



**Q4 2020 Financial Results**

March 23, 2021

**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," "feel," and "future," 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 (loss)/income: income tax expense, depreciation and amortization, interest income, net, reorganization charges, discontinued product expense, litigation costs, manufacturing initiative expenses, and stock-based compensation.

## **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 nonGAAP measure is included in an attachment to this press release.

## Domestic Core Revenue



### PIDD & CIDP Patients

- Higher allowances for selected customers
- COVID-19 related customer and distributor inventory stocking and burn created quarterly noise

## Other Revenue



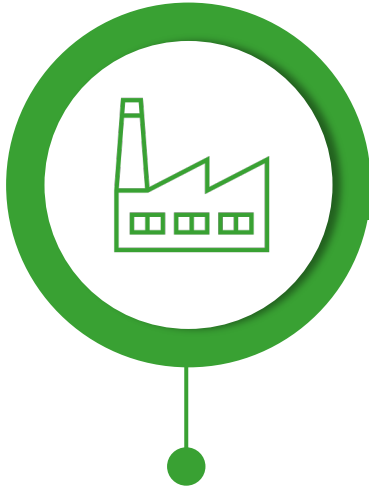
### Novel Therapies

- COVID-19 delayed some trial activities and hampered new international opportunities
- Timing of novel therapies revenue is unpredictable



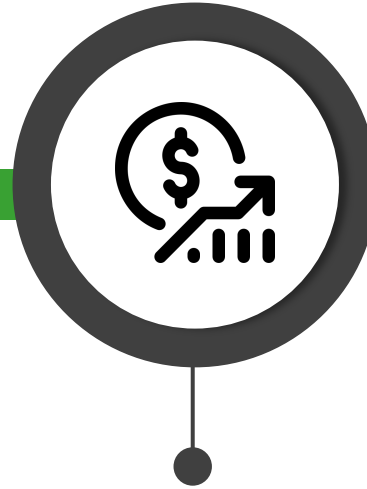
### International Core

**Net Revenue & Unit Volume expected to track more closely in 2021**



## Manufacturing

- Supply Continuity/Cost Savings Agreement
  - ✓ subassemblies
  - ✓ needle sets
  - ✓ tubing



## Capital

- Strengthened balance sheet with a net \$26.6M capital raise



## KRMD

- Announced share repurchase program



# 2021 Focus



# New Leadership: Linda Tharby



- Experienced global medical device industry executive
- Member of the Executive Leadership team of BD
- Global business leadership roles driving portfolio innovation and global commercialization
- Focused on pharmaceutical partnerships to address self-administration of therapies in the home.
- Enterprise change and integration experience

# 2020 FINANCIAL SUMMARY (\$ in MMs)



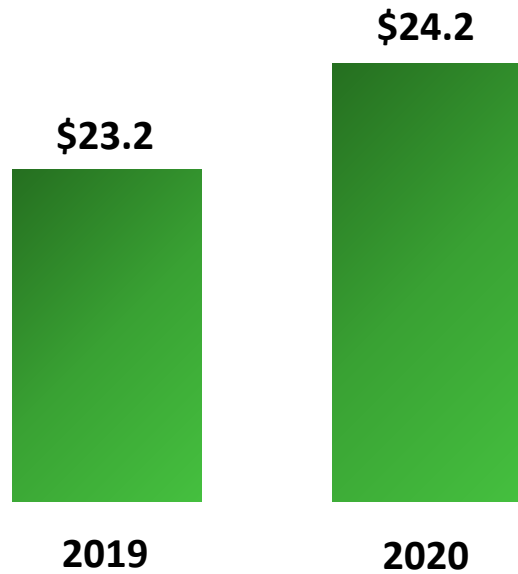
	Three Months Ended 12/31/20	Three Months Ended 12/31/19	Year Over Year Change		Twelve Months Ended 12/31/20	Twelve Months Ended 12/31/19	Year Over Year Change
Net Sales	\$ 4.1	\$ 6.2	(34.8)%		\$ 24.2	\$ 23.2	4.4%
Gross Profit	\$ 2.3	\$ 3.9	(41.8)%		\$ 14.9	\$ 14.9	0.6%
Gross Margin	56.6%	63.4%	(682) bps		61.8%	64.1%	(235) bps
Total Operating Expenses	\$ 3.5	\$ 4.1	(15.7)%		\$ 16.2	\$ 14.3	13.5%
Net (Loss)/Income	\$ (0.8)	\$ (0.1)	N/A		\$ (1.2)	\$ 0.6	N/A
Non-GAAP Adjusted EBITDA*	\$ (0.3)	\$ 1.5	N/A		\$ 3.7	\$ 6.2	(40.6)%

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

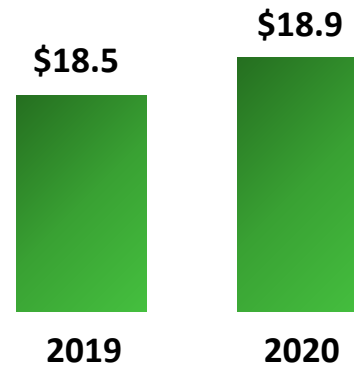
# 2020 NET SALES (\$ in MM)



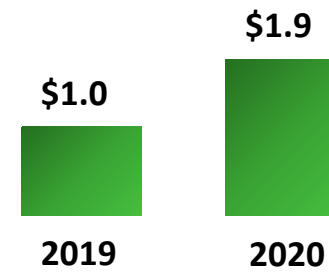
## Net Sales



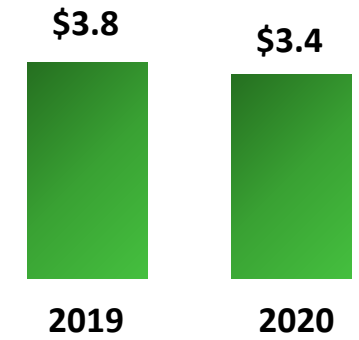
## Domestic Core



## Novel Therapies



## International Core



# BALANCE SHEET AND CAPITAL STRUCTURE



**\$27.3 M**  
**Cash & Cash Equivalents**  
 December 31, 2020



**43.7 M**  
**Diluted Shares Outstanding**  
 December 31, 2020

(\$ in millions)	December 31, 2020	December 31, 2019
Cash & Cash Equivalents	\$ 27.3	\$ 5.9
Current Assets	\$ 37.5	\$ 11.9
Total Assets	\$ 39.9	\$ 13.9
Total Liabilities	\$ 3.8	\$ 2.7
Shareholders' Equity	\$ 36.1	\$ 11.2

**KORU may purchase up to an additional \$6.5m of its common stock through December 2021**

# RECONCILIATION



## Reconciliation of GAAP Net (Loss)/Income to Non-GAAP Adjusted EBITDA

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2020	2019	2020	2019
GAAP Net (Loss)/Income	\$ (834,628)	\$ (80,256)	\$ (1,212,063)	\$ 564,349
Income Tax Expense	(298,400)	(57,197)	17,800	132,069
Depreciation and Amortization	120,794	87,635	418,595	340,229
Interest Income, Net	(18,705)	(21,572)	(42,395)	(80,663)
Reorganization Charges	95,700	—	95,700	354,926
Discontinued Product Expense	(459)	—	70,859	—
Litigation*	466	934,212	2,447,213	3,415,683
Manufacturing Initiative Expenses	51,723	110,282	246,527	230,668
Stock-Based Compensation Expense	<u>607,592</u>	<u>564,069</u>	<u>1,618,732</u>	<u>1,204,844</u>
Non-GAAP Adjusted EBITDA**	\$ <u>(275,917)</u>	\$ <u>1,537,173</u>	\$ <u>3,660,968</u>	\$ <u>6,162,105</u>

\*For the twelve months ended December 31, 2020, litigation consisted of a \$2.2 million non-cash, stock-based settlement expense.

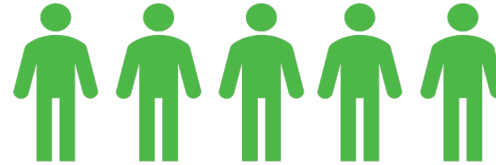
\*\*Adjusted EBITDA excludes from net (loss)/income: income tax expense, depreciation and amortization, interest income, net, reorganization charges, discontinued product expense, litigation costs, manufacturing initiative expenses, and stock-based compensation



# STRONG BUSINESS AND INDUSTRY FUNDAMENTALS



**Leading Product  
Market Share**



**Up to 6.0 M Global PIDD Patient  
Population <sup>(1)</sup>; High Potential for  
Additional Diagnosis**



**Pursuing Multiple  
Growth Pathways**



**2020 Pricing Allowances  
Positioned Favorably  
with Customers**



**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



*NEW LIFE, NEW BEGINNINGS*