



KORU Medical Systems

Q3 2023 Earnings Call
November 8, 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 501(k) clearance, Japan market launch, electronic pump trial completion, new novel therapies collaborations, new label indications on Freedom System, next generation Ig pump platform, next generation Novel Therapies pump platform, upcoming milestones in next six months, 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.

Third Quarter Financial Updates

- Third quarter net revenue 10% decline versus prior year
 - Novel Therapies impacted primarily by a large clinical trial order in the prior year and the timing of collaborations
 - Domestic Core impacted by slower than anticipated Subcutaneous Immunoglobulin (SCIg) market
- Revised full year 2023 revenue guidance, reaffirmed gross margin & raised cash guidance

Continued Momentum with our Growth Strategy

- 1 Solid Domestic Core business growth continues to outpace underlying market
- 2 Continued to grow our Novel Therapies pipeline, winning a new Novel Therapies innovation collaboration
- 3 Disciplined strategic operating expense management & gross margin expansion
- 4 Appointed of Ken Miller as Chief Commercial Officer to drive global commercial execution
- 5 Strong catalysts ahead including new product introductions, collaborations, and geographies

Q3 Progress on Strategic Growth Pillars

Grow Leadership Position in Domestic Core SCIG

Outperforming market in Domestic Core business

+6% YTD y/y growth
+7% sequential q/q growth

+40% y/y pump growth

New 510k clearance

for Freedom60[®] Infusion System
for use with the Hizentra[®] 50mL
prefilled syringe

Expand to Novel Therapies

1 new collaboration closed in Q3 2023,
15 closed collaborations in total

On track to close 4-5 new collaborations

in 2023, 3 closed YTD

18 opportunities for new collaborations in the pipeline

3 new added in Q3 2023

Geographic Expansion

+12% YTD y/y International Core growth

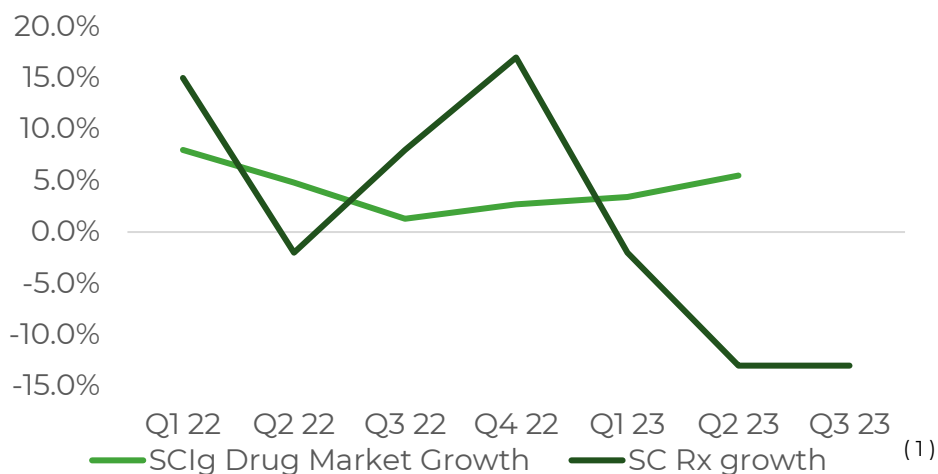
driven by deeper penetration into
Secondary Immunodeficiency (SID)
and in new countries

Submitted Japan registration
market launch expected in 2024

Electronic pump trial completion
expected in 1H24

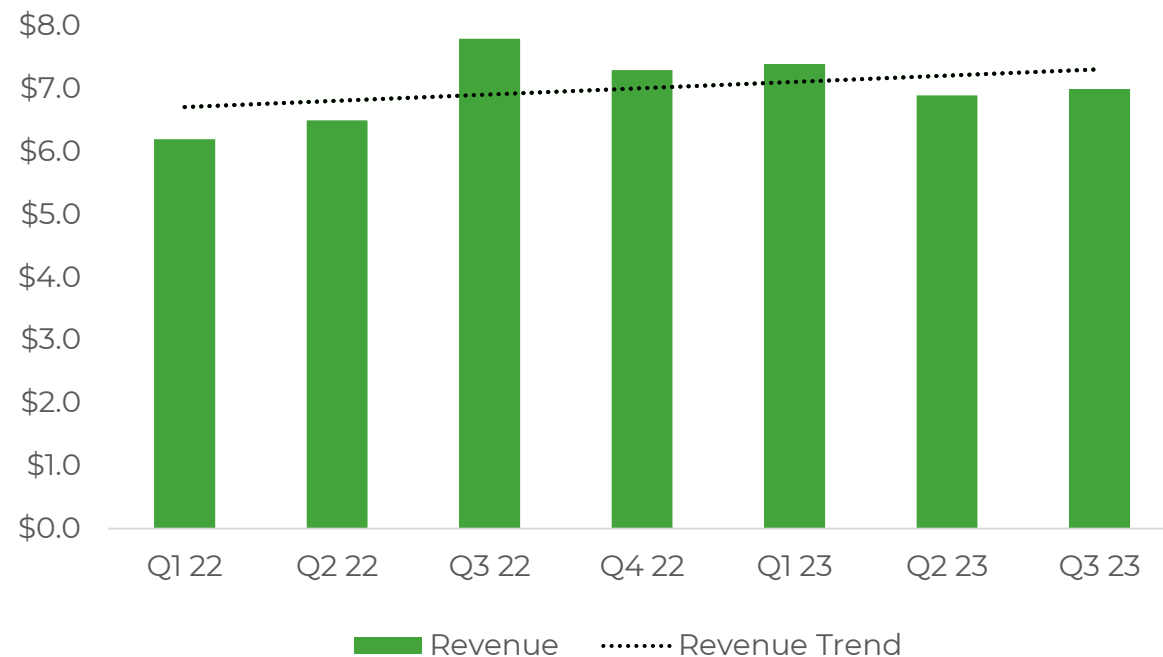
Market Trends Reaching Inflection – KRMD Outperforming the Domestic Core Market

Ig Drug and Script Market Trends



- New diagnoses had been declining due to decreased infection rates from '19-'21
- '22-'23 flu season strongest in 13 years, leading to increased diagnoses
- SC Ig drug market up 4.9% YTD through Q2 2023 - +2.6% sequential growth from Q1 2023

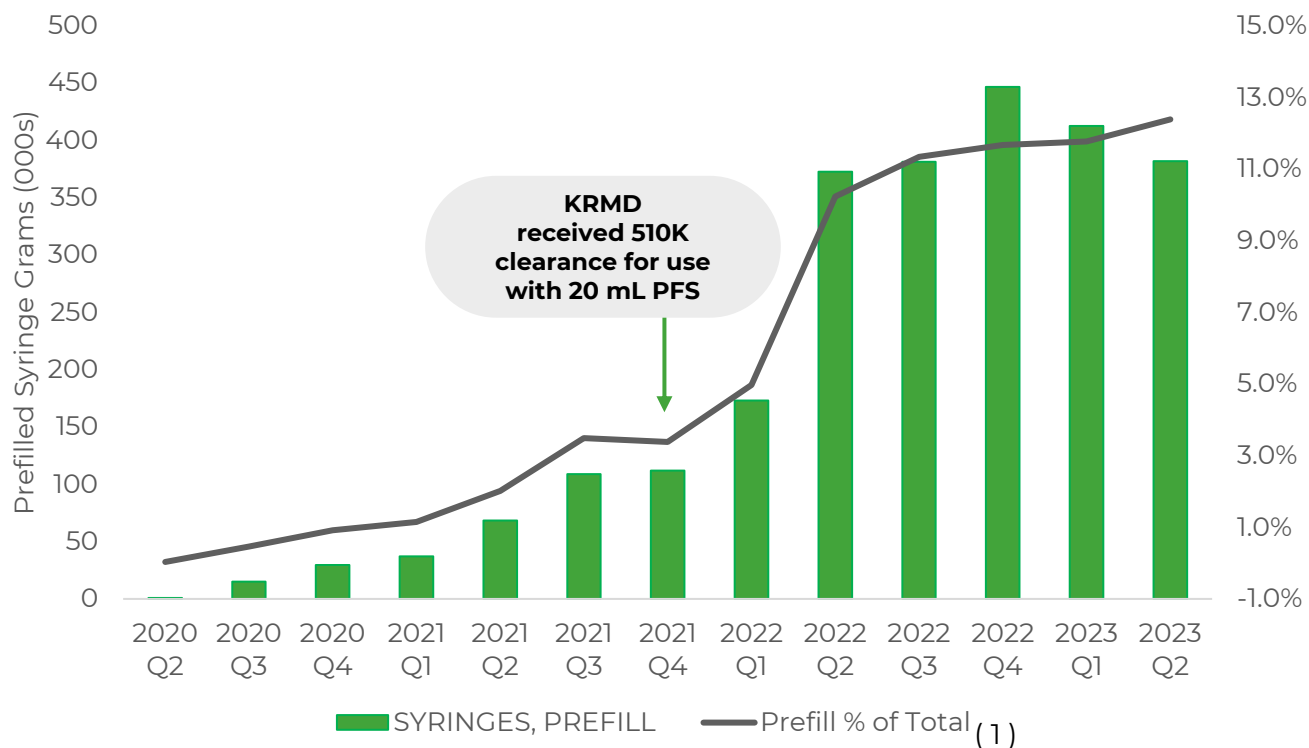
KRMD Domestic Core Growth & Trends



- Domestic Core y/y growth +6% YTD 2023
 - Sequential Q3 q/q growth +7%
- Pump growth Q3 y/y +40%
 - Sequential Q3 q/q pump growth +24%

KORU PFS Leadership will Drive Increased Share and Potential for Higher Subcutaneous Penetration

KRMD earlier 510k clearance facilitated tripling of prefilled penetration



The Freedom System significantly improves the patient experience ⁽²⁾

- Freedom60 with PFS is preferred by 78% of patients
- Up to 80% reduction in drug preparation tasks with PFS
- 89% of patients experienced faster set-up times when using the Freedom60

KRMD 50mL 510k clearance will further accelerate penetration of PFS ⁽²⁾








- 70% of patients are on >50 mL
- 86% patients prefer PFS vs. vials
- Expect 50% penetration of PFS by 2025











Q3 Added One New 1 Collaboration

15 Total Collaborations | +1/-1 in Q3 2023

18 Open Opportunities | +3 in Q3 2023

\$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					2024
						2026
						2026
						2024
						2024-2025
						2027
Immunology (New Pump Innovation)					2025	

New Therapy Areas	Patient Population (000's)	Phase I	Phase II	Phase III	Launch Date
 EMPAVELI™  ASPAVELI™ <small>(pegcetacoplan)</small>	15				Launched
Nephrology	2				2025
Endocrinology	10				2027
Hematology	133				2027
Respiratory	239				2028
Gastroenterology	393				5+ years
Nephrology	540				5+ years
Nephrology	2				5+ years
Total	1,964				

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.Launch dates are based on most recent estimation and are subject to change

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



Q3 Progress on Geographic Expansion

Grow Leadership Position in Domestic Core SCIG

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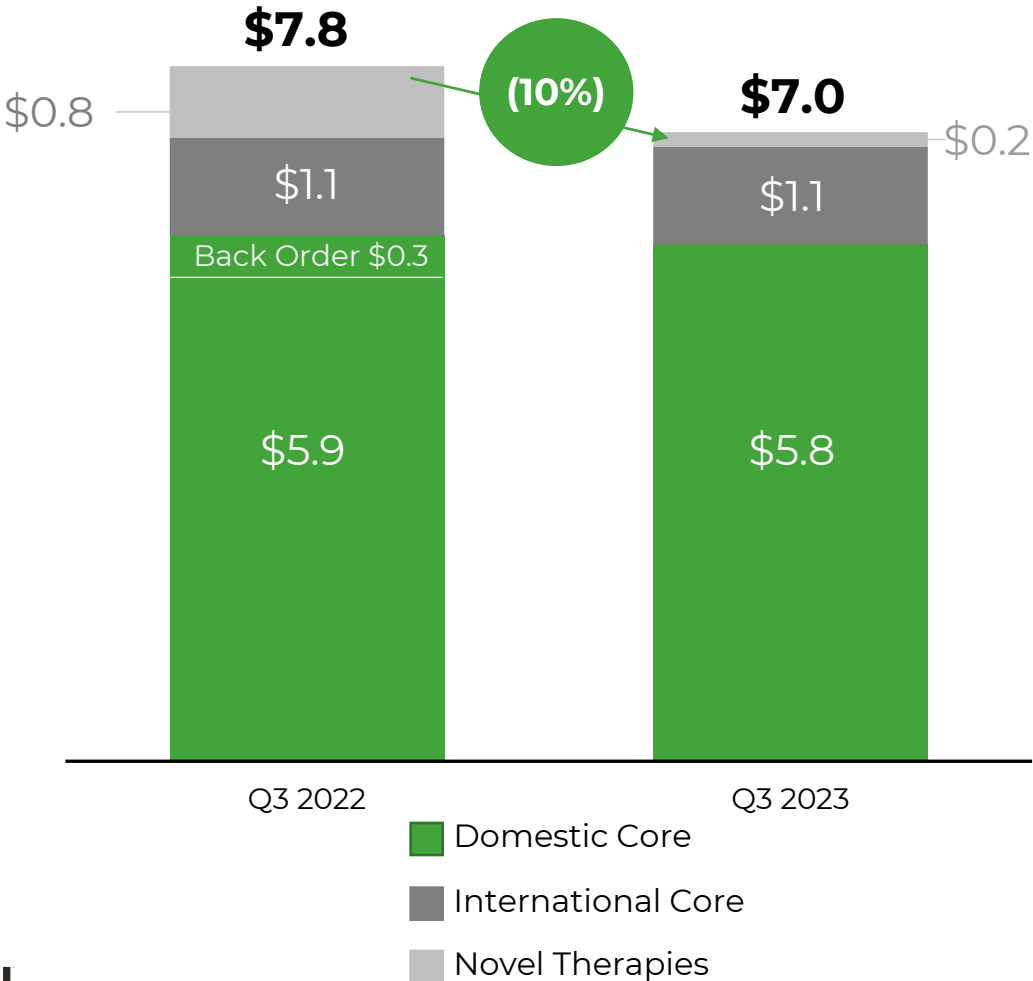
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Innovation Growing our Subcutaneous Leadership Position in Ig and Novel Therapies

Value Proposition	2021-2022	2023	2024	2025-2026
 New Products (Comfort, Convenience, Connected)		 Freedom60 pump line extension (Q4)	Next generation Ig pump platform <hr/> Consumables 510k submission (Q2-3'24)	Next generation Novel Therapies pump platform
 New Commercial Label Indications	HIZENTRA® 20mL PFS	 Core SCIg indication – CSL Hizentra 50 mL PFS	Multiple new label indications on Freedom System	Multiple new label indications on Freedom System
	Core SCIg indications - XEMBIFY® and CUTAQUIG® approvals			
	Novel Therapies indications – EMPAVELI® and Aspaveli®			

Q3 YOY Revenue by Business

Net Sales;
In Millions



Novel Therapies

- Decreased 79% y/y related to a large clinical trial order in the prior year and timing of collaborations

Domestic Core

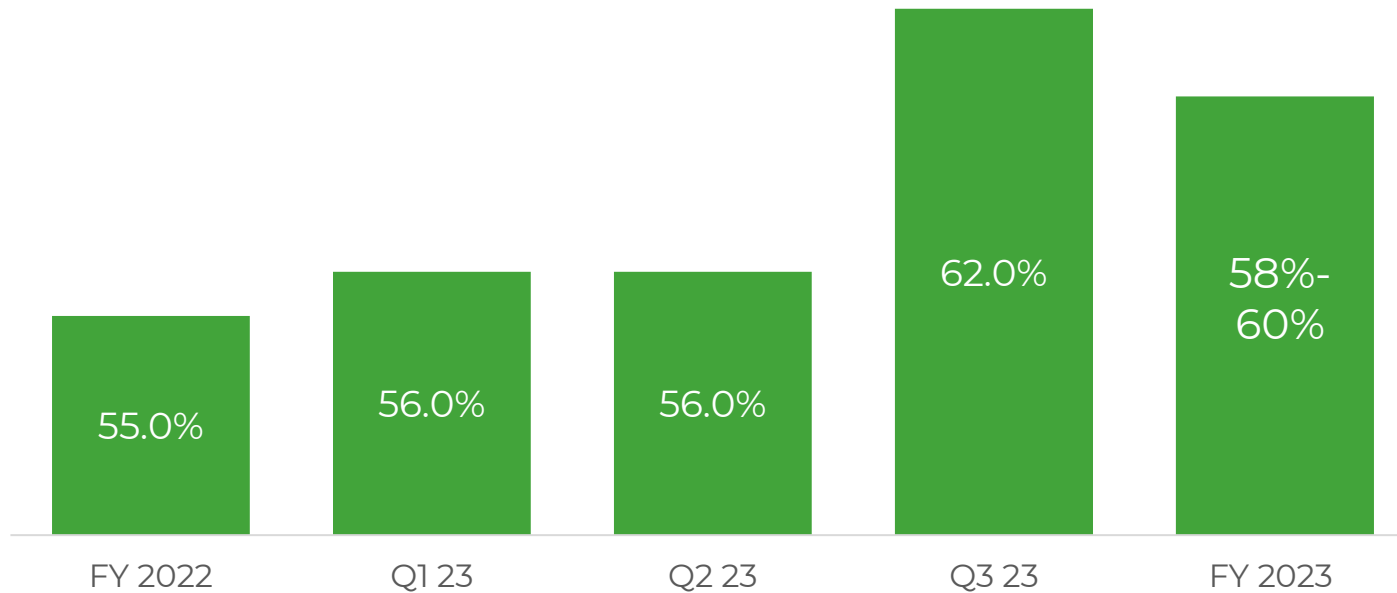
- Decreased 2% y/y, +6% YTD
- Lower consumable volumes as compared to prior year when a \$0.3M backorder was cleared.
- Outpaced U.S. Rx script declines driven by increased volume of pumps

International Core

- Decreased 3% y/y growth, +12% YTD
- Lower volume driven by tender in prior period
- Growth in several countries – expanding international footprint

Improving Gross Margin Profile

Maintaining Gross Margin Guidance:
Exit 60-62%
Full Year 58-60%



Q3 62.0%

- Margin improvement driven by increased manufacturing efficiencies from site closure and outsourcing.
- Achieved high end of 2H '23 Gross margin guidance

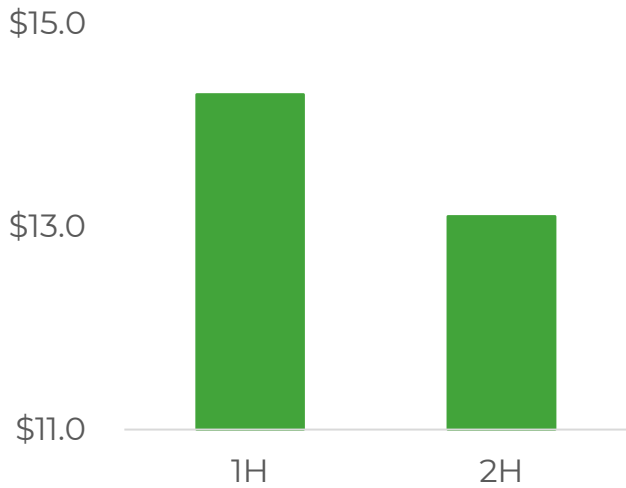
Exit Q4 60-62%

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

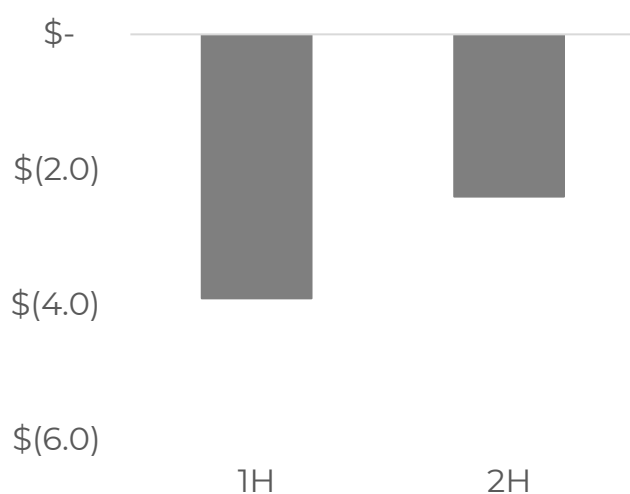
Strategic Operating Expense Discipline to Achieve Breakeven

Applying operating expense discipline to ensure runaway toward cash flow break even

Operating Expenses
In Millions



Net Loss (excluding non-cash items)
In Millions

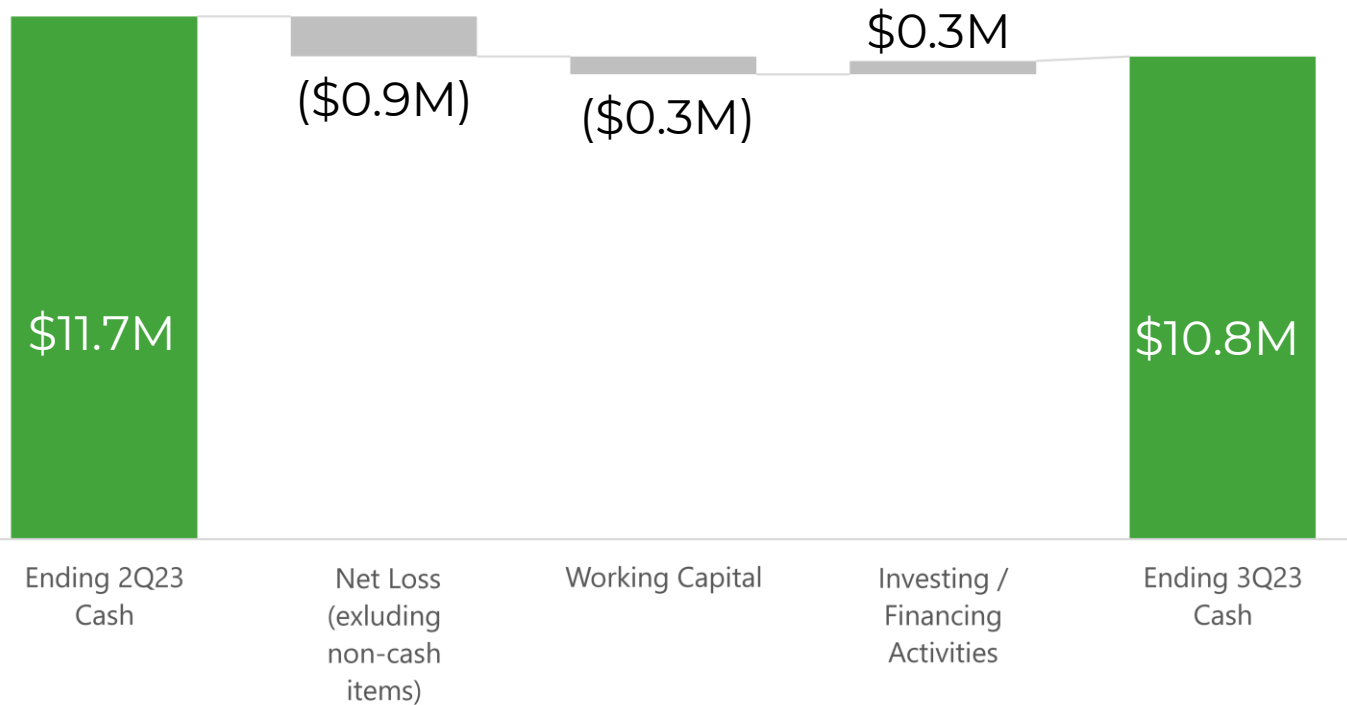


- Disciplined strategic spending on operating expense through short term revenue decline
- Net losses in 2H of the year improving driven by gross margin expansion and operating expense control
- Expecting Cash Flow Break even in Q4 2024

* Excluding non-cash items

Q3 2023 Cash

Cash Balance as of September 30, 2023:
\$10.8M



Key Drivers:

- Q3 cash burn of \$0.9M
- Net loss of \$0.9M: lower by \$1.1M versus Q2 driven by operating expense control and improved gross margin
- Working Capital (\$0.3M): continued inventory reduction progress \$0.6M offset by timing in higher AR of (\$0.3M), and lower AP (\$0.6M)
- Increasing end of year cash balance to greater than \$10.5M
 - Cash Burn:
 - 1H \$5.7
 - 2H <\$1.2M

Revising 2023 Guidance

Revenue Growth

Revenue guidance
\$28.0-\$28.5 million

Key Drivers/Milestones

- Q4 Core SCIG drug market growth of **~3-4%**
- Prefilled syringe penetration **~11-12%**
- Expanded Novel Therapies pipeline with **4-5** total **new collaborations**
 - 3 completed
- **1** new **510k** in back half
 - 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
 - **62% in Q3**

Cash & Cash Flow

Greater than **\$10.5M** ending cash balance

Key Drivers/Milestones

- Operating Expense of **< \$28M**, inclusive of stock compensation expense **~\$3.1M**
- Working capital improvements
 - **Inventory reduction of ~\$2M, +75% completed YTD**
- Estimated **breakeven in Q4 2024** - based on current strategic outlook

Catalysts to Capture Growth

Key Upcoming Milestones

**New
Product
Launches**

**Launch Freedom60 for use with
the 50mL PFS**

**510k
Submissions**

New product & drug indications

**New
Collaborations**

**New Novel Therapies signed
collaborations/commercialization's**

**New
Geographies**

Expansion into new markets

Upcoming Investor Day

SAVE THE DATE:



KORU[™]
MEDICAL SYSTEMS

Investor Day
December 5, 2023

Location
KORU Medical Headquarters | 100 Corporate Drive Mahwah, NJ

Featured Presentations
10:00 a.m. - 12:00 p.m. ET
Refreshments to be provided