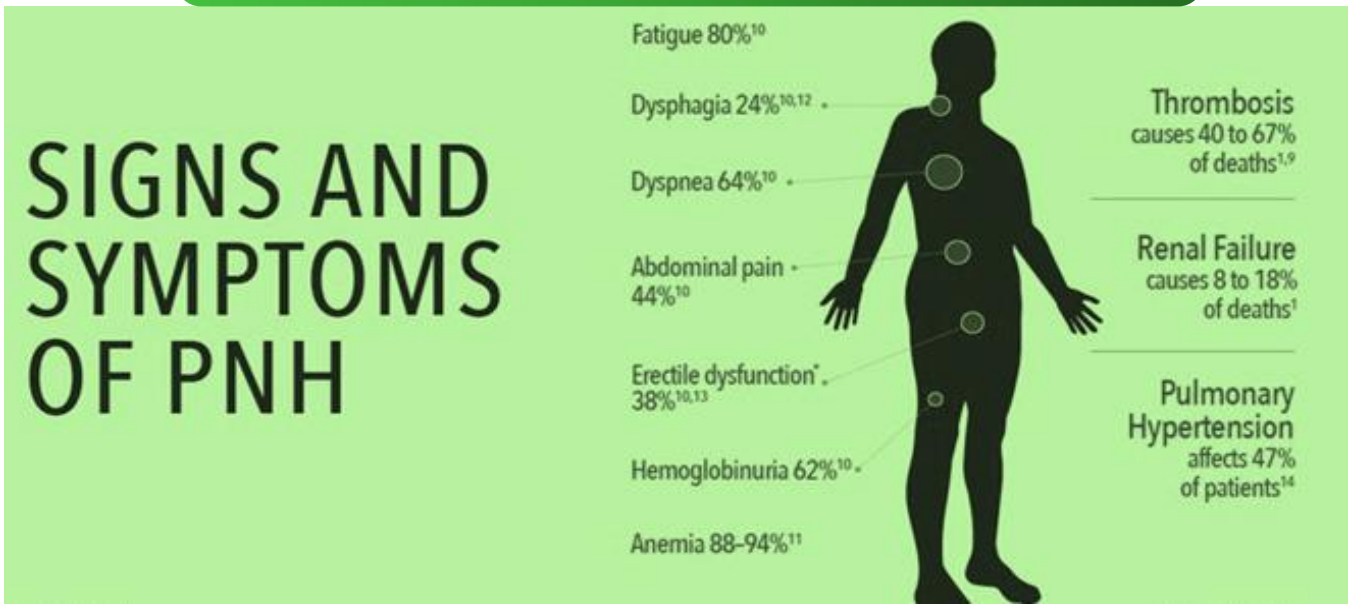
Expanded Drug Indications

- Chronic patient population
- Treatment necessary regardless of macro-disruptions
- Large addressable market
- High recurring revenue component

- Potential to significantly expand Total Addressable Market
- Inconsistent quarterly contribution
- Q3 2020 COVID-19 impact

STRATEGIC GROWTH INITIATIVE:
COMPLETED PHASE III HEMATOLOGY CLINICAL TRIAL USING FREEDOM SYSTEM

Paroxysmal Nocturnal Hemoglobinuria (PNH)
15,000 Patients Worldwide Afflicted with PNH



Source: https://twitter.com/alexionpharma/status/1082966719524732928?lang=da

This new PNH drug is advancing towards its planned 2021 U.S. / global launch

KRMD believes that its Freedom System will be used in several additional upcoming clinical trials focused on expanding indications and disease states for this same drug.

PLASMA OUTLOOK

CSL Behring

Plasma collection issues persist, but supply has been steadily improving.

COVID restrictions are expected to restrain ability to collect plasma and add to the overall cost of collection; CSL has multiple initiatives underway to mitigate the impact.

Added 40 U.S. collection centers in FY 20 for a total of 261; 277 centers globally.

CSL: https://wcsecure.weblink.com.au/pdf/CSL/02293494.pdf

GRIFOLS

Plasma collection impacted due to stay at home orders, but trends improving.

Expects full plasma volumes to recover in 2021, with an estimated increase in plasma volumes of ~ 30% in 2021.

Recent plasma-related investments and acquisitions reinforce commitment to growth in this area.

XEMBIFY® launch hampered by pandemic; EU approval expected in 2021. (1)

Grifols: https://intranet.grifols.com/documents/38081080/1024371201/np-20200914-en.pdf/6c1934e4-c8e8-4cd9-9324-8c1b6f718a3c

(1) Craig-Hallum research October 22, 2020

Takeda

132 centers in the U.S.

On track to increase plasma supply and manufacturing capacity by 65%+ by 2024

COVID dynamics may shift timing of plasma supply growth, but overall targets remain unchanged

https://www.takeda.com/4aae65/siteassets/system/investors/quarterly-announcements/fy2020/qr2020_q2_p01_en.pdf

Q3 2020 FINANCIAL SUMMARY ($ in MMs)

	Three Months Ended 9/30/20	Three Months Ended 9/30/19	Year Over Year Change
Net Sales	$ 6.1	$ 6.6	(8.1)%
Gross Profit	$ 3.9	$ 4.4	(10.1)%
Gross Margin	64.8%	66.2%	(140) bps
Total Operating Expenses	$ 3.6	$ 3.6	--
Net Income	$ 0.2	$ 0.7	(61.8) %
Non-GAAP Adjusted EBITDA*	$ 0.9	$ 2.2	(59.3)%

*Adjusted EBITDA excludes from net income / (loss): income tax expense, depreciation and amortization, interest income, net, discontinued product expense, litigation expenses including stock-based settlement expense, manufacturing initiative expenses, and stock option expense

BALANCE SHEET AND CAPITAL STRUCTURE

$32.4 M
Cash & Cash Equivalents
September 30, 2020

48.0 M
Diluted Shares Outstanding
September 30, 2020

($ in millions)	September 30, 2020	December 31, 2019
Cash & Cash Equivalents	$ 32.4	$ 5.9
Current Assets	$ 42.6	$ 11.9
Total Assets	$ 45.4	$ 13.9
Total Liabilities	$ 5.5	$ 2.7
Shareholders' Equity	$ 39.9	$ 11.2

RECONCILIATION

Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA

	September 30,		September 30,	
	2020	2019	2020	2019
GAAP Net Income/(Loss)	$ 249,175	$ 651,813	$ (377,435)	$ 644,606
Income Tax Expense	143,353	186,681	316,200	189,265
Depreciation and Amortization	115,637	82,774	297,801	252,594
Interest Income, Net	(9,662)	(23,368)	(23,690)	(59,091)
Reorganization Charges	—	—	—	354,926
Discontinued Product Expense	(6,659)	—	71,318	—
Litigation*	675	864,009	2,446,747	2,481,471
Manufacturing Initiative Expenses	59,045	120,386	194,804	120,386
Stock Option Expense	346,323	324,135	1,011,140	640,775
Non-GAAP Adjusted EBITDA**	$ 897,887	$ 2,206,430	$ 3,936,885	$ 4,624,932

*For the nine months ended September 30, 2020, litigation consisted of a $2.2 million non-cash, stock-based settlement expense.

**Adjusted EBITDA excludes from net income / (loss): income tax expense, depreciation and amortization, interest income, net, reorganization charges, discontinued product expense, litigation expenses including stock-based settlement expense, manufacturing initiative expenses, and stock option expense.

STRONG BUSINESS AND INDUSTRY FUNDAMENTALS

Leading Product Market Share

Up to 6.0 M Global PIDD Patient Population [1]; High Potential for Additional Diagnosis

Pursuing Multiple Growth Pathways

Successful Clinical Trial Participation

Supporting the Migration to At-Home Healthcare

Well-capitalized to Fund Growth Objectives

(1) https://www.businesswire.com/news/home/20200915005293/en/European-Medicines-Agency-Approves-Label-Update-for-HYQVIA®-Human-Normal-Immunoglobulin-10-and-Recombinant-Human-Hyaluronidase-Expanding-its-Use-to-a-Broader-Group-of-Patients-with-Secondary-Immunodeficiencies

THANK YOU

KORU™
MEDICAL SYSTEMS

NEW LIFE, NEW BEGINNINGS