



KORU Medical Systems

Q4 and FY 2023 Earnings Call
March 13, 2024

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) clearances, electronic pump trial completion, new novel therapies collaborations, entry into new OUS markets, expectations for the Ig market and prefilled syringe penetration, revenues, gross margin, operating expenses, cash balance, 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; continuation of our EU certification, 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, 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.

Continued Momentum towards our Vision 2026

Growth Strategy

- 1 **Fourth Quarter Revenues** of \$7.2 million and **Full Year Revenues** of \$28.5 million
- 2 **Strong FY Core performance**, 6.7% growth driven by **competitive share gains**, continued **Ig market strength**, and increasing **geographic expansion**
- 3 **Launch of 50mL prefill pump** platform driving greater share gains and opportunity for **increased US SCIg market penetration**
- 4 Three new **Novel Therapies collaborations** in 2023 and two new collaborations in 1Q24
- 5 **Gross Margin** above **60% for Q4** and full year 350 basis points improvement
- 6 **\$11.5M ending cash balance** through strategic prioritization of operating expense and inventory reduction initiatives
- 7 **2024 revenue guidance of \$31.2-\$32.2M**, **gross margin between 59%-61%**, ending **cash balance of \$8.0M+**, and **cash flow positive in the fourth quarter of 2024** and for **full year 2025**

Progress on Vision 2026 Strategic Growth Pillars

Increasing Penetration In Domestic Core SCIg

Recovering Ig market

High-single-digit growth in Q4, four quarters of sequential growth

Strong underlying Domestic Core revenue growth
FY23 6% y/y revenue growth with double-digit growth in end-user specialty pharmacy sales

Accelerated pump demand
Double-digit pump growth in Q4 and FY23

Freedom60 50mL PFS
Clearance and launch in 4Q23

New Product Launch
510k submission for new Infusion set in 4Q24

Expanding Novel Therapies Pipeline

15 collaborations in total
3 signed in 2023

Early 2024 Progress
2 collaborations signed in 1Q24

Phase III trials commencing
2 anticipated to start in 2024

New 510k Submission
Expected for Novel Therapies in 4Q24

Geographic Expansion

International Core growth
Q4 8% y/y ; FY 10% y/y fueled by recovering Ig supply

New market entry
Expansion into 4 new OUS markets

Strong FY International volumes
Double-digit pump and consumable growth

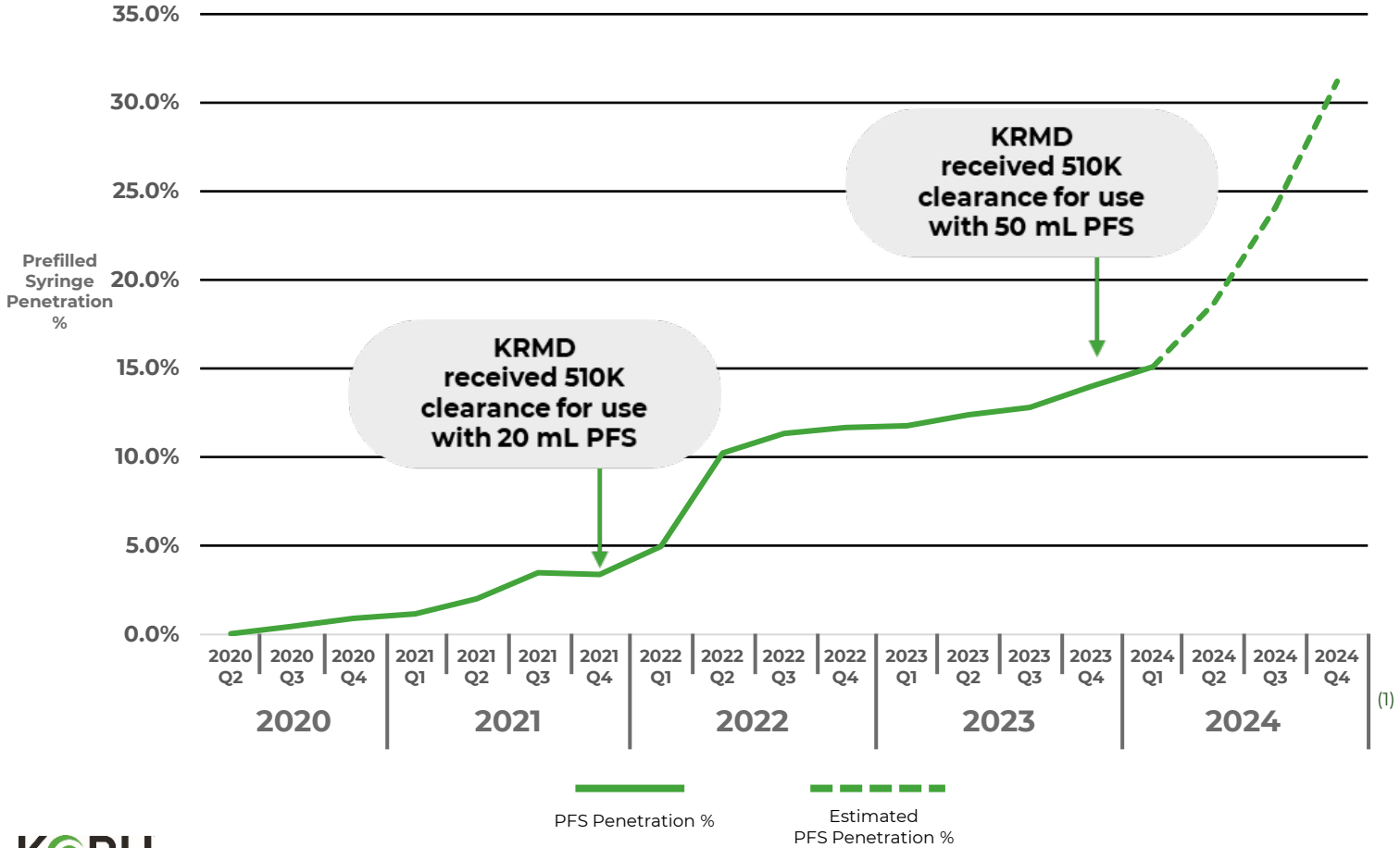
Electronic pump trial
Completion expected in 1H24

Driving Accelerated Growth with PFS

**PFS is the Fastest Growing Segment
Projected Penetration of 50% in 2025**

+20.5%
Q4 PFS GROWTH

14%
Q4 PFS PENETRATION



**Keys to KORU
Success In PFS**

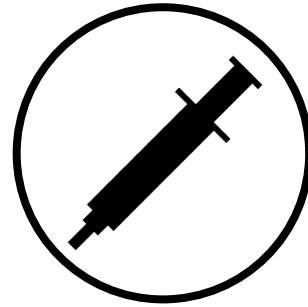
- Patient Satisfaction**
78% patient preference with Freedom60 and PFS
- Leverage full portfolio**
Multiple sizes and indications approved for KORU pump
- Clinical Practice Change**
Multiple prefill trainings with specialty pharmacy and pharmaceutical reps
- Convert competitive users**
Focus on new patient starts
- Increased penetration in CIDP**
2x weekly dosage

New Patient Adherence Data with FREEDOM™ System

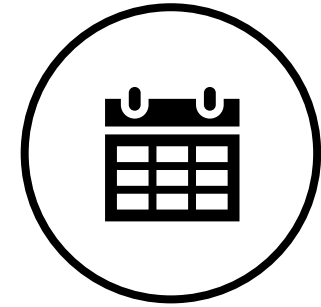
"Enhancing Drug Adherence and Patient Outcomes: The Role of SCIG Pump Selection in Subcutaneous Immunoglobulin Therapy for Primary Immunodeficiency Disease"



**3,787 PIDD
Patients**



**Self-administered SCIG with
FREEDOM System**



**4.5 year
retrospective study**

97% Drug Adherence

3,787 PID patients who **self-administered** SCIG therapy using **KORU pumps** demonstrated a **97% drug adherence** rate **over 4.5 years**.

Expanding our Novel Therapies Collaboration Pipeline

15 Total Collaborations

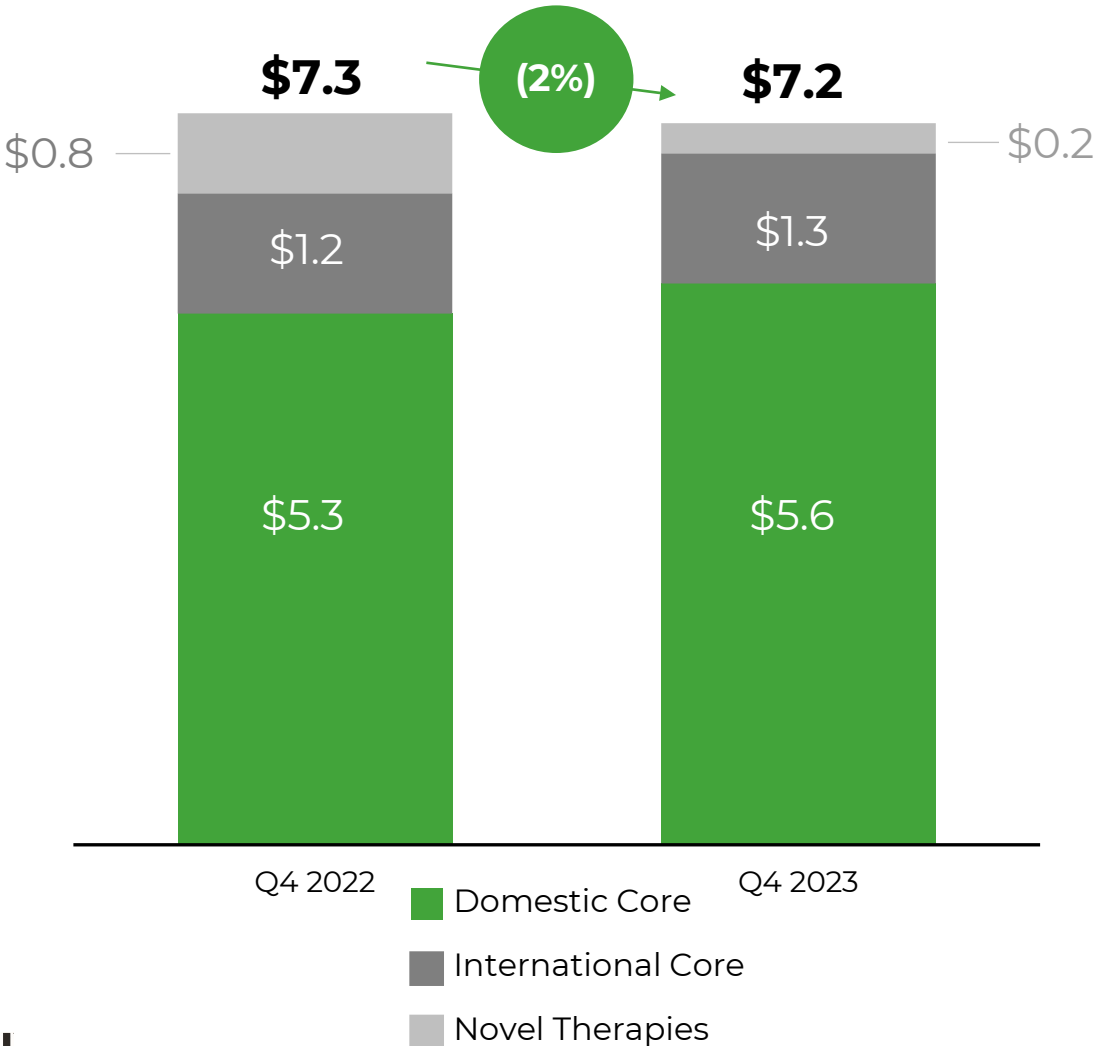
19 Open Opportunities

\$2.7B TAM⁽¹⁾ Across
1.6M⁽²⁾ Global Patient Population

Novel Therapies		Patient Population (000's)	Phase I	Phase II	Phase III	Drug Launch Date	KRMD Clearance
Recent Update	EMPAVELI™ ASPAVELI™ <small>(pegretacoplan)</small>	15				May 2021	May 2022
	Rare Disease Biologic	65				Launched	Expected 2025
	Nephrology	2				2025	Exp. 2026
	Endocrinology	10				2026 - 2027	Exp. 2026-2027
	Hematology	133				2027	Exp. 2028
	Respiratory	239				2028	Exp. 2029
	Nephrology	540				2029	Exp. 2030
	Nephrology	2				2029	Exp. 2030
Total Patient Pop.		1,004					
Core: Expanded Indications to Label (Ig)						Drug Launch Date/New Indication	
Recent Update	CSL Hizentra 50mL PFS	630				Apr. 2023	December 2023
	Takeda Cuvitru Japan					Sep. 2023	Exp. 2024
	Immunology/Neurology					Apr. 2023	Exp. 2025
Immunology				2025	Exp. 2025		
Recent Update	Immunology/Neurology					2026	Exp. 2027
	Immunology/Neurology					2026	Exp. 2028
	Immunology				2027	Exp. 2028	

Q4 Y/Y Revenue by Business

Net Sales;
In Millions



Domestic Core

- Increased 5% y/y, driven by share gains
- Double-digit growth in pump volumes
- Healthy overall Ig market growth

International Core

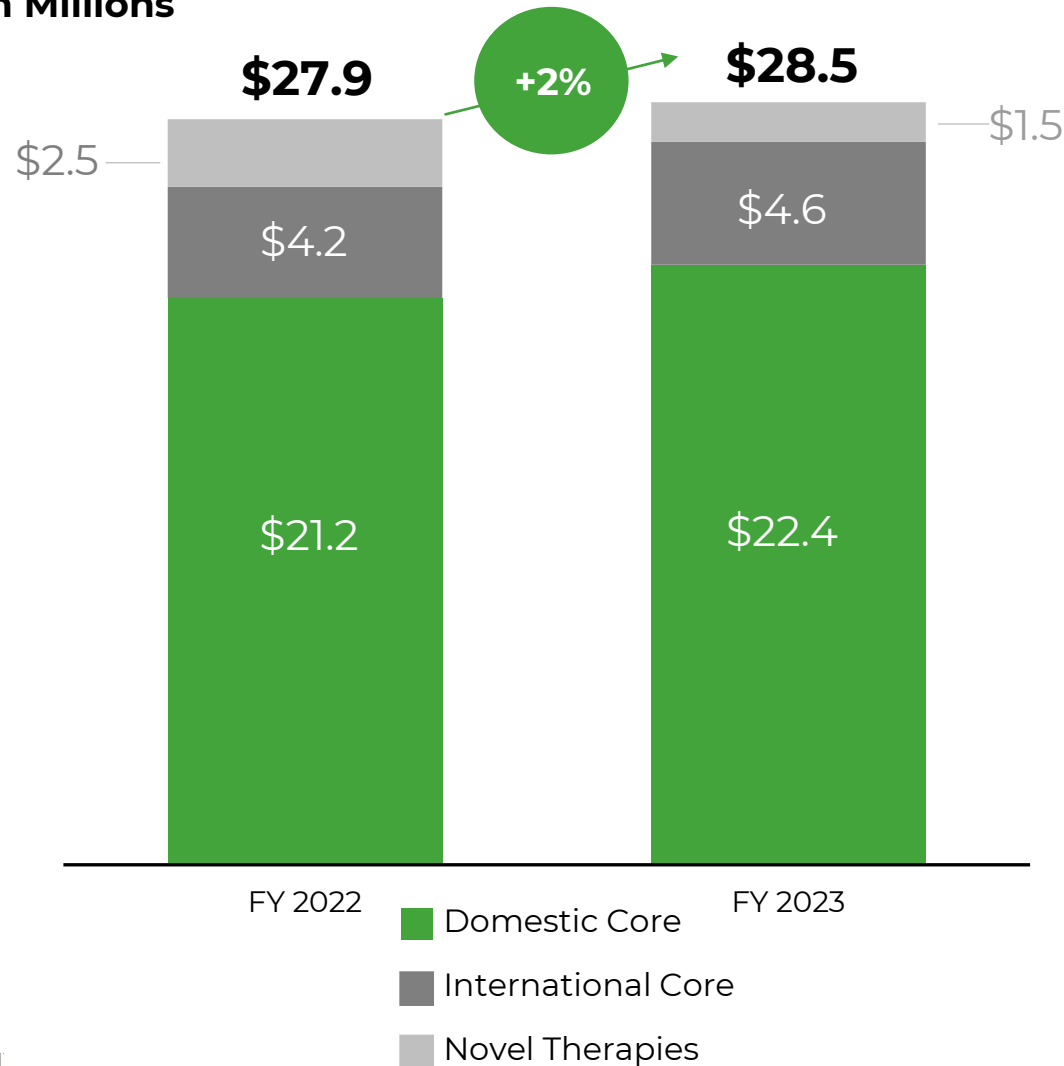
- Increased 8% y/y
- Growth driven by strong Ig supply and expansion in new geographies
- Double-digit growth in pump volumes

Novel Therapies

- Decreased 62% y/y, related to a major pharmaceutical collaboration agreement revenue milestone completed in Q4 2022

2023 Y/Y Revenue by Business

Net Sales;
In Millions



Domestic Core

- Increased 6% y/y driven by volume in pumps and consumables, attributed to share gains
- Record year for pump volumes

International Core

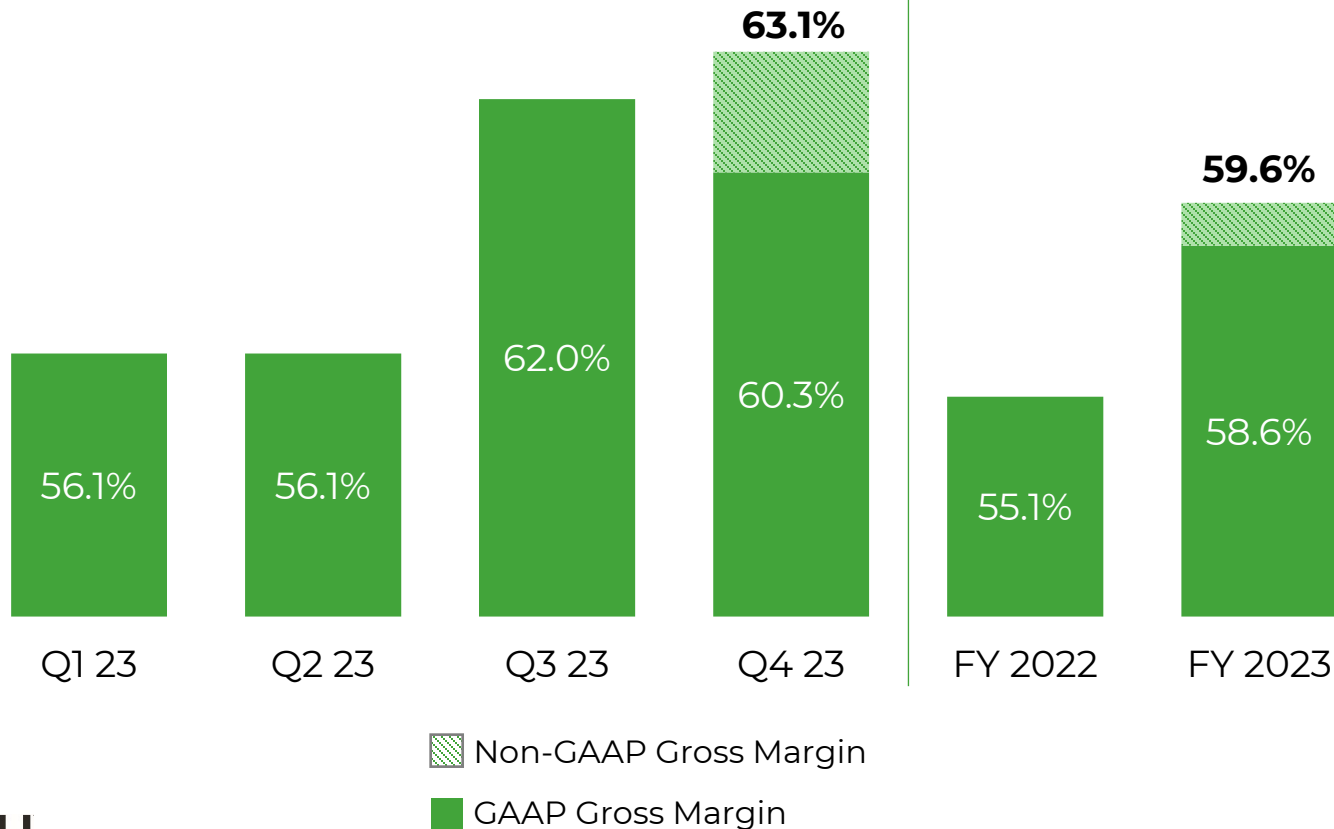
- Increased 10% y/y
- Driven by accelerated growth in established markets and expansion into new geographies

Novel Therapies

- Decreased 41% y/y due to higher NRE on major innovation agreement and clinical trial orders in the prior year
- Carried over a larger pipeline of opportunities into 2024

Improving Gross Margin Profile

Disciplined margin improvement throughout 2H23



GAAP Gross Margin

Fourth Quarter: 60.3%

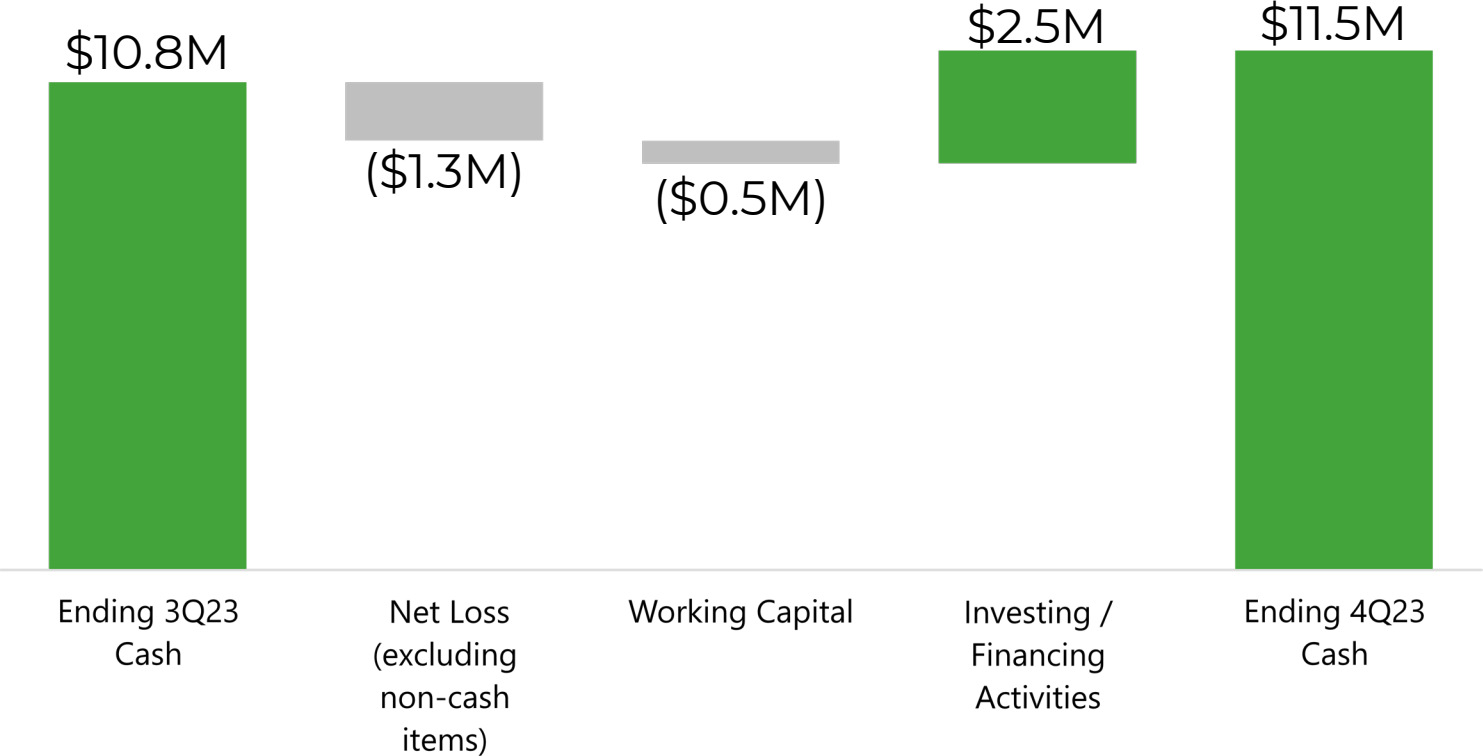
- Margin improvement driven by increased manufacturing efficiencies and improved product mix
- Non-GAAP GM of 63.1% allowing for one-time inventory adjustment for product discontinuation

Full Year: 58.6%

- Driven by 2 full quarters of outsourced manufacturing and favorable variances (+350 BPS y/y)
- Non-GAAP GM of 59.6% allowing for one-time inventory adjustment for product discontinuation

Strong 2023 Year-End Cash Balance

Cash Balance as of December 31, 2023: \$11.5M

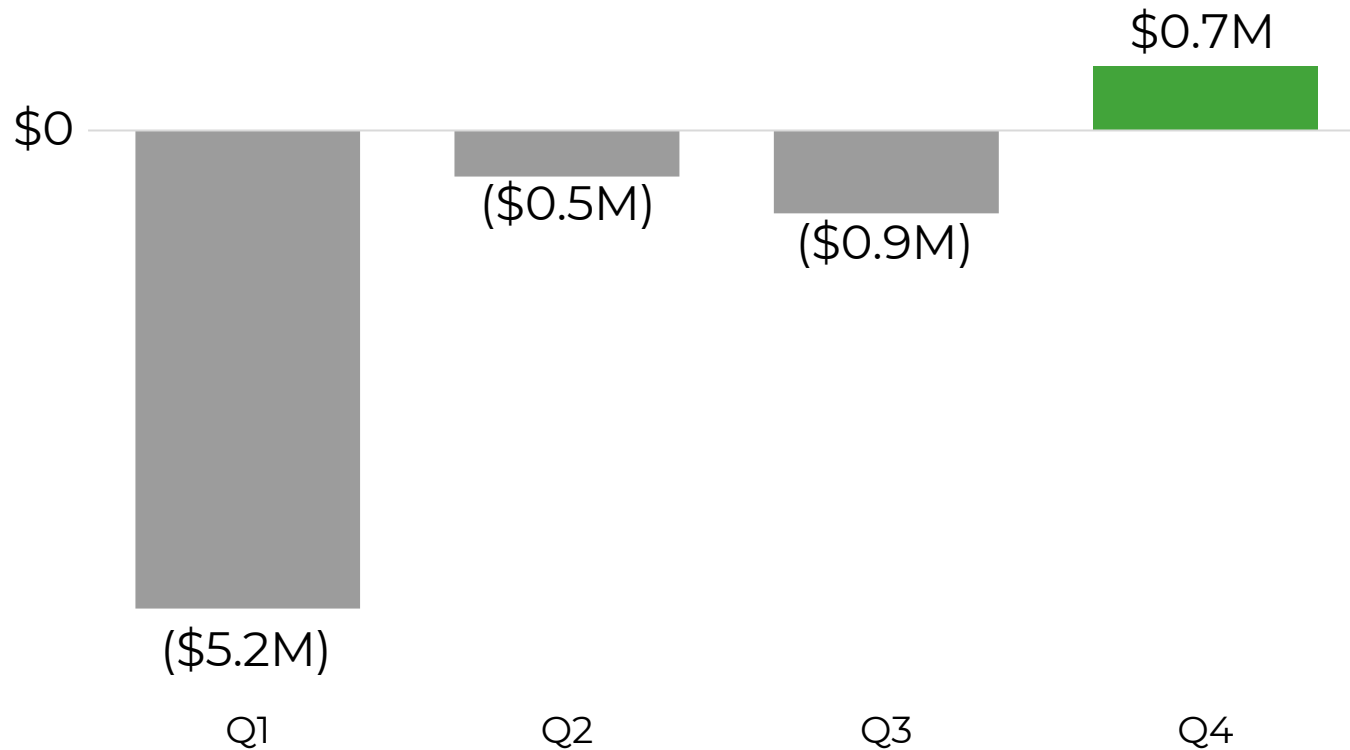


Key Drivers

- Q4 cash gain of \$0.7M
- Lower net losses in 2H driven by improved gross margin, and operating expense control.
 - Net loss excludes non-cash items for DTA (deferred tax asset valuation allowance), stock compensation and depreciation and amortization
- Investing / Financing activities mostly driven by capex for 2nd generation products
- Working Capital improvement driven by completion of inventory reduction, collection of ERC (Earned Retention Credit) and year-end accruals

2023 Cash Usage by Quarter

Cash burn directionally improved throughout the year



Key Drivers

- Substantially reduced cash burn since Q1
- One-time investments in capex and significant new hires are behind us
- Q4 cash gain of \$0.7M
- Expect 2024 quarterly cash usage pattern to remain consistent, but at a much lower burn rate
- Expected to be cash flow positive in fourth quarter 2024 and for full year 2025

2024 Guidance

Revenue Growth

Revenue guidance of **\$31.2-\$32.2M, or 10-13% growth**

Key Drivers/Milestones

- SClg drug **market growth** of mid-to-high single digits
- **3 new** Novel Therapies collaborations
- **Prefill** syringe market penetration of **approx. 20-25%**

Gross Margin Profile

Gross margins between **59-61%**

Key Drivers/Milestones

- Geographic expansion into **lower ASP markets**
- Supply chain **inflationary pressures**
- **Production line** start-up in Q4 for new product introduction

Cash & Cash Flow

Greater than **\$8M** ending cash balance

Key Drivers/Milestones

- Operating Expense of **~\$23.5-\$24.0M**, exclusive of stock compensation expense
- **Cash flow breakeven in Q4** 2024, and cash flow positive for full year 2025
- Ending cash balance is **exclusive of new \$10M credit facility**, which is reserved for strategic growth capital opportunities

Our Pipeline of Product Solutions Supports Our Objectives ... Increased Market Penetration, Share Gain and Accelerated Growth

Recent Launches

Near-Term Launches
2024-2025

Future Launches
2026+

SCIg



50mL PFS
on-label

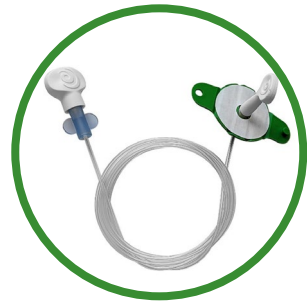


New Infusion Set



Next Gen.
Ig Pump

Novel
Therapies



Customized
Best-in-Class
Infusion Set



Novel Therapies
Pump

2024 Key Milestones



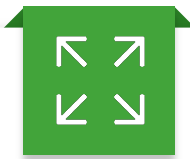
Double-digit net **revenue growth** versus FY2023



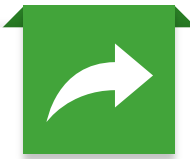
Accelerating U.S. Core share gains with **50 mL Prefills** and continued **International Expansion**



Growing Novel Therapies pipeline with **3 new collaborations** and continued focus on late-stage drug candidates



Two new 510k submissions for a new product and a new drug launch on FREEDOM System



Commitment to **cash flow breakeven in Q4 2024** and for the **full year 2025**