



KORU Medical Systems

Q1 2022 Earnings Call

May 4, 2022

Forward-Looking Statements

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 regarding our expectations for future performance, including but not limited to our future CAGR, sales, gross margin, operating expenses, market growth, rebounding U.S. immunoglobulin market, new corporate headquarters, and outsourced manufacturing transition. Forward-looking statements are neither historical facts nor assurances of future performance and are based only on our current beliefs, expectations and assumptions. Forward-looking statements 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 related to new SCIg patient starts, plasma supply, clinical trial activity, and supply chain; 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 and any new product we introduce; 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, as well as those risks and uncertainties included under the captions "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021, which is available on the SEC website at www.sec.gov and on our website at www.korumedical.com/investors. 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.

This presentation includes certain 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. Reconciliations of our non-GAAP financial measures are included at the end of this presentation.

Sales: All references to sale(s) within the presentation refer to net sale(s).



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Q1 2022 Highlights

Linda Tharby

President and Chief Executive Officer

Well Positioned to Create Long-Term Value as a Drug Delivery Player

Market Leading Subcutaneous Immunoglobulin (SCIg) Home Infusion Platform

25k+ patients on platform
\$300M₍₁₎ Total Addressable Market

Proven Pharmaceutical Partnership Model

12 commercialized drugs/indications on KORU Medical pump

Attractive, Scalable Business Model

Recurring monthly consumables sales to specialty pharmacies

Extending our Leadership in U.S. SCIg to Growing Subcutaneous Home Infusion Market

\$1.3B₍₁₎ Total Addressable Market



(1) Industry research & KORU Medical estimates

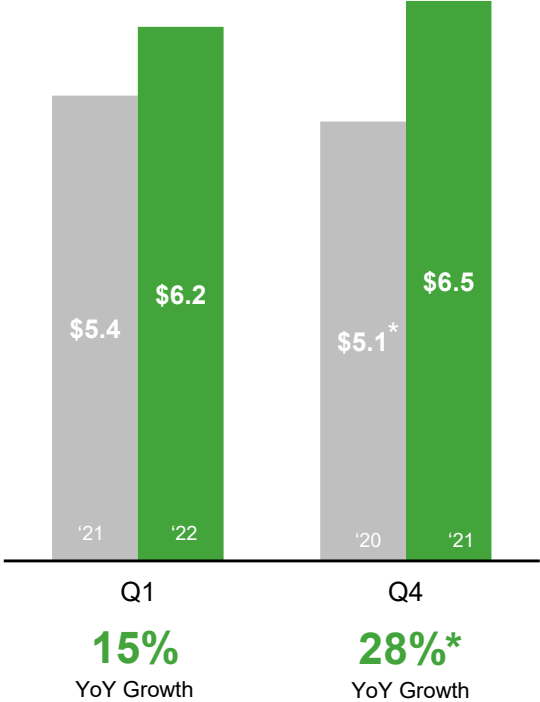
Strong Q1 Sales Momentum

\$6.2M

Q1 2022 net sales

- **15.0%** year-on-year sales growth
- 2 consecutive quarters of double-digit growth
- Q1 2022 quarter growth driven by strength in domestic core and novel therapies
- Rebounding US Immunoglobulin market

YoY Quarterly Net Sales; in Millions



Q1 Net Sales by Business; In Millions

	Q1 2022	Q1 2021	% Change
Domestic Core	\$5.0	\$4.4	13.2%
International Core	\$0.9	\$1.0	(8.6%)
Novel Therapies	\$0.4	\$0.04	798.0%
Total	\$6.2	\$5.4	15.0%



*Figures non-GAAP adjusted net sales. See reconciliation to GAAP table in appendix.

Executing on our Strategic Milestones

Increase Core SCIg Penetration \$300M₁ U.S. TAM

Extend to Novel Therapies \$1B₁ U.S. TAM

New SCIg patient starts

- U.S. market growth 7%₂, KORU Medical domestic core 13%
- Freedom pumps +40% growth
- 4 new 510(k) clearances in last 5 months

Win SCIg prefills

- FreedomEdge® only 510(k) clearance with prefills
- Prefill market growth of 361%₀₍₂₎, 5%₂ penetration

Geographic expansion

- Signed German market distribution agreement

Focus on large volume >10ml

- Market tested, rapid deployment, regulatory acceptance
- Clinical and commercial adoption for various biopharma needs
- 1 new non-Ig deal signed in Q1, 5 in the last 2 quarters
- Scope expanded with new innovation development agreement, and hit first milestone

Building the Foundation

New Corporate Headquarters on track for June 1

Built out executive team, including new CTO

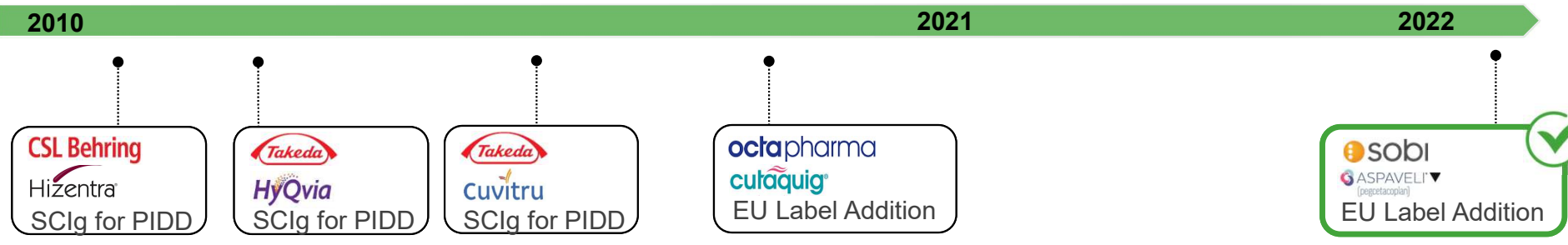
Completed Phase 1 of outsourced manufacturing, Phase 2 on track for August



1. Industry research & KORU Medical estimates 2. IQVIA Market Data

Expanded Label Indication with Addition of New Drug Outside of Ig

New SCIg Patient Starts

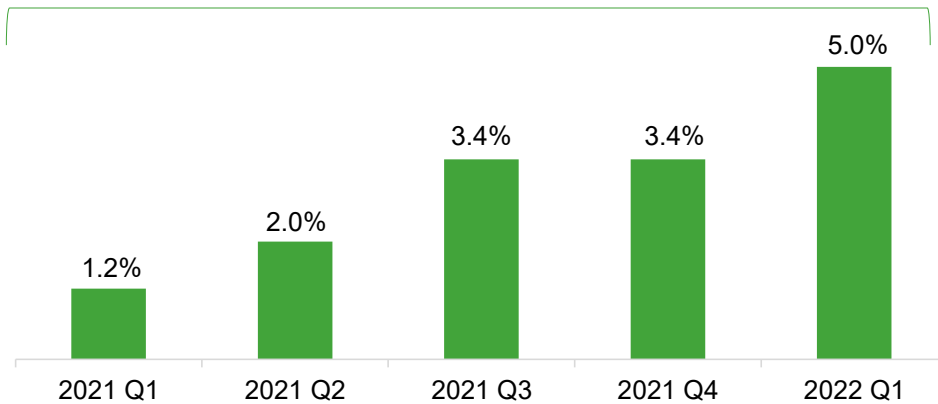


Prefilled Syringes Growth Creates Short- and Long-Term Upside Potential

Prefilled syringes are rapidly gaining market share

KORU Medical upside opportunity as the best solution on the market

Prefilled Penetration % of SCIg grams₁



- Easier infusions via prefills drive market expansion. KORU Medical benefits as share leader
- As the only FDA cleared platform FreedomEdge® for use with prefilled syringes, a prefill patient is a KORU Medical patient
- Pharmacies value KORU Medical's solutions that include products with prefilled syringe compatibility and clinical support for prefilled syringe patient switches

Expanded International Markets with New German Distribution Partnership

Germany is an attractive SCIg market



84
million

**Large
population**

7,000
or more Ig
patients₁

**Sizable patient
base**

~15%
SCIg growth
CAGR₁

**Double-digit
market growth**

~50%
SC % of Ig₂

**High utilization
of SCIg**

DiaExpert is an ideal partner

**Best-in-class clinical
training and patient-care
capabilities**

**National scale with large
team, comprehensive
distribution, and in-house
pharmacy**

1. Marketing Research Bureau, KORU Medical analysis
2. Sediva et al, Clinical & Experimental Immunology, 2014

Continued Momentum in Novel Therapies

FY 2021

6

New Closed in 2021 - **4 in Q4**

- Respiratory
- Oncology
- Immunology (2x)
- Hematology
- Neurology

	Development Stage	Ig	New Drugs	Total
Closed	Phase III	2	1	3
	Earlier	1	2	3
Total Closed		3	3	6

Q1 2022

1

New Closed in Q1 2022

- Hematology

	Development Stage	Ig	New Drugs	Total
Closed	Phase III	0	0	0
	Earlier	0	1	1
Total Closed		0	1	1

- Q1 sales reflect 2021 deal momentum
- Sales for Novel Therapies includes finished product sale for use in clinical trial, and/or developmental services sales in the form of non-recurring engineering (NRE) fees
- Pursuing over 18 new Opportunities – in the form of active quotes for unique individual drug programs in the marketplace
- Closed 1 new Non-Ig deal in Q1 2022 hematology

Build the
Foundation

KORU Medical Leadership Team



LINDA THARBY
Chief Executive Officer & President



KAREN FISHER
Chief Financial
Officer



MANUEL MARQUES
Chief Operating
Officer



BRIAN CASE
Chief Technology
Officer



JOSH BENNETT
Vice President of
Strategy, Marketing,
& Business Dev.



BRIAN HERTZOG
Vice President of
BioPharma Business
Development



CHRIS PAZDAN
Vice President of
Quality Assurance &
Regulatory Affairs



ROB CANNON
Vice President
of U.S. Sales



TOM ADAMS
Vice President of
Financial Planning
& Analysis

Baxter

Nemera

MCKESSON



Pfizer

**FRESENIUS
KABI**

Hillrom

KORU
MEDICAL SYSTEMS

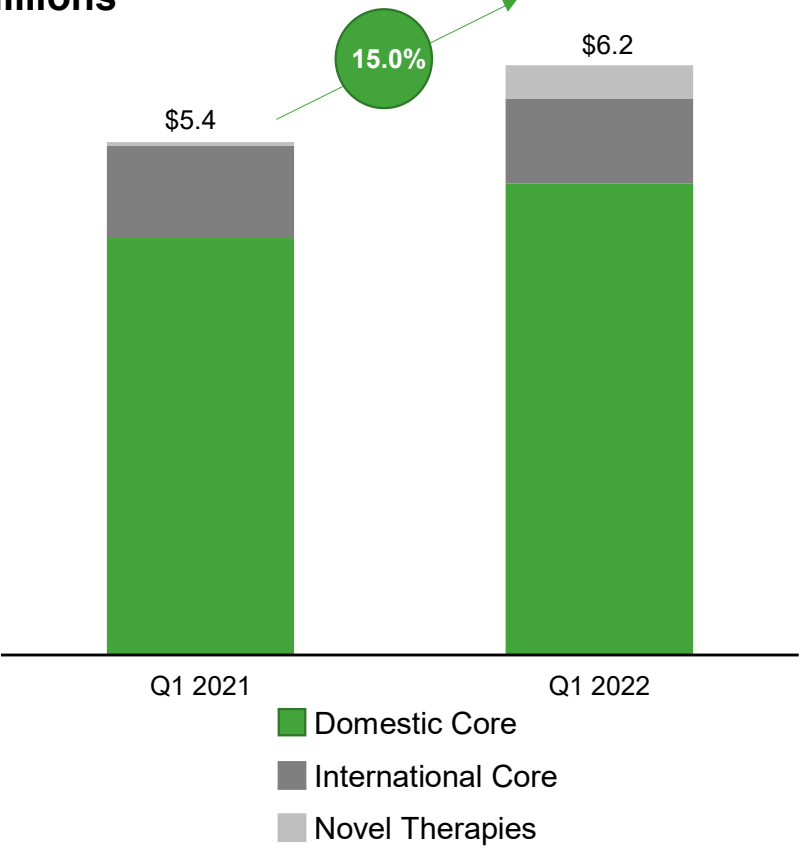


Financial Review

Karen Fisher
Chief Financial Officer

Q1 2022 Sales

Net Sales;
In Millions



Domestic Core

- Increased 13.2% year on year growth – above market
- Driven by double digit pump and consumables business
- Market recovery +7% through Q1 2022

International Core

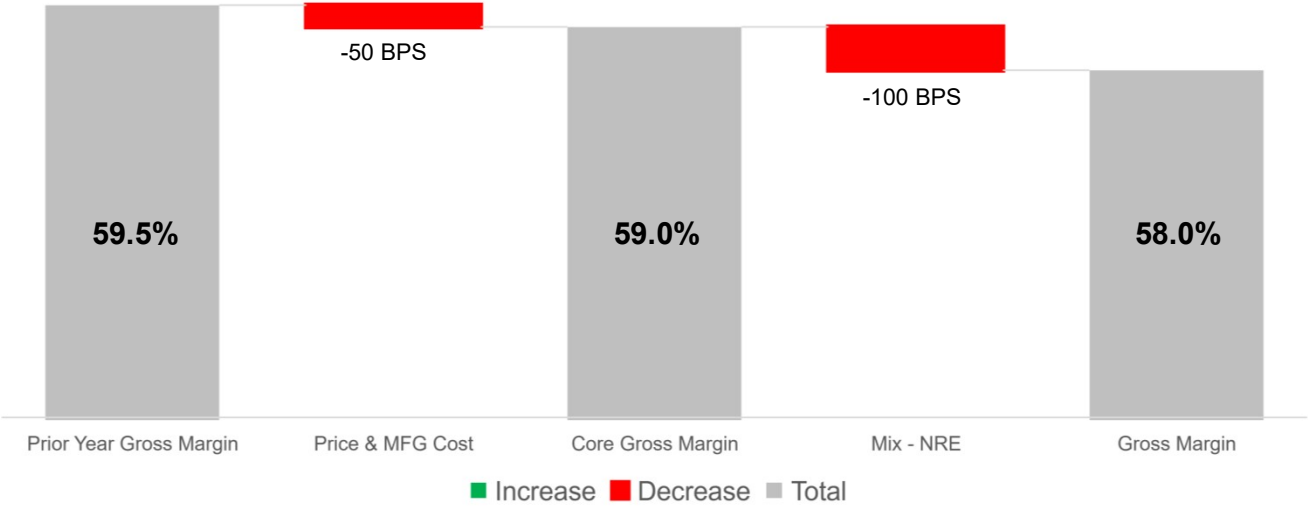
- Decreased 8.6% year on year
- Due to quarterly buying patterns with a few smaller customers

Novel Therapies

- Increased ~800% year on year
- Driven by NRE milestone completion

Q1 2022 Gross Margin

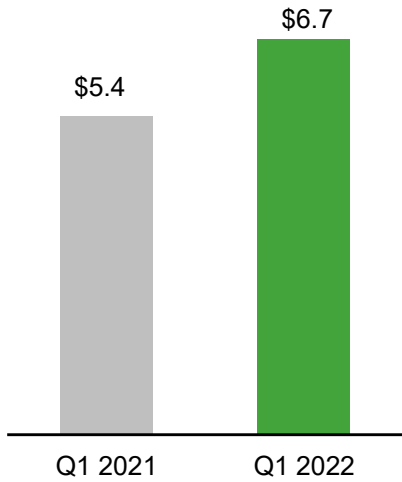
Q1 2022 Gross Margin Change vs. Q1 2021



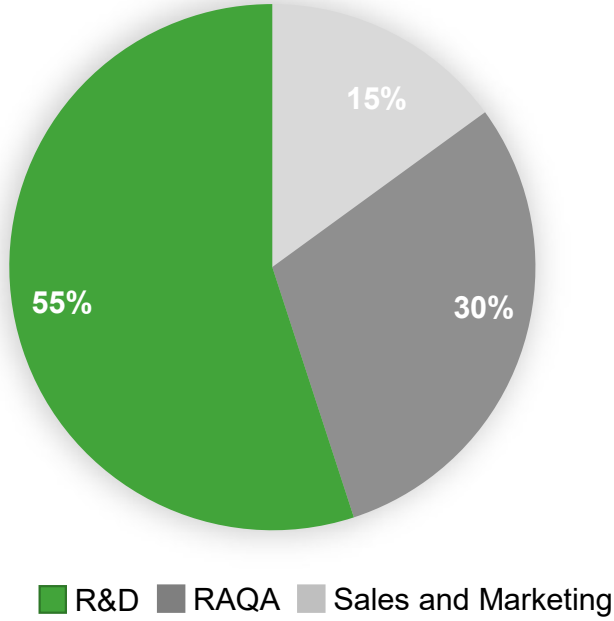
- Core business margin at 59% - higher manufacturing costs offset by price/mix
- Recorded higher NRE revenues from a completed milestone for an innovation development agreement with dilutive margin

Q1 2022 Operating Expenses

Operating Expenses;
In Millions



Q1 2022 vs. Q1 2021
Expense Change (\$1.3M)



Well Capitalized to Drive Shareholder Value

\$22.6M cash as of March 31st, 2022

Use of Funds



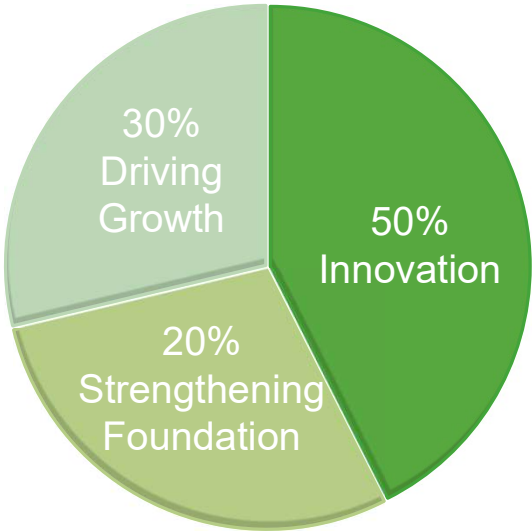
Innovation



Driving growth



Strengthening foundation





Guidance and Closing Comments

Linda Tharby

President and Chief Executive Officer

2022 Guidance

Sales Growth

Tightening range to **\$26.5 to \$27** million net sales in 2022

Key Drivers

- Increased core SCIg market growth
- Expanded Novel Therapies pipeline

Gross Margin Profile

Reiterating **60%** run rate to exit 2022

Key Drivers

- Manufacturing transition on track for Q3
- Q2 margin impact due to Q1 supply chain disruption
- NRE revenue mix variability

Operating Expenses

Reiterating range of **\$27 to \$28** million in 2022

Key Drivers

- Research and development
- Business development & commercialization
- Quality and Regulatory
- Q2 one time building move expenses

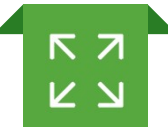
Q1 2022 Highlights



Year-over-year net sales growth of 15% to \$6.2 million, marking the second consecutive quarter of double-digit growth



Received 4th FDA clearance in 5 months, a 510(k) clearance for use of the FreedomEdge® infusion pump to deliver EMPAVELI® and Aspaveli®



Expanded novel therapies pipeline in new drug categories, including a Phase II clinical trial, and entered an innovation development agreement with a large SCIg customer



Signed distribution agreement in Germany, with an increased focus on international markets



Strengthened leadership team with new Chief Technology Officer



Pathway to ~20% CAGR through 2026 with \$1.3B U.S. TAM



Appendix

Non-GAAP Net Sales Reconciliation

Reconciliation of Reported Net Revenues to Non-GAAP Net Revenues	Three Months Ended December 31,		Change from Prior Year	
	2021	2020	\$	%
Reported Net Revenues	\$ 6,490,507	\$ 4,057,220	\$ 2,433,287	60.0%
Early Order/Inventory Stocking	—	1,031,000	(1,031,000)	100.0%
Non-GAAP Adjusted Net Revenues	\$ 6,490,507	\$ 5,088,220	\$ 1,402,287	27.6%

Early Order/Inventory Stocking. For the quarter, we included the effect of an early order and covid related inventory stocking in calculating our non-GAAP measure. We had an early order from our largest distributor in the three months ended September 30, 2020, which would have otherwise been placed in the three months ended December 31, 2020, as well as higher purchases in the first half of the year that we believe would have been made in the second half of 2020, had it not been for the pandemic. For the twelve months ended December 31, 2020, we excluded what we believe to still be inventory stocking purchased in the first half of the year, had it not been for the pandemic.