

KORU Medical Systems

Q2 2023 Earnings Call
August 9, 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 June 30, 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.

Q2 2023 at a Glance

- U.S. business outpaced underlying market growth
- International growth of 17% year-over-year
- Won a new phase III Novel Therapies collaboration
- 510(k) submission for 50mL prefilled syringe
- Updated Full Year 2023 revenue guidance & reaffirming margin & cash guidance
- Named Tom Adams as Chief Financial Officer

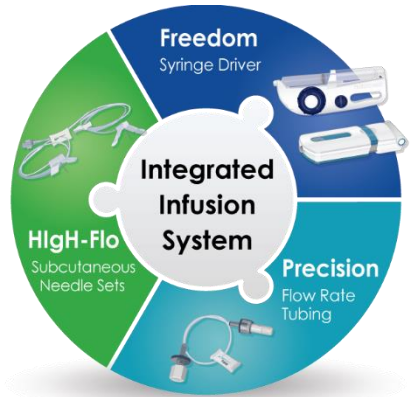
Tom Adams
Chief Financial Officer



Interim CFO June 2022 - July 2023

20 years of Pharmaceutical and MedTech experience

Making at Home Subcutaneous Drug Treatment a Reality – KORU Medical’s Solution



SELF-INFUSED

Treatment
+35,000 patients

CUSTOMIZABLE

Drug Volumes &
Infusion Times

SUPPORTS

Multiple Therapies &
Disease States

ESTABLISHED

Regulatory Approval
In 25+ countries

Novel Therapies

Pre-Commercial Clinical Collaboration Revenues

Non-recurring engineering (“NRE”) -
Innovation and Services

Clinical Trials Supplies

Sales of Freedom Infusion System and
services to biopharmaceutical
companies

Regulatory
Approval

FDA & International
Regulatory Bodies

Core Business

Commercially Validated Subcutaneous (SC) Delivery

9 (US), 13 (EU) on-label drugs

Apellis octapharma Takeda
GRIFOLS CSL Behring sobi
over strength

Q2 Progress on Vision 2026 Strategic Growth Pillars

Grow Our Leadership Position in Subcutaneous Immunoglobulin (SCIg)



- Increased SCiG drug market growth
- New Ig Label Indications
- New patient starts
- Win prefills

2Q23

Outperforms Q2 market growth (-13%) with **8% year-over-year growth** - driven by strength of pumps & consumables

+11% pump growth

510k submission for **50 mL prefilled syringe**

Expand to Novel Therapies



- Focus on large volume >10ml
- Pipeline expansion
 - Clinical phase progression
 - New label indications

2Q23

On track for **6 new collaborations** in 2023

1 new collaboration closed in July 2023, **2 closed** year-to-date

Continue to build high potential **pipeline of 15 additional opportunities**

Geographic Expansion



- New patient starts
- Strengthen and expand distribution
- Electronic pump conversion

2Q23

17% year-over-year growth - driven by strength of pumps and consumables







Increased SCiG drug availability












Expanded distribution in several markets

Q2 Added One New Phase 3 Pharmaceutical Collaboration

15 Total Collaborations | 15 Pipeline Opportunities

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

Expanded Indications to Current Label (lg)	Patient Population (000's)	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)	Phase I	Phase II	Phase III	Launch Date
 EMPAVELI™  ASPAVELI™ <small>(pegcetacoplan)</small>	15				May 2022
Nephrology	2				1-3 years
Endocrinology	10				3-5 years
Hematology	133				3-5 years
Neurology	44				3-5 years
Gastroenterology	393				3-5 years
Respiratory	239				5+ years
Nephrology	540				5+ years
Nephrology	2				5+ years
Total	2,008				

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

Strong Recurring Revenue in Core Business, Future Growth Opportunities Through Novel Therapies

KRMD Today	1-3 Years to Launch	3+ Years to Launch	5+ Years to Launch
<p>Commercialized Drugs</p>  <p>Revenue drivers 2023+</p>	<p>5 collaborations</p> <p>4 Immunology / Neurology (SClg)</p> <p>1 Nephrology</p> <p>Revenue drivers 2023-2026</p>	<p>5 collaborations</p> <p>1 Immunology / Neurology (SClg)</p> <p>1 Hematology</p> <p>1 Neurology</p> <p>1 Gastroenterology</p> <p>1 Endocrinology</p> <p>Revenue drivers 2026-2028</p>	<p>4 collaborations</p> <p>1 Immunology / Neurology (SClg)</p> <p>1 Respiratory</p> <p>2 Nephrology</p> <p>Revenue drivers 2028+</p>

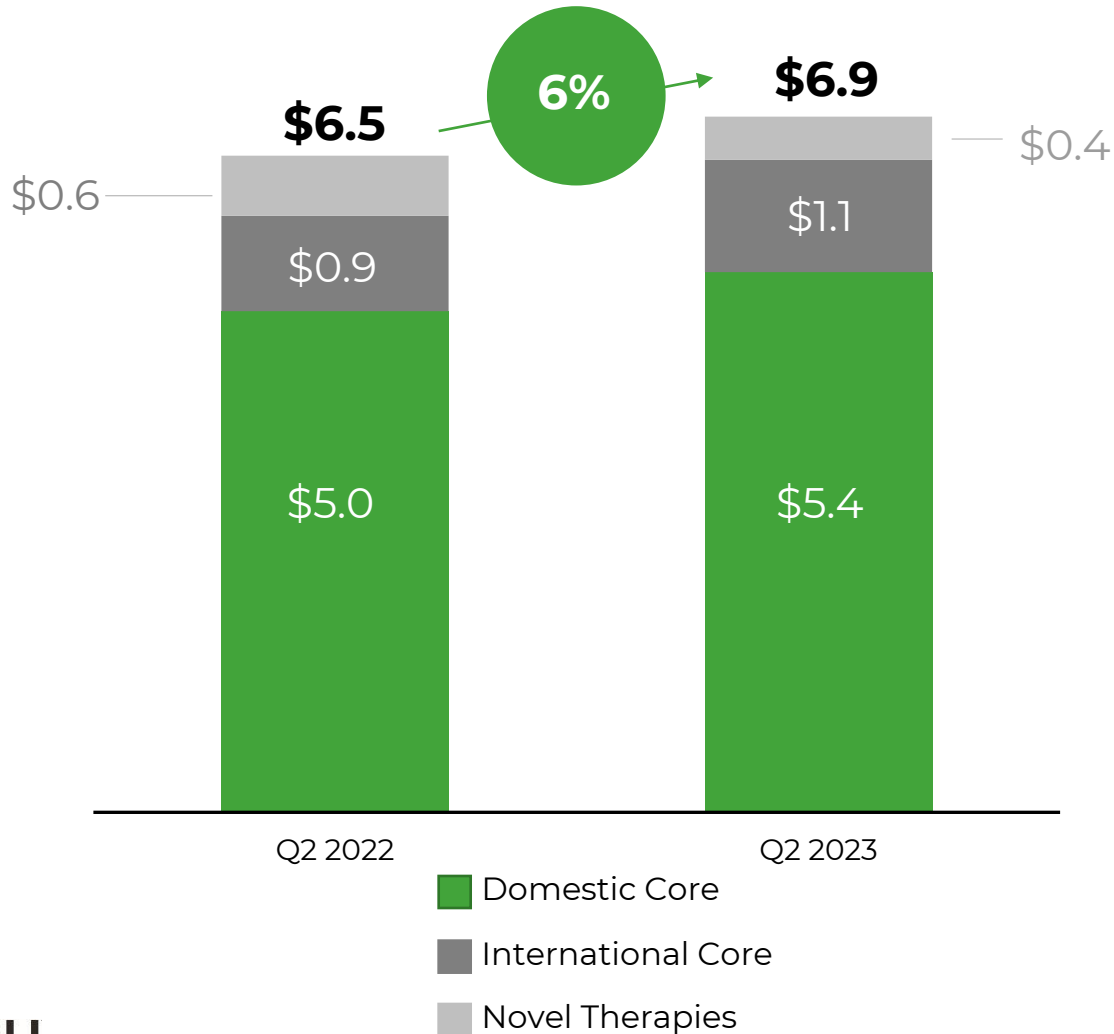
Innovation Extends Subcutaneous Leadership Position

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

✓ Submitted for regulatory approval

Q2 Growth Driven by Core Business

Net Sales;
In Millions



Domestic Core

- Increased 8% year on year growth
- Driven by increased volume of pumps and consumables, new account wins and increased prefilled penetration

International Core

- Increased 17% year on year growth
- Strong growth in several EU markets driven by increased availability of SCIg drug

Novel Therapies

- Decreased 28% year on year related to strong NRE revenues in the comparable quarter last year as well as the timing of 2023 pipeline wins

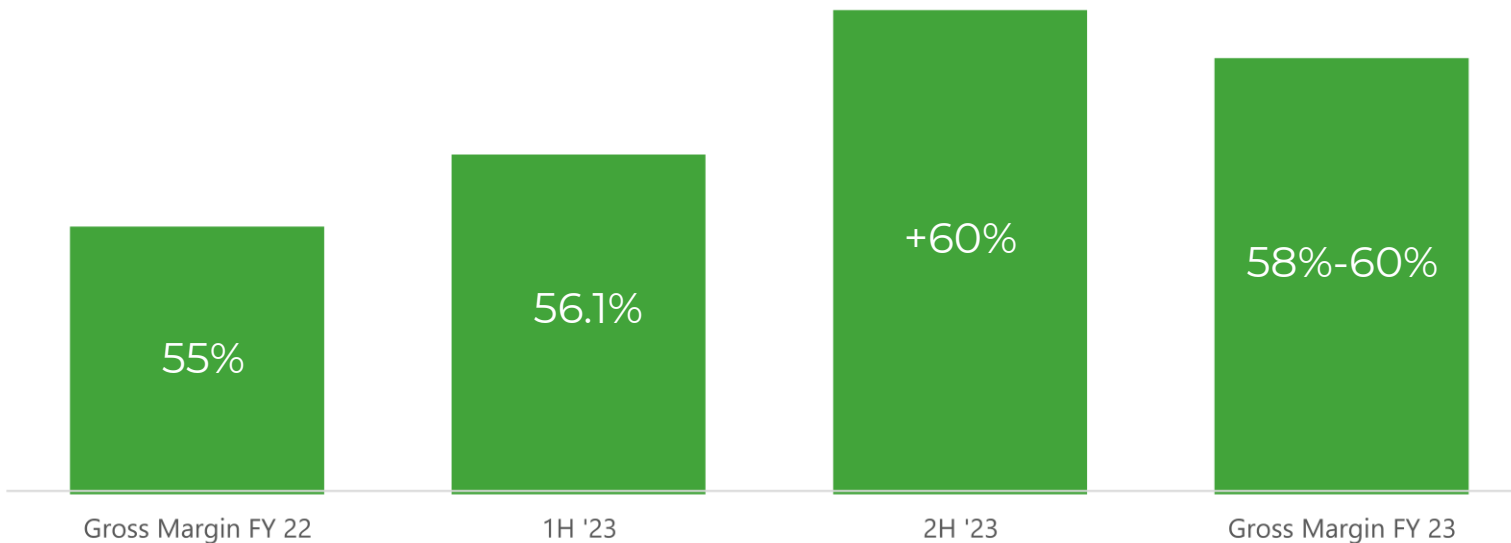
Improving Gross Margin Profile

Gross Margin Guidance:

1H – 55-57%

Exit Year – 60 -62%

Full Year – 58-60%



Q2 56.1%

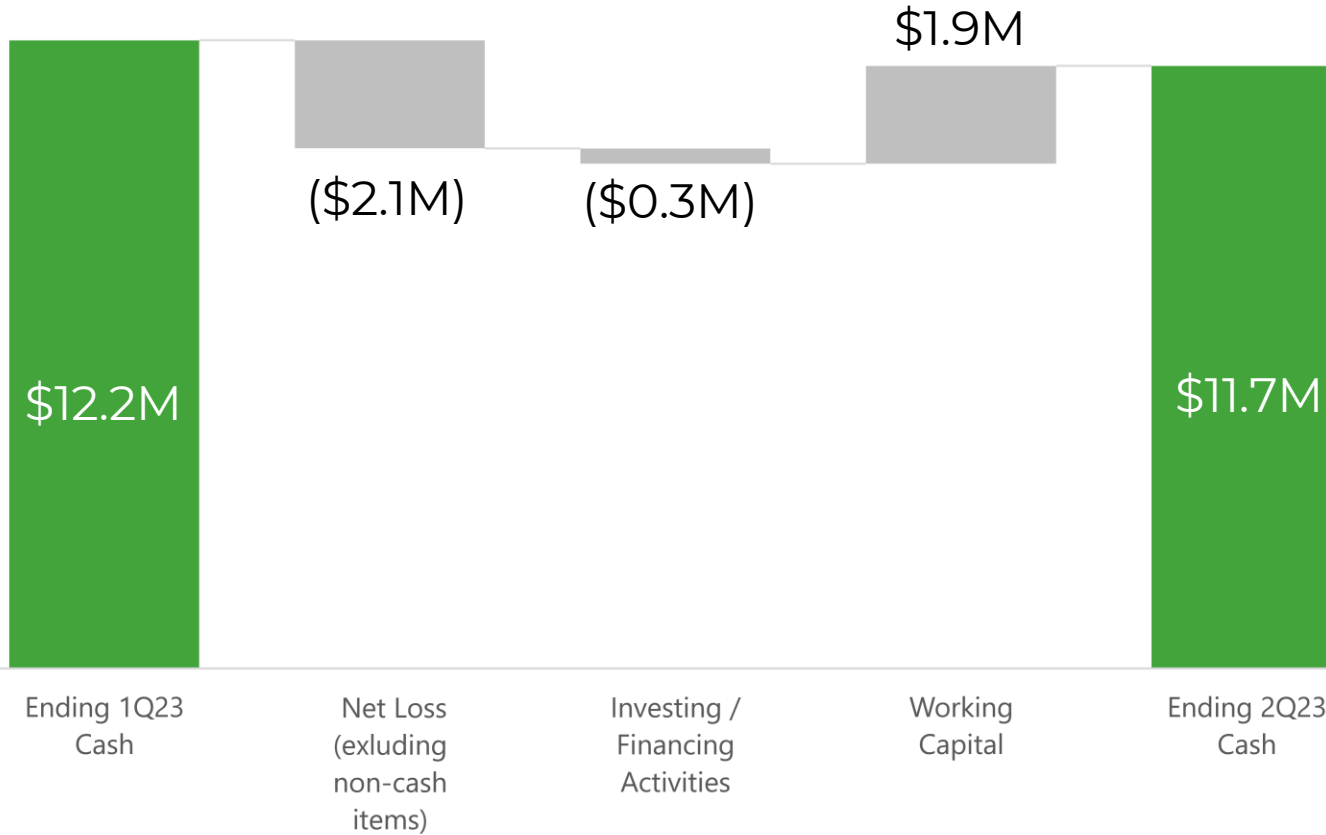
- Margin improvement driven by increased manufacturing efficiencies
- Achieved mid point of 1H '23 Gross margin guidance

2H +60%

- Full 2 quarters of outsourced manufacturing (+400 BPS)
- 2H Pricing (+100 BPS)

Q2 2023 Cash

Cash Balance as of June 30, 2023:
\$11.7M



Key Drivers:

- Q2 cash burn of \$0.5M
- Improvement in Working Capital +\$1.9M
 - Lower A/R DSO - \$0.5M
 - Transition Inventory reduction of \$1.4M
- Reaffirming end of year cash greater than +\$10M

Updating 2023 Guidance

Revenue Growth

Revenue guidance in range **11%-17%**, **\$31-\$32.5** million

Key Drivers/Milestones

- Core SCIg drug market growth of **~5% (9% in 2H)**
- Prefilled syringe penetration **15-20%**
 - **12% YTD**
- Expanded Novel Therapies pipeline with **6 new collaborations**
 - 2 completed
- **2 new 510k filings** in back half
 - 1 completed

Gross Margin Profile

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

Key Drivers/Milestones

- Completion of Manufacturing transition in 1H
- **55-57%** 1H – 56% 1H actual
- **60-62%** margins in 2H

Cash & Cash Flow

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

Key Drivers/Milestones

- Operating Expense of **< \$29.5M**, inclusive of stock compensation expense ~\$3.1M
- Working capital improvements
 - Inventory reduction of ~\$2M, 50% completed in 1H
- Estimated breakeven in 2H 2024 - based on current strategic outlook

Significant 2023 Progress Towards Vision 2026

Vision 2026 Key Milestones ⁽¹⁾

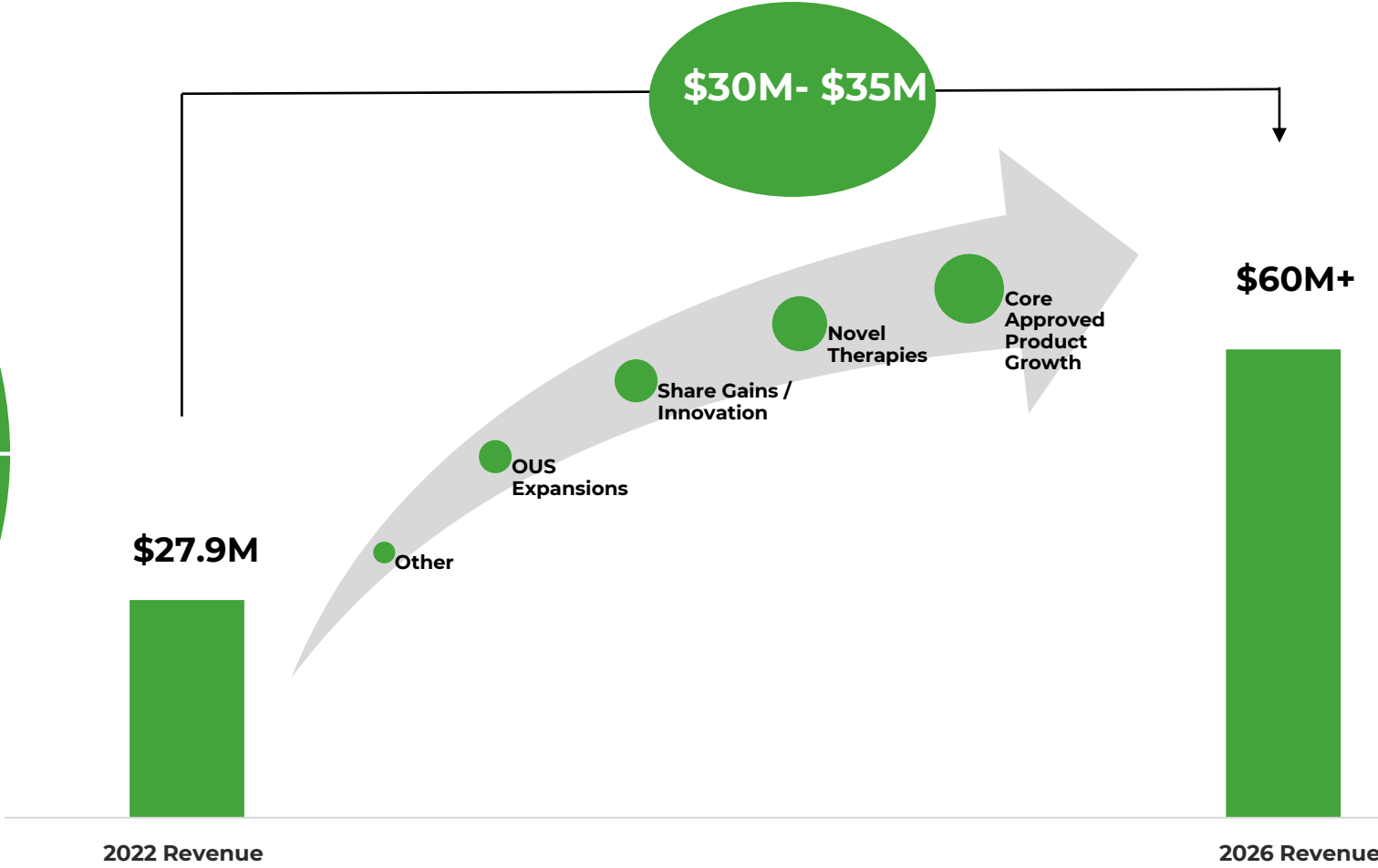
20% Revenue CAGR
\$60M by 2026

5 Phase III Trials – 2 in progress

1 commercialized new drug indication – 1 in 2022, 5 potential by 2026

8 New products/indications - 4 completed, 1 expected in 2023

\$1.3B TAM, Current Outlook
\$2.5B



Continued Q2 Progress Toward Vision 2026

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DELIVERING TRANSFORMATIONAL
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SYSTEMS THAT

**simplify, enhance,
and enable**

DRUG DELIVERY IN THE HOME
AT LOWER COST TO THE
HEALTHCARE SYSTEM