



KORU Medical Systems

Q1 2023 Earnings Call
May 4, 2023

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 novel therapies pipeline, 510(k) filings, revenue, gross margin, operating expenses, cash, 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: new SCIG patient starts, growth of the SCIG market, plasma supply, clinical trial activity, market penetration of prefill syringes; supply chain and labor availability and pricing; third party contractor execution; timely receipt of other receivable credits; inflationary impacts; ability to reduce inventory; success of geographic expansion; 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 obtain financing or 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, 2022 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 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.

Revenues: All references to revenue(s) in this presentation refer to net revenues.

Q1 2023 Highlights

Linda Tharby
President and Chief Executive Officer

Strong Q1 2023 Performance and Momentum Towards our Vision 2026



Net **revenue growth versus prior year of 18%** to \$7.4 million, marking the **sixth consecutive quarter of double-digit growth** with strength in all three businesses



U.S. Core business growth of 15% outpacing the subcutaneous immunoglobulin drug market growth – driven by pumps and consumables, new accounts, and prefilled syringes



International Core business growth of 23% – driven by growth in several markets and increases in SCIg global drug availability



Novel Therapies business **growth of 62%, increasing the total number of pharmaceutical collaborations to 15** and expanding our total pipeline of opportunities



Sequential quarterly gross margin improvement to 56.1% and **completion of the manufacturing transition** paving the way to exit the year with 60-62% gross margin



Reaffirming 2023 net revenues expected to be between **\$32.5 and \$33.5 million**, representing **growth in the range of 17-20%**

U.S. Core Business Outpacing U.S. SClg Drug Market Driven by Strength of Prefilled Syringe Penetration

Continued strength from domestic core with **15% year-over-year growth**

Outperforming Underlying SClg Drug Market Growth

U.S. Core growth **15%**

Pump growth of **16%**

SClg market growth of 12%⁽¹⁾ through February

Soft March driving a flat quarter

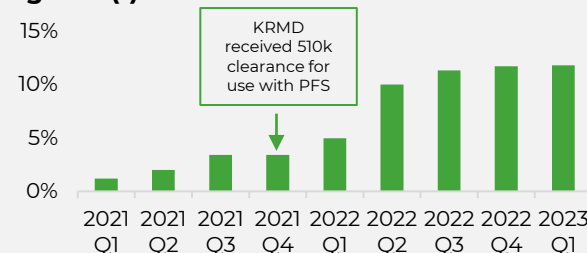
Increasing Prefill Penetration

+130% PFS growth with continued penetration

CSL gains **50ml prefilled clearance** with 2024 market launch

+50% FreedomEdge pump sales in Q1 2023

Prefilled Penetration % of SClg grams⁽¹⁾



Geographic Expansion Efforts Fueled by Increasing Global SCIg Drug Availability

23% year-over-year growth in international core across several key markets



Distribution in **25+** countries

Win New Patient Starts



Broad label indication with **13** on label indications with **5** pharma companies

Double-digit EU pump sales year-over-year

Strengthen Distribution Partnerships

Growth across **several EU markets**

Established **new distribution** in Canada

First KOL/patient training event held in Germany

Koru Freedom Infusionssysteme – die Durchflussrate bestimmt Ihr Körper DiaExpert

Die mechanischen Pumpen zur subkutanen Immunglobulin-Therapie

- **Einfach und sicher:** Bedienung ohne Tasten oder Schalter
- **Mehr Unabhängigkeit:** ohne Stütze, Stom oder Programmierung
- **Ausgewogene Infusion:** automatische Verdünnungsmenge der Infusion bei Druckerlöschung im Covect® (DyneQ2)

Die neuen Pumpen sind jetzt verfügbar

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Jetzt neu in Deutschland: www.freedom-systems-deutschland.de

Electronic Pump Conversion

Leverage Freedom System benefits of **patient comfort, device reliability, and economic advantage**

Electronic pump comparison trial **expected completion** December **2023**

Increasing Momentum Within Novel Therapies Pipeline

Novel Therapies Momentum in Q1

Focus on large volume >10ml

- Q1 2023 Novel therapies sales **growth of 62%** reflects momentum from 2022 agreements
 - Revenues grew through non-recurring engineering (NRE) fees for innovation and developmental services
- **One new collaboration** closed in Q1 2023:
 - Development agreement for use of Freedom System with SClg prefills
- On track for **20 total pharmaceutical collaborations** to end 2023
 - **10-15 additional opportunities** in pipeline
 - New interest in infectious disease with multiple targets
 - Increasing interest in oncology opportunities
 - New geographical opportunities

15 Total Collaborations

1 new collaboration in Q1 2023

7 Drug Classes

- Respiratory
- Oncology
- Immunology
- Gastroenterology
- Hematology
- Neurology
- Nephrology

Novel Therapies Pharmaceutical Collaborations

15 Total Collaborations | 7 Drug Classes

\$2.5B TAM⁽¹⁾ | 2.8M⁽²⁾ Global Patient Population

| Expanded Indications to Current Label (lg) | Patient Population (000's) ³ | Phase I | Phase II | Phase III | Launch Date |
|--|---|---------|----------|-----------|-------------|
| Immunology /Neurology | 630 | | | | 1-2 years |
| | | | | | 1-2 years |
| | | | | | 1-2 years |
| | | | | | 1-2 years |
| | | | | | 3-5 years |
| | | | | | 5+ years |
| New Therapy Areas | Patient Population (000's) ³ | Phase I | Phase II | Phase III | Launch Date |
| Hematology | 15 | | | | |
| Nephrology | 2 | | | | 1-3 years |
| Hematology | 133 | | | | 3-5 years |
| Neurology | 44 | | | | 3-5 years |
| Oncology ⁽³⁾ | 852 | | | | 3-5 years |
| Gastroenterology | 393 | | | | 3-5 years |
| Respiratory | 239 | | | | 5+ years |
| Nephrology | 540 | | | | 5+ years |
| Nephrology | 2 | | | | 5+ years |
| Total | 2,218 | | | | |

1.TAM based on patient population, expected treatment frequency. Not adjusted for clinical risk. 2. Global patient population includes all collaborations, including core SCIG market 3. Annual incidence for oncology, patient population for all others

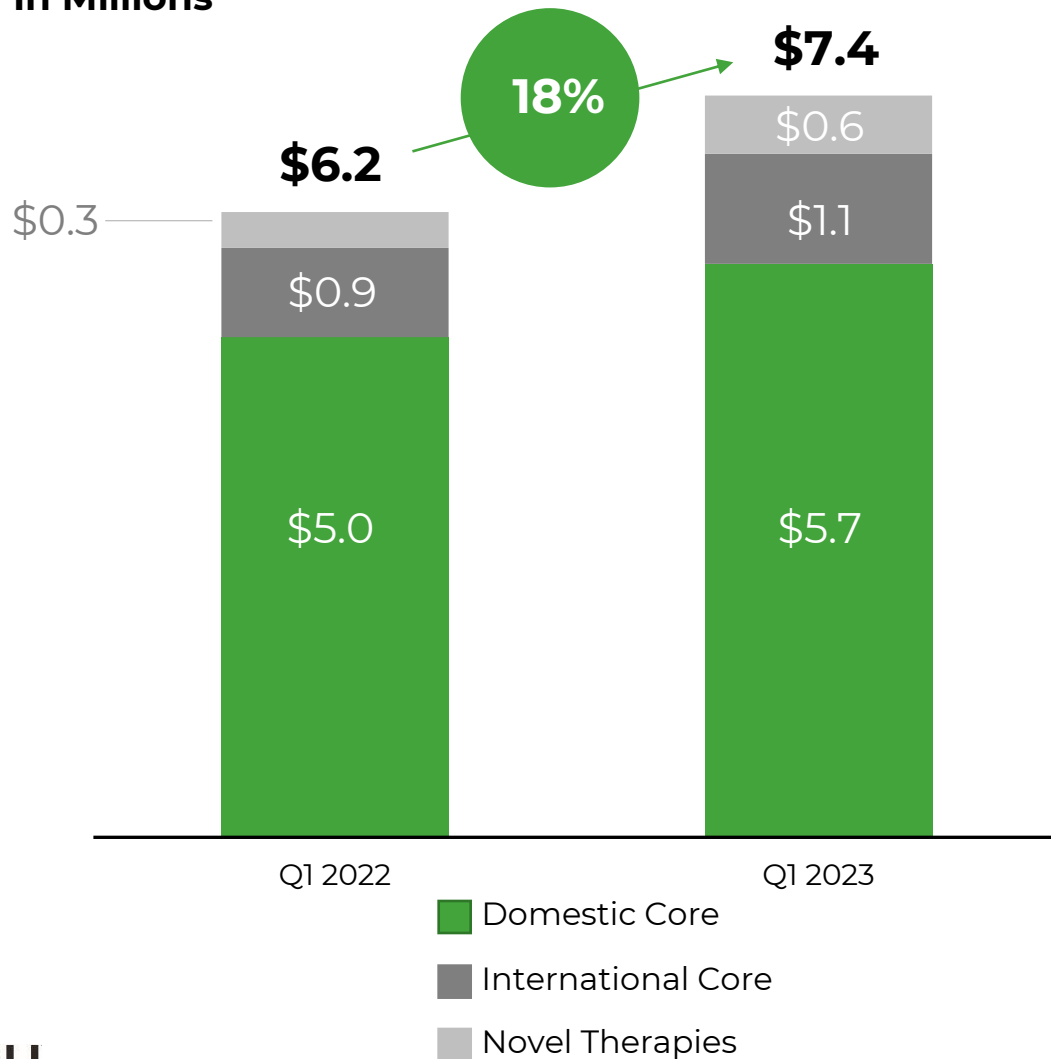
Financial Review & Guidance

Tom Adams

Interim Chief Financial Officer

Q1 Strength Across All Three Businesses

Net Sales;
In Millions



Domestic Core

- Increased 15% year on year growth
- Driven by increased volume of pumps and consumables, strength from key specialty pharma accounts, increased prefilled penetration and a growing Ig drug market
- Increases in ASP

International Core

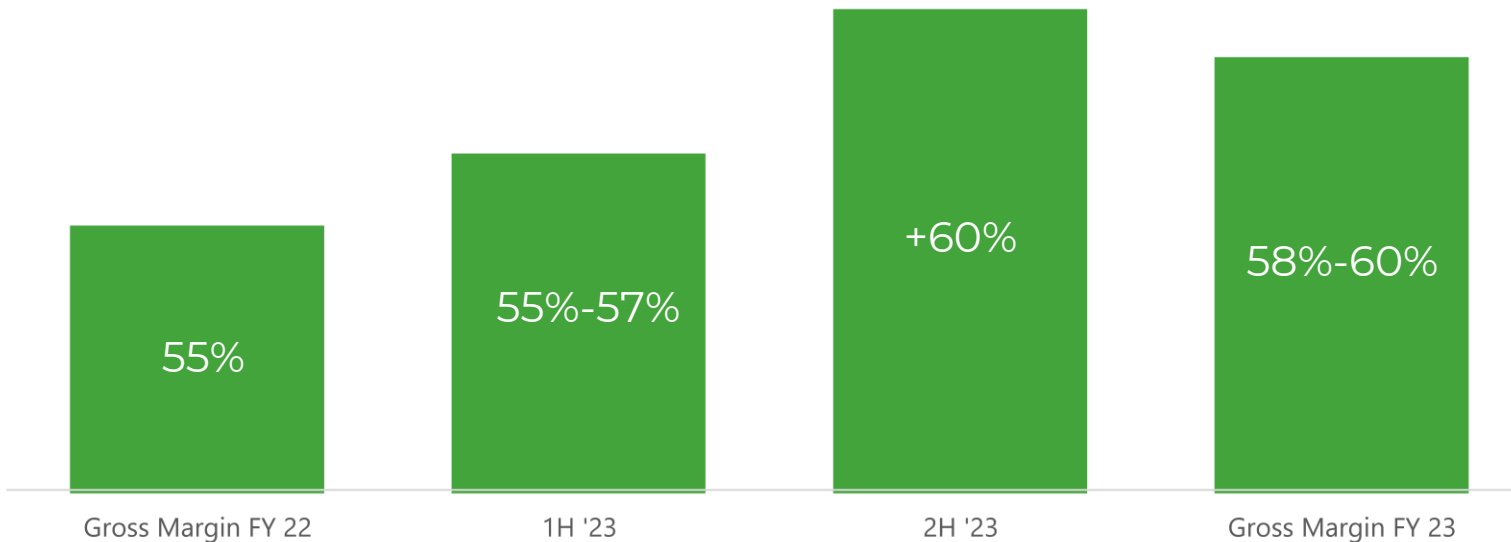
- Increased 23% year on year growth
- Strong growth in several EU markets driven by increased availability of SCIg drug and expanded distribution

Novel Therapies

- Increased 62% year on year growth
- Driven by non-recurring engineering services and progression toward clinical supply milestone

Improving Gross Margin Profile

Gross Margin Projection: Exit Year 60-62%
Full Year 58-60%



1H 55-57%

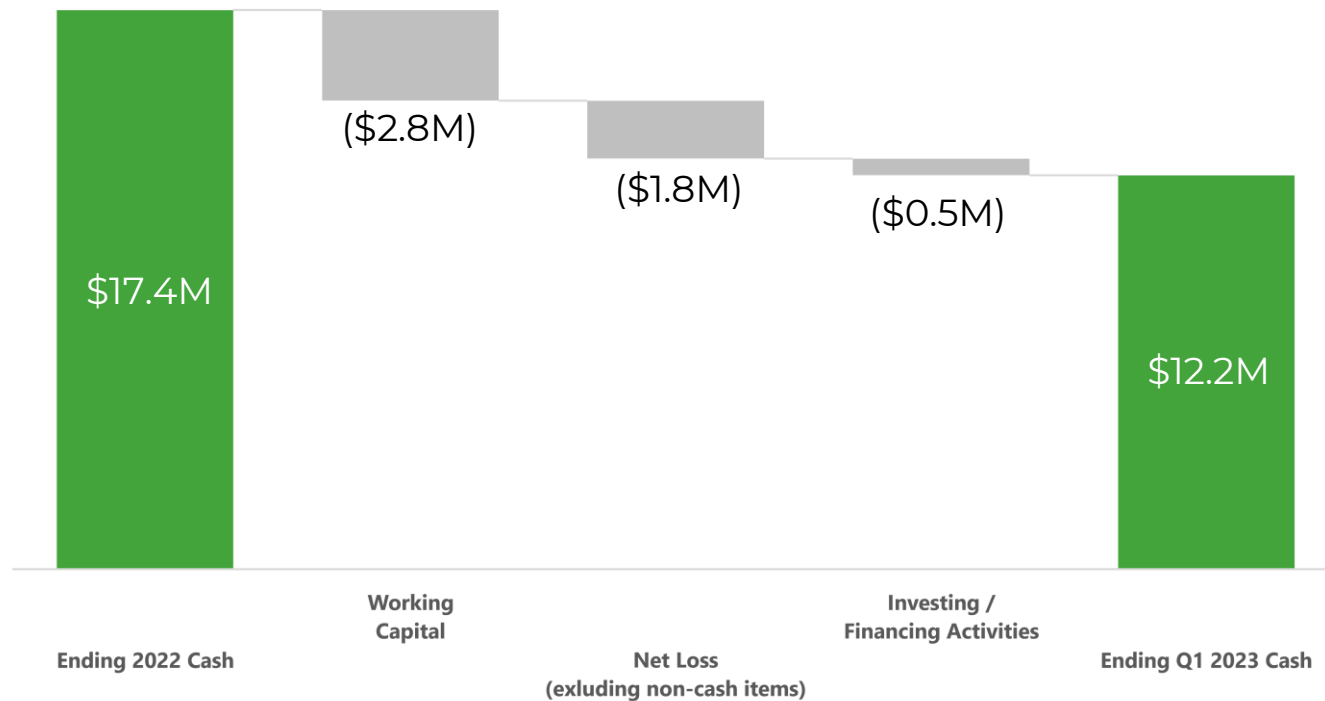
- Q1 GM 56.1%
- Completed manufacturing transition to 3rd party CMO
- Consolidated manufacturing to Mahwah, closing Chester facility
- Q2 - Amortization of Q1 variances

2H +60%

- Full 2 quarters of outsourced CMO
- Second half labor efficiency and overhead cost due to Mahwah consolidation

2023 Cash Planning

Cash Balance as of March 31, 2023:
\$12.2M



Key Drivers:

- Highest Cash Burn planned in Q1
- Similar cash pattern to 2022 (1H 89%, 2H 11%)
- Majority of cash usage in Working Capital
 - High accounts receivable (heavy March revenues)
 - Transition inventory
 - Annual bonus pay-out & other year-end accrual
- Reaffirming end of year cash greater than +\$10M

High Q1 Cash Burn driven by cyclical events

Reaffirming 2023 Guidance

Revenue Growth

Revenue guidance in range **17%-20%**, **\$32.5-\$33.5** million

Key Drivers/Milestones

- Core SCIG drug market growth of **~10%**
- Prefilled syringe penetration **15-20%**
- Expanded Novel Therapies pipeline with **6 new collaborations**
- **2 new 510k filings** in back half

Gross Margin Profile

Gross margins between **58-60%**, and **60-62% exit rate**

Key Drivers/Milestones

- Completion of Manufacturing transition in 1H
 - Chester Site Closure Q1
 - 3rd Party Outsourcing Completion Q2
- **55-57% 1H, 60-62%** margins in 2H

Cash & Cash Flow

Greater than **\$10M** ending cash balance

Key Drivers/Milestones

- Operating Expense of **~ \$30M**, inclusive of stock compensation expense
- Working capital improvements
 - **Inventory reduction of ~ \$2M**
- Higher cash burn in 1H driven by year end bonuses / accruals
- Estimated breakeven in **2H 2024** based on current strategic outlook

Innovation & Closing Comments

Linda Tharby
President and Chief Executive Officer



Innovation Extends Subcutaneous Leadership Position

Current Product Portfolio and On-Label Indications



Broad label indications with **9 (US), 13 (EU)** on-label drugs from **5** pharma companies



| Value Proposition | 2021-2022 | 2023 | 2024-2026 |
|--|--|---|--------------------------------------|
|  New Products (Comfort, Convenience, Connected) | | Freedom Edge and Freedom60 pump line extensions (Q4) | Next generation pump platform |
| | | Consumables 510k submission (Q4) | |
|  New Commercial Label Indications | HIZENTRA® 20mL PFS | Core SClg indication – 50 mL PFS (Q3-Q4) | Multiple new drugs on Freedom System |
| | Core SClg indications - XEMBIFY® and CUTAQUIG® approvals | | |
| | Novel Therapies indications – EMPAVELI® and Aspaveli® | | |

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