KORU Medical Systems

Q3 2022 Earnings Call

November 9, 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 revenue, gross margin, operating expenses, and cash flow. Forward-looking statements are neither historical facts nor assurances of future performance and 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, supply chain and labor availability; inflationary impacts; effects of war and other global conflict; 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 and our Quarterly Report on Form 10-Q for the quarter ended June 30, which are available on the SEC website at www.sec.gov [sec.gov] and on our website at www.korumedical.com/investors [korumedical.com]. 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.

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

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Q3 2022 Highlights

Linda Tharby

President and Chief Executive Officer

Q3 2022 Strong Performance on Key Milestones

- Q3 2022 marked **fourth consecutive quarter** of **double-digit growth**
- Expanded Novel Therapies to **14 total collaborations**, including **four new Phase II** clinical drug trials, and **one drug progressed to Phase III**
- Strong core business performance - **U.S. growth outpaced** a growing subcutaneous immunoglobulin market, and **international growth of 46.8%** YOY
- Improved sequential **gross margins to 55.7%** and cleared Q2 backorder
- Strengthened executive team with **new Vice President of Medical Affairs**
- **Raised FY 2022 revenue guidance** to $27.5 - $28.0 million

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Well Positioned to Capture Shift From Hospital to Home with a $2.5B TAM Opportunity

Market Leadership in Growing Subcutaneous Immunoglobulin (SCIg) Market

$480M(1) — **Total global addressable market with <15% SCIg penetration**

30k+ — **Global patients on Freedom Platform**

~$750 — **Recurring revenue per patient per year**

FREEDOM Subcutaneous (SC) Infusion System

Regulatory Approval
510k Clearance
Registered in 25+ countries

Commercial Readiness
9 on-label SC drug indications

Rapid Deployment
Fully mechanical, broad application, customizable

Market Leading Subcutaneous Large Volume (>10ml) Delivery System

Extending our Leadership Position to Novel Therapies

$2B+(1) — **Total addressable market for SC large volume (>10ml)**

14 — **Pharmaceutical collaborations**

6 — **New drug classes represented in pipeline**

1. Industry research & KORU Medical estimates

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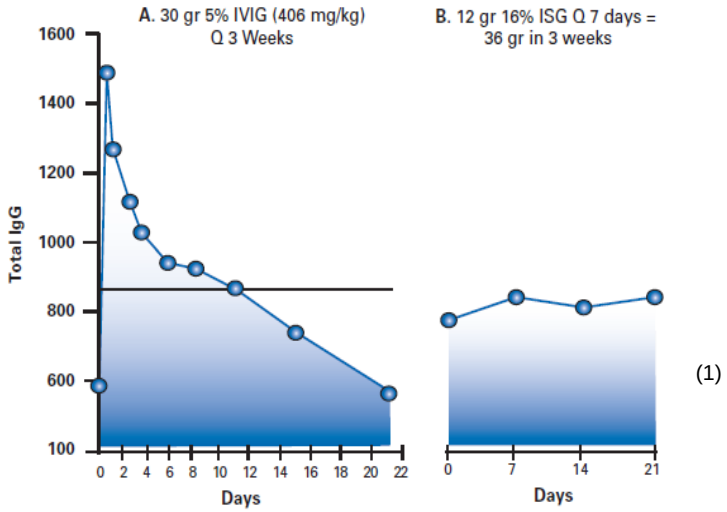
Benefits of SC over IV

Therapeutic Benefits

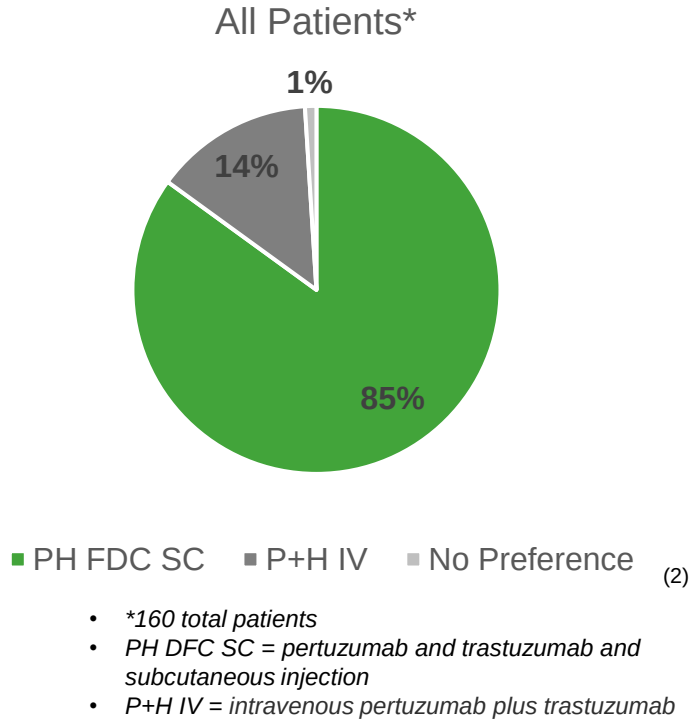
Constant Ig levels over time = fewer adverse reactions and infections



(1)

Patient Preference

85% choose SC over IV

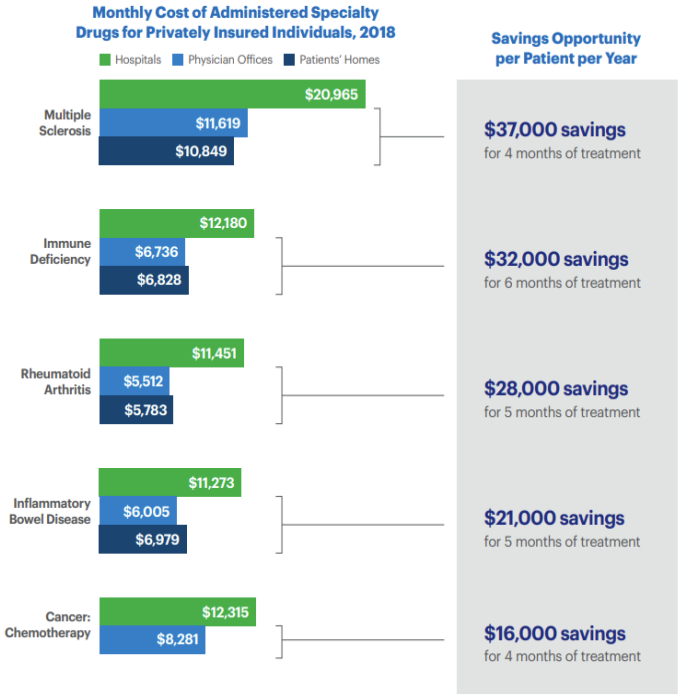


(2)

- **160 total patients*
- *PH DFC SC = pertuzumab and trastuzumab and subcutaneous injection*
- *P+H IV = intravenous pertuzumab plus trastuzumab*

Cost Savings

(33-52%) from site of care change from hospital to physician offices/home (3)



1. Berger M. Clin Immunol 2004;112:1-7 2. O'Shaughnessy et al Eur J Cancer 2021
3. UnitedHealth Group, Reducing Specialty Drug Costs, 2019

Achieving KORU Medical's Strategic Milestones

Grow Leadership Position in SCIg
$480M[1] Global TAM

New SCIg Patient Starts

- U.S. SCIg market growth 6.2%[2] YTD
- KORU Medical domestic core growth 16.2% Q3 2022 YOY, 12.8% YTD

Win SCIg Prefills

- Prefill market growth of 244.0% Q3 2022 YOY, 11.5%[2] penetration
- FreedomEdge® only 510(k) pump platform with clearance for prefills

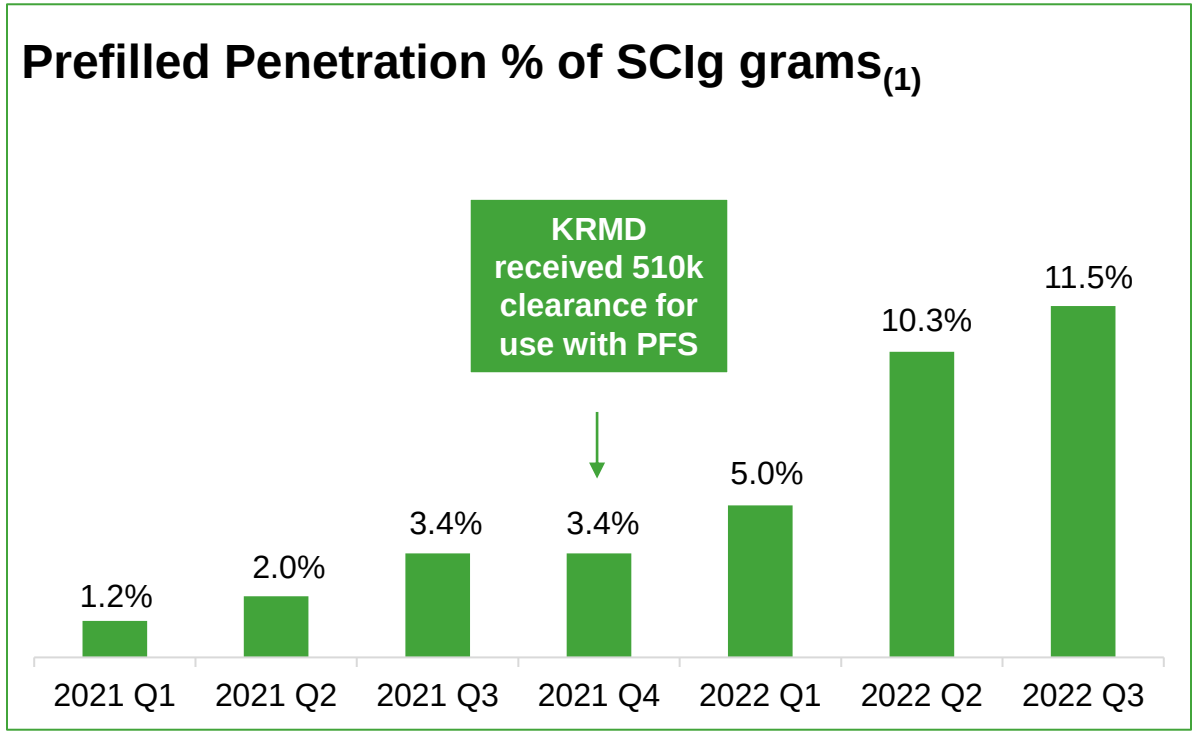
Geographic Expansion

- KORU Medical international growth 46.8% Q3 2022 YOY
- Strength in several EU markets across both pumps and consumables

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

Prefill Syringe Growth Creates Short and Long-Term Upside Potential

Prefill syringes (PFS) are rapidly gaining market penetration



KORU Medical upside share and market expansion opportunity

- Prefills reduce ~**25% of the steps** from the patient process
- **>97% patient satisfaction**(2). Increased patient convenience and ease of administration drives market expansion
- FreedomEdge® is the only **FDA cleared platform** for use with prefilled syringes
- Focused Ig pharmaceutical manufacturer and KORU Medical **innovation effort** on prefills

1. IQVIA NSP, KORU Medical analysis, 2. Striking the Right Balance: Shared Decision-Making in Primary Immunodeficiency Care by CSL Behring

Continued Momentum in Novel Therapies

Extend to Novel Therapies
$2B+[1] Global TAM

Focus on large volume >10ml

- Q3 2022 Novel Therapies Sales Growth of 251.9% reflects momentum from 2021 agreements
  - Sales for Novel Therapies includes finished product sales for use in clinical trials
  - Non-recurring engineering (NRE) fees for developmental services
- Four new collaborations closed in Q3 2022:
  - 4 Phase II new clinical drug collaborations in 4 drug classes
  - 1 drug progressed from Phase II to Phase III
- 13 total collaborations and 1 launched novel therapy drug across 7 drug classes
- 10-15 additional new opportunities in pipeline

+4 New Q3 2022 collaborations

14 Collaborations

Including

1 *launched novel therapy drug*

Drug Classes		
	• Respiratory • Oncology • Immunology • Gastroenterology	• Hematology • Neurology • Nephrology

1. Industry research & KORU Medical estimates (see slide 11 for more detail)

Novel Therapy Pharmaceutical Collaborations represent $2.5B TAM

Ig Therapy Areas	Current Phase	Global Patient Population (000s)[1]
Immunology / Neurology	9 Launched Drugs / Indications	630
Immunology / Neurology	4 Phase III 1 Phase I	
Total	**14**	**630**

New Drug Therapy Areas	Current Phase	Global Patient Population (000s)[1]
Hematology	Launched	15
Nephrology	**Phase III (drug 1) Phase II (drug 2)**	**2**
Nephrology	**Phase II**	**540**
Hematology	Phase II	133
Neurology	**Phase II**	**44**
Respiratory	Phase II	239
Oncology	Phase II	852
Gastroenterology	**Phase II**	**393**
Total	**9**	**2,218**
Grand Total	**23**	**2,848**

~$480M[2]

Ig TAM

~$2.0B[2]

New Drug Therapy TAM

~$25M Launched
~$2M Phase III
~$1.97B Phase II

*Bold represents new deals in the quarter. 1. Incidence for oncology, global patient population 2.TAM based on patient population, expected treatment frequency. Not adjusted for clinical risk

Financial Review

Tom Adams

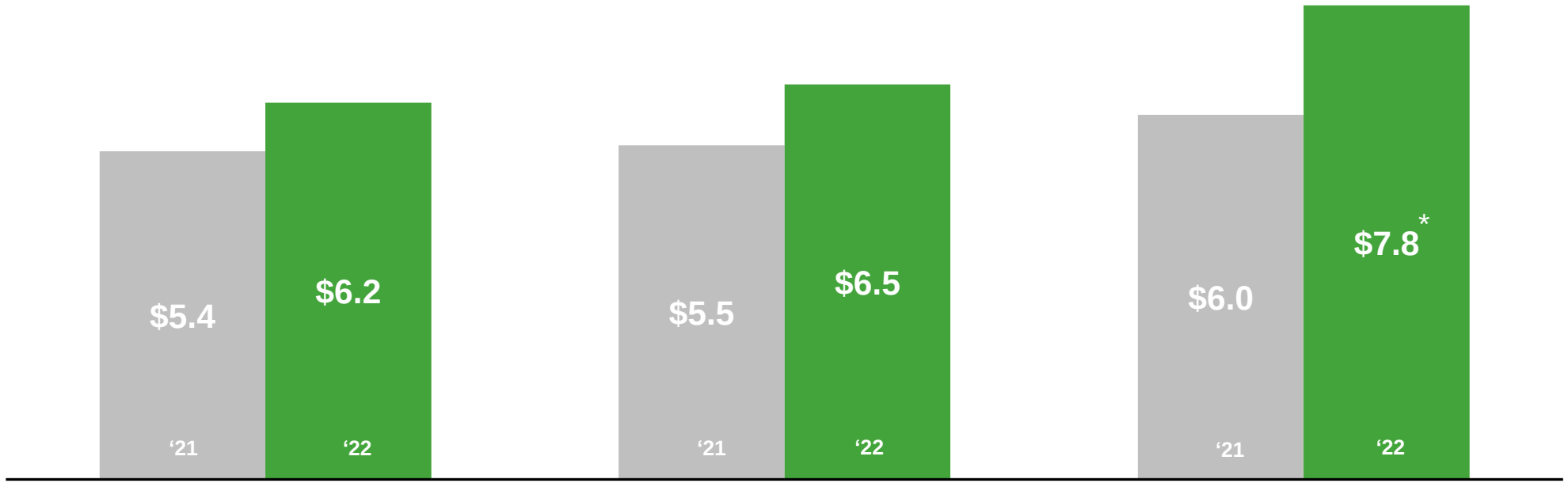
Interim Chief Financial Officer

Strong Q3 Sales Momentum

$7.8M*

Q3 2022 Net Sales

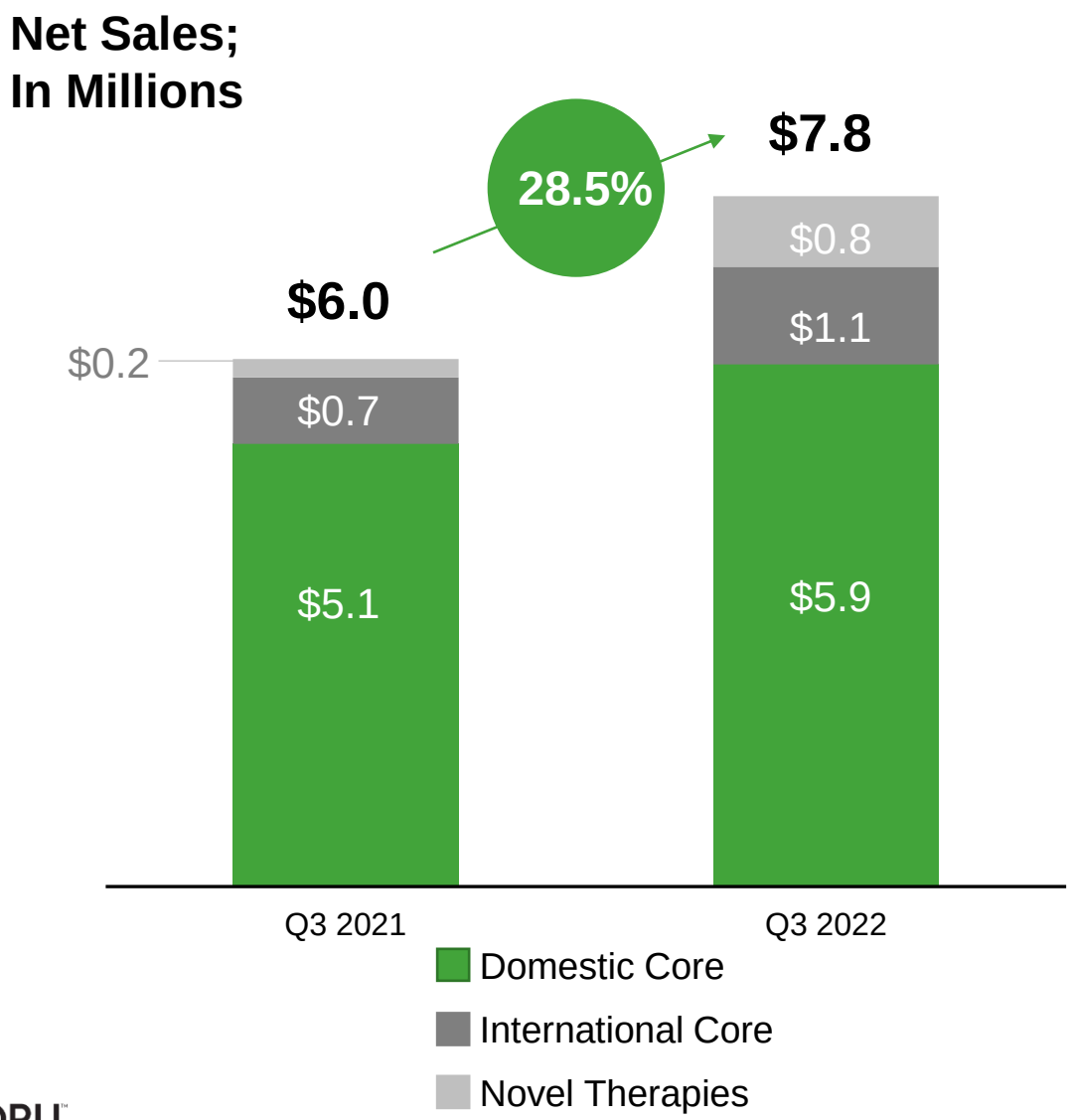
YoY Quarterly Net Sales; in Millions



Q1	Q2	Q3
15.0% YoY Growth	**18.4%** YoY Growth	**28.5%*** YoY Growth

*Inclusive of $0.3M cleared back order from Q2 2022

Strength Across All Three Businesses



Domestic Core

- Increased 16.2% year on year (10.3% net of $300k backorders)
- Driven by label expansions including sales initiatives, prefills and SCIg market growth 6.2%(1) Q3 YTD

International Core

- Increased 46.8% year on year
- Increased pump and consumables sales

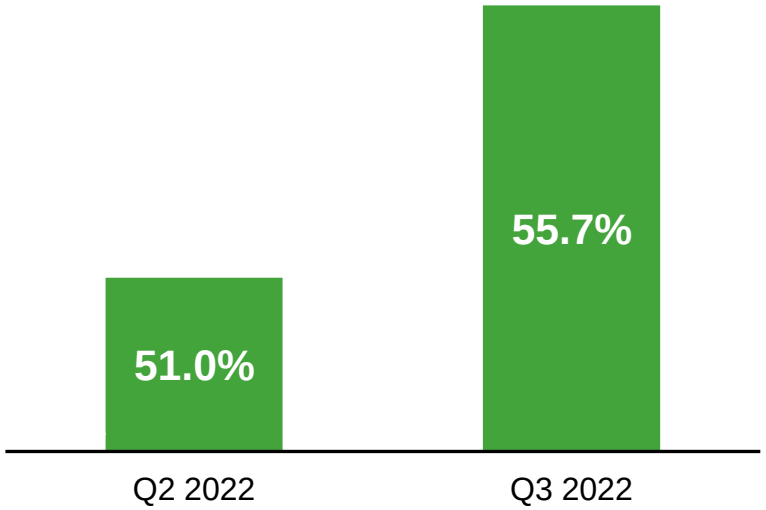
Novel Therapies

- Increased 259.1% year on year
- Driven by non-recurring engineering services and pipeline expansion

1. IQVIA Market Data

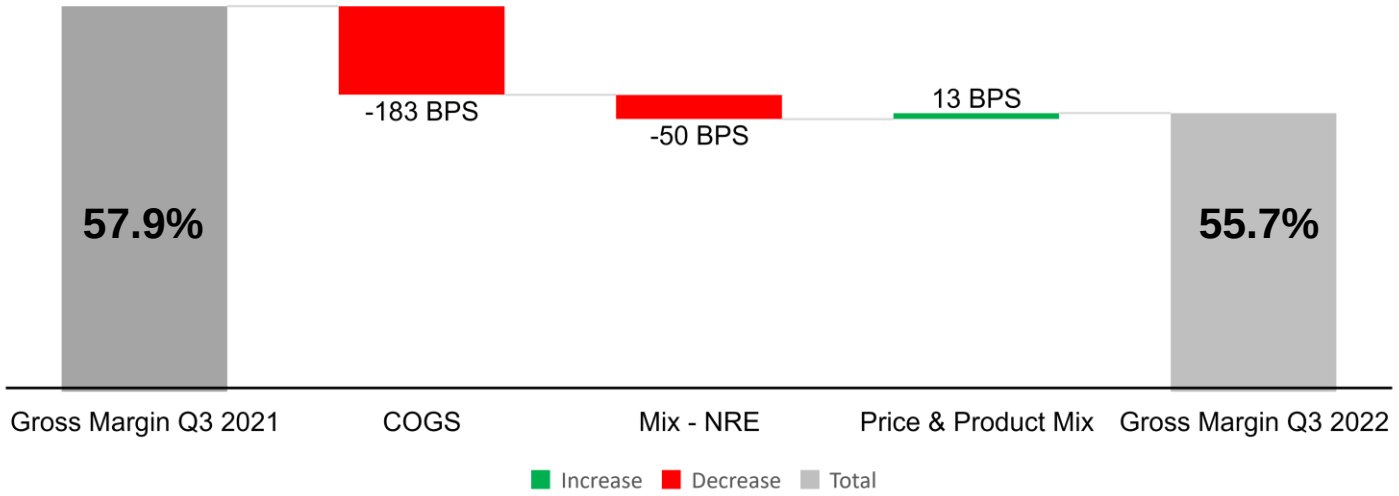
Gross Margin

QoQ Gross Margin;



- Sequential improvement of 460 BPS vs. Q2 (51.1%)
- Supply chain improvements resulting in improved manufacturing productivity

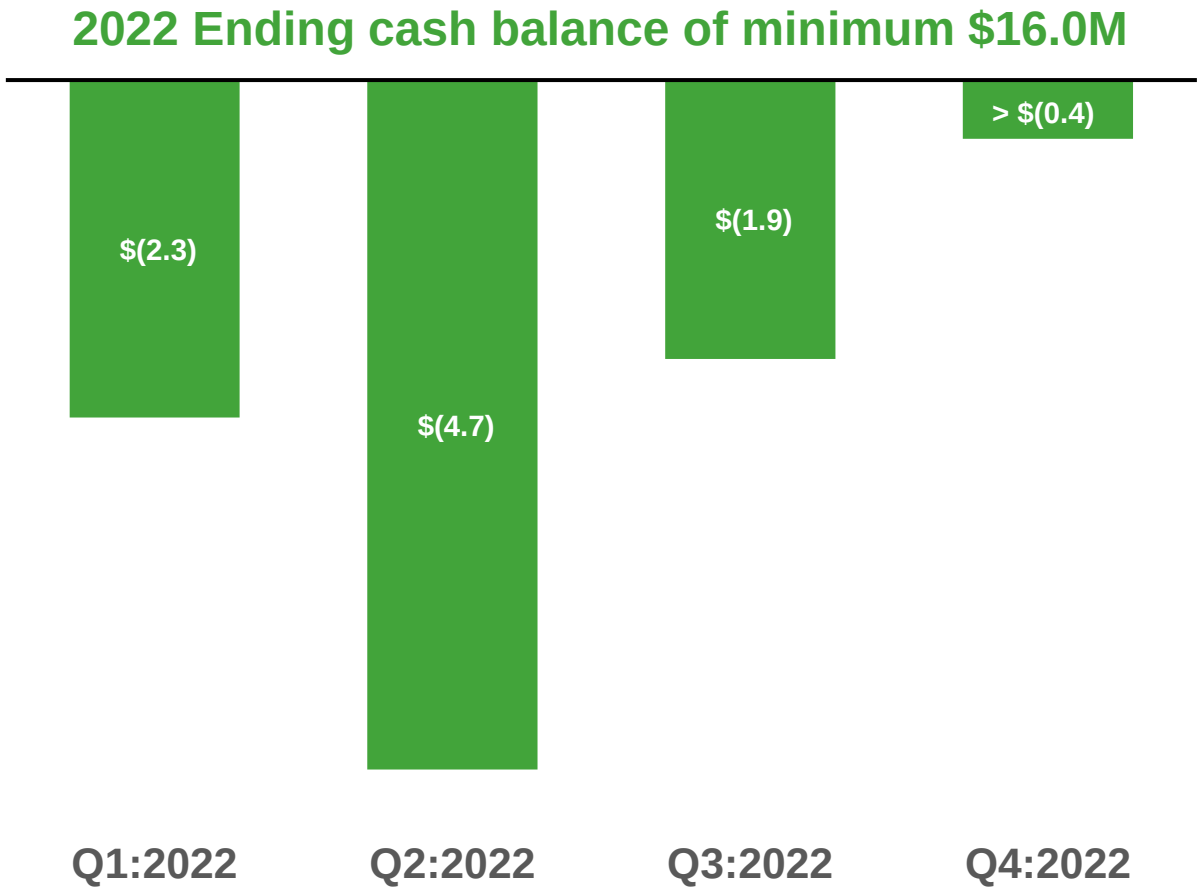
Gross Margin Change Q3 2022 vs. Q3 2021;



- Increase in COGS for labor and materials, clearing back order resulting from Q2 supply chain issues
- Growth in NRE revenue but at a lower margin
- Nominal increase price mix impact

Forecasting to Remain on Track for Cash Guidance

In Millions



First Half 2022

(-) Net Loss:
Lower gross margins due to higher production variances and NRE revenue

(-) One-time expenses ~$3.0M :
HQ relocation, executive severance

(-) Working capital:
Excess inventory for supply chain disruptions ~$0.7M

Second Half 2022

(+) Lower Net Loss expected in 2H:
Stronger revenues, improved gross margins, and lower operating expenses

(+) Decreased working capital:
Reduction in trade accounts receivable balance
Lower raw material inventory

(+) Other Receivables:
Employee Retention Credit (ERC), & leasehold improvement reimbursements

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Guidance and Closing Comments

Linda Tharby

President and Chief Executive Officer

2022 Guidance

Sales Growth

Raising to **$27.5 - $28.0** million net sales in 2022

Key Drivers

- Expanded Novel Therapies pipeline
- Increased core SCIg market growth

Gross Margin Profile

Confirming **55.0%-60.0%** exit rate for 2022

Key Drivers

- Resolution and stability in supply chain disruptions
- NRE margin variability
- Outsourcing initiative evolved to Q1 2023

Operating Expenses & Cash Flow

Lowering OpEx range to **$26.5 to $27.0** million in 2022: ending the year with minimum cash balance of **~$16.0** million

Key Drivers

- Lower Net Loss
- Lower Working Capital in 2H
- ERC & Tenant Improvement Credits

Q3 2022 Strong Performance on Key Milestones

Q3 2022 marked **fourth consecutive quarter** of **double-digit growth**

Expanded Novel Therapies to **14 total collaborations**, including **four new Phase II** clinical drug trials, and **one drug progressed to Phase III**

Strong core business performance - **U.S. growth outpaced** a growing subcutaneous immunoglobulin market, and **international growth of 46.8%** YOY

Improved sequential **gross margins to 55.7%** and cleared Q2 backorder

Strengthened executive team with **new Vice President of Medical Affairs**

Raised FY 2022 revenue guidance to $27.5 - $28.0 million

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Appendix

GAAP Reconciliation

Reconciliation of GAAP Net (Loss) to Non-GAAP Adjusted EBITDA:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
GAAP Net Loss	$ (1,225,559)	(1,093,778)	$ (6,684,415)	$ (3,494,465)
Tax (Benefit)/Expense	(271,500)	(238,104)	(1,579,359)	(1,425,781)
Depreciation and Amortization	164,344	115,934	399,479	349,822
Interest (Income)/Expense, Net	(42,476)	2,838	(44,579)	(16,883)
Reorganization Charges	200,000	(1,262)	765,433	1,192,618
Manufacturing Initiative Expenses	20,537	35,892	108,886	237,333
Stock-based Compensation Expense	779,510	628,276	2,429,999	1,967,632
Non-GAAP Adjusted EBITDA	$ (375,144)	$ (556,204)	$ (4,604,556)	$ (1,189,724)

Reconciliation of Reported Diluted EPS to Non-GAAP Adjusted Diluted EPS:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Reported Diluted Earnings Per Share	$ (0.03)	$ (0.02)	$ (0.15)	$ (0.08)
Reorganization Charges	—	—	0.02	0.03
Manufacturing Initiative Expenses	—	—	—	0.01
Stock-based Compensation Expense	—	—	—	0.01
Tax (Expense) Adjustment	—	—	—	(0.01)
Non-GAAP Adjusted Diluted Earnings Per Share	$ (0.03)	$ (0.02)	$ (0.13)	$ (0.04)

GAAP Reconciliation

Reorganization Charges. We have excluded the effect of reorganization charges in calculating our non-GAAP measures. In 2021 we incurred significant expenses in connection with the departure and replacement of our chief executive officer and the recruiting of two new board members, which we would not have otherwise incurred in periods presented as part of our continuing operations. In 2022 we incurred further severance expense related to the reorganization of the leadership team and the departure of our chief financial officer, which we would not have otherwise incurred in periods presented as part of continuing operations.

Manufacturing Initiative Expenses. We have excluded the effect of expenses related to creating manufacturing efficiencies, in calculating our non-GAAP measures. We incurred expenses in connection with these initiatives which we would not have otherwise incurred in periods presented as part of our continuing operations. We expect to incur related expenses for the next three to six months.

Stock-based Compensation Expense. We have excluded the effect of stock-based compensation expense in calculating our non-GAAP measures. We record non-cash compensation expense related to grants of options and restricted shares for executives, employees and consultants, and grants of shares to our board of directors. Depending upon the size, timing and the terms of the grants, the non-cash compensation expense may vary significantly but will recur in future periods.