KORU Medical Systems

Q3 2024 Earnings Call

November 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 the existence and timing of potential drug launches, the success and timing of our novel therapies collaborations, our future financial performance (including but not limited to CAGR, revenue growth, cash balances, cash flow and gross margin), our future product launches, 501(k) submissions, and meeting our Vision 2026 goals. 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, new drug launches, 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.

Strong Third Quarter Execution

1. 17% y/y revenue growth for Q3, **third consecutive quarter of double-digit growth**
2. **Core business y/y growth of 11%**, driven by outpacing SCIg market growth and new geographic entries
3. **Strength in Novel Therapies** driven by an increased number of new collaborations and clinical trial orders
4. **Gross profit y/y growth of 19%** and **gross margin improvement of 140 basis points**
5. Ending cash balance of $8.8M and **YTD cash usage of $2.7M, a 60% y/y improvement**
6. **Raising 2024 guidance** for revenue, gross margin, and YE cash balance

Progress on Strategic Growth Pillars

Protect and Grow Domestic Core SCIg Business

Domestic Core growth
12% y/y growth; YTD 10% growth
Record quarterly revenues

Outpacing SCIg market[1]
Seven quarters of sequential market growth

New accounts wins
Continued Ig penetration and patient starts

Updating new 510k submission
Expected Mid 2025

Expand Internationally

International Core growth
5% y/y growth; YTD 38% growth
Impacted by Q2 BSI stocking orders

Strong Ig growth
Expanding indications

Strong consumable volumes
Driven by new and existing geographies

Market share gains in new geographies

Broaden our relevance with Novel Therapies

16 collaborations in total
3 signed in 2024, 6 potential commercial launches by 2026

Multiple Projects
Initiated with collaboration partners for development and expansion

Oncology Nursing Preference Study
Demonstrated 97% preference for KORU FreedomEdge® over manual push

Updating 510k submission
Rare disease biologic – infusion clinic entry expected 2025

1. Third party data source

6 New KORU Drug Collaboration Launches Expected by 2026

16 Total Collaborations

19 Open Opportunities

$2.7B TAM(1) Across **2.1M** Global Patient Population(2)

Novel Therapies	Patient Population (000's)	Phase I / II / III	Drug Launch Date(3)	KRMD Clearance
EMPAVELI / ASPAVELI (pegcetacoplan)	15		May 2021	May 2022
Oncology	500		Launched	Expected 2025
Rare Disease Biologic	65		Launched	Expected 2025
Nephrology	2		2025	Expected 2025/26
Hematology	133		2027	Expected 2027/28
Endocrinology	10		2028	Expected 2028
Respiratory	239		2028	Expected 2028/29
Nephrology	540		2029	Expected 2029/30
Nephrology	2		2029	Expected 2029/30
Total Patient Pop.	**1,506**			

Core: Expanded Indications to Label (Ig)		Drug Launch Date/New Indication	
CSL Hizentra 50mL PFS [device]		Apr. 2023	December 2023
Takeda Cuvitru Japan [device]		Sep. 2023	July 2024
Immunology/Neurology [device]		Apr. 2023	Expected 2025
Immunology [device]	**630**	2025	Expected 2025
Immunology/Neurology		2026	Expected 2026/27
Immunology/Neurology		2026	Expected 2028
Immunology		2027	Expected 2027/28

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

97% of Nurses Prefer KORU Freedom System For Subcutaneous Oncology Infusion[1]

Nursing Preference Study: FreedomEdge® vs Manual Syringe Administration

Over 3,000 patients in 6 hospitals received KORU FreedomEdge® infusions from 33 nurses who had previously administered the same >10mL drug via manual push

97% of nurses reported **increased patient interaction** while using the FreedomEdge® Infusion System

81% of nurses experienced **less hand pain** compared to manual syringe administration

91% of nurses found KORU FreedomEdge® Infusion System **easier to use** compared to manual syringe administration

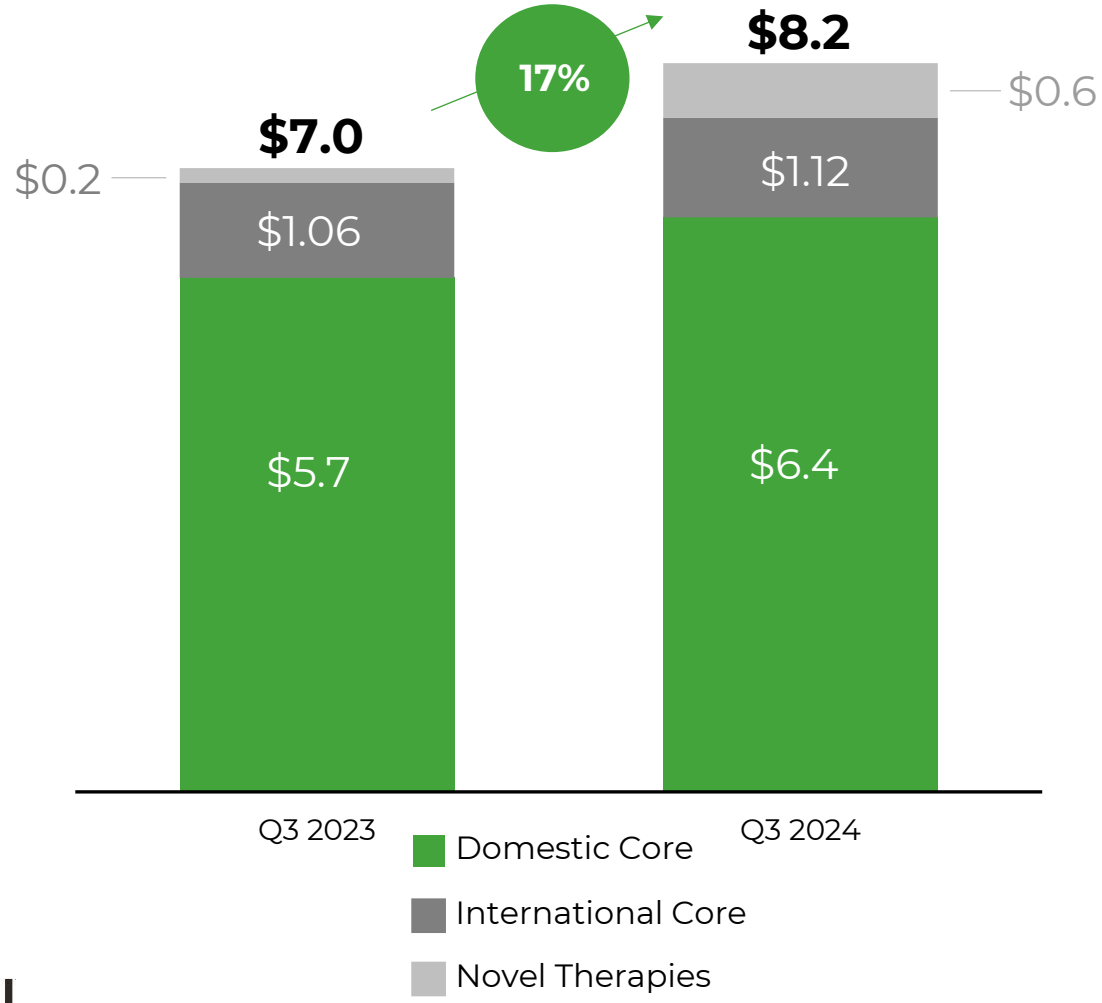
73% of nurses **observed less patient pain** while using FreedomEdge® Infusion System

97% of nurses would recommend the KORU FreedomEdge® Infusion System over manual syringe in subcutaneous oncology infusions, citing ease of use and reduced discomfort as key reasons

1 KORU Medical Nursing Study Data as Presented at PODD on October 28, 2024

Q3 Y/Y Revenue by Business

Net Revenues;
In Millions



Domestic Core

- Increased 12% y/y; 10% YTD growth
- Outpaced Ig market growth
- Driven by higher consumable and pump volumes, new patient starts, and continued account penetration

International Core

- Increased 5% y/y; 38% YTD growth
- Consumable growth in new and existing markets
- Strong performance in new geographies
- Customers consumed excess BSI inventory and are expected to return to regular order patterns in Q4

Novel Therapies

- Increased 276% y/y; 46% YTD
- Progress on NRE work for six collaborations vs. two last year
- Strong product sales in support of customer clinical trials

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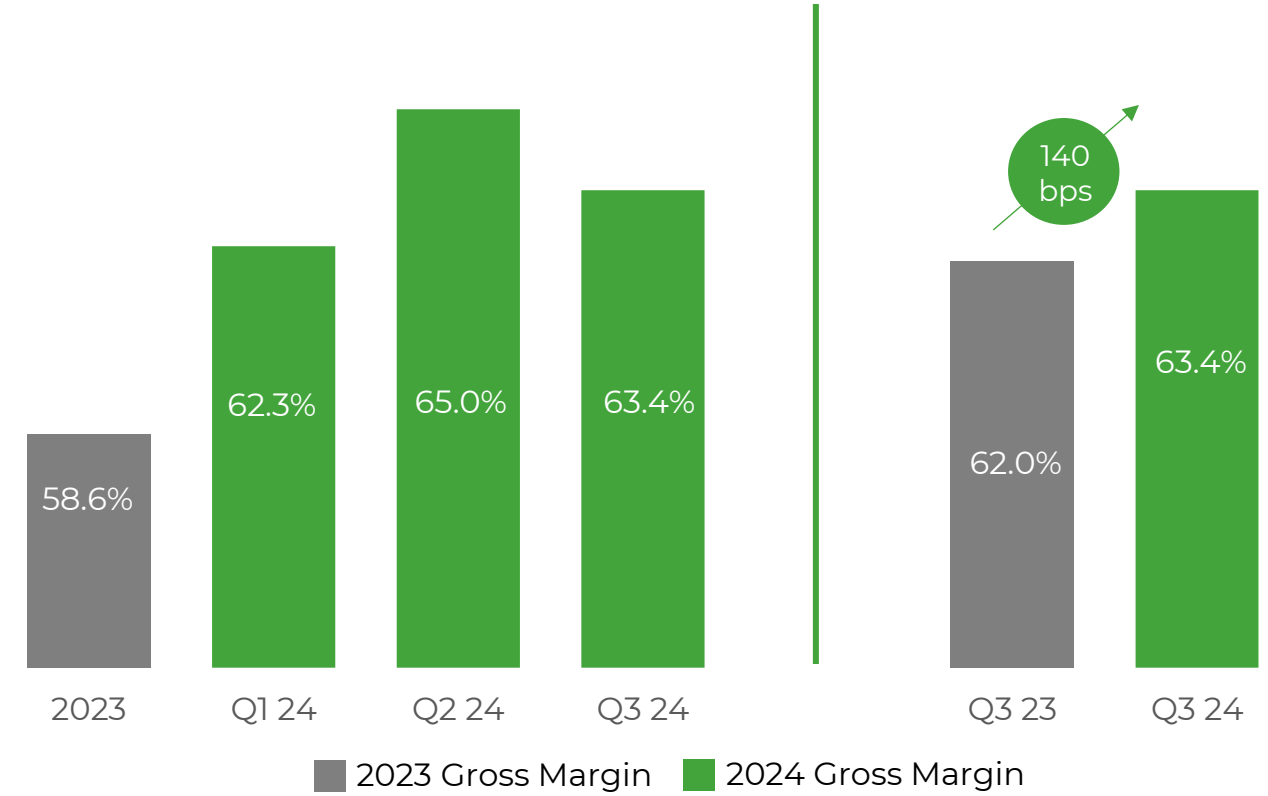
Improved Gross Margin Profile

Driving y/y margin improvement with consistent performance >60%



Gross Margin

Third Quarter: 63.4%

- Gross margins consistently >60%
- 140 basis points improvement y/y
  - Driven by improved NRE margins from insourcing engineering activities
  - Increase in ASPs
  - Partially offset by changes in product sales mix

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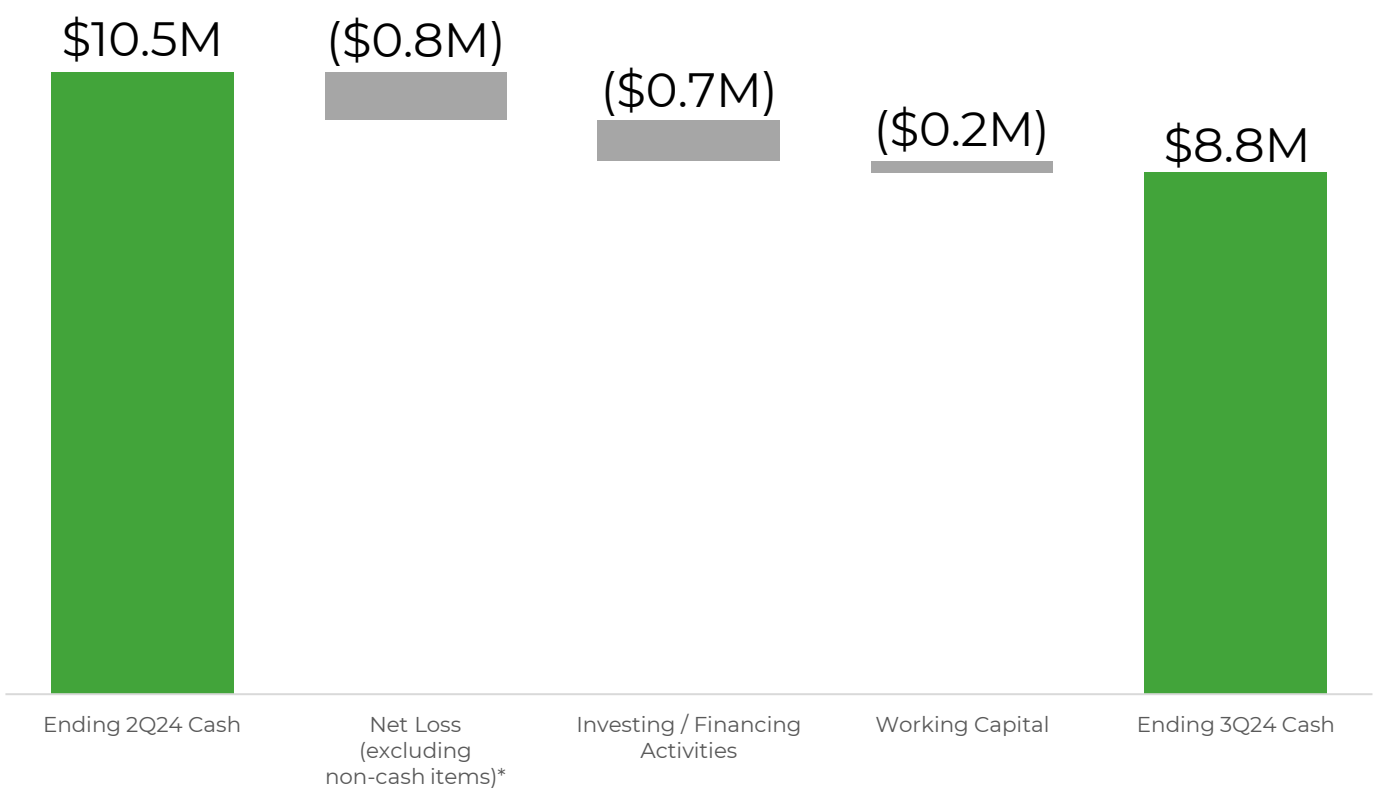
Improved Cash Management/Operating Leverage

Cash Balance as of September 30, 2024: $8.8M



Key Drivers

- Cash usage of $1.7M, in line with expectations
  - Net loss of ~($0.8M), excluding non-cash items*
  - Investing / Financing Activities driven by capital purchases for new consumables product line
  - Working Capital driven primarily by higher inventory due to timing of raw materials purchases and supply chain events, partially offset by an increase in expense accruals

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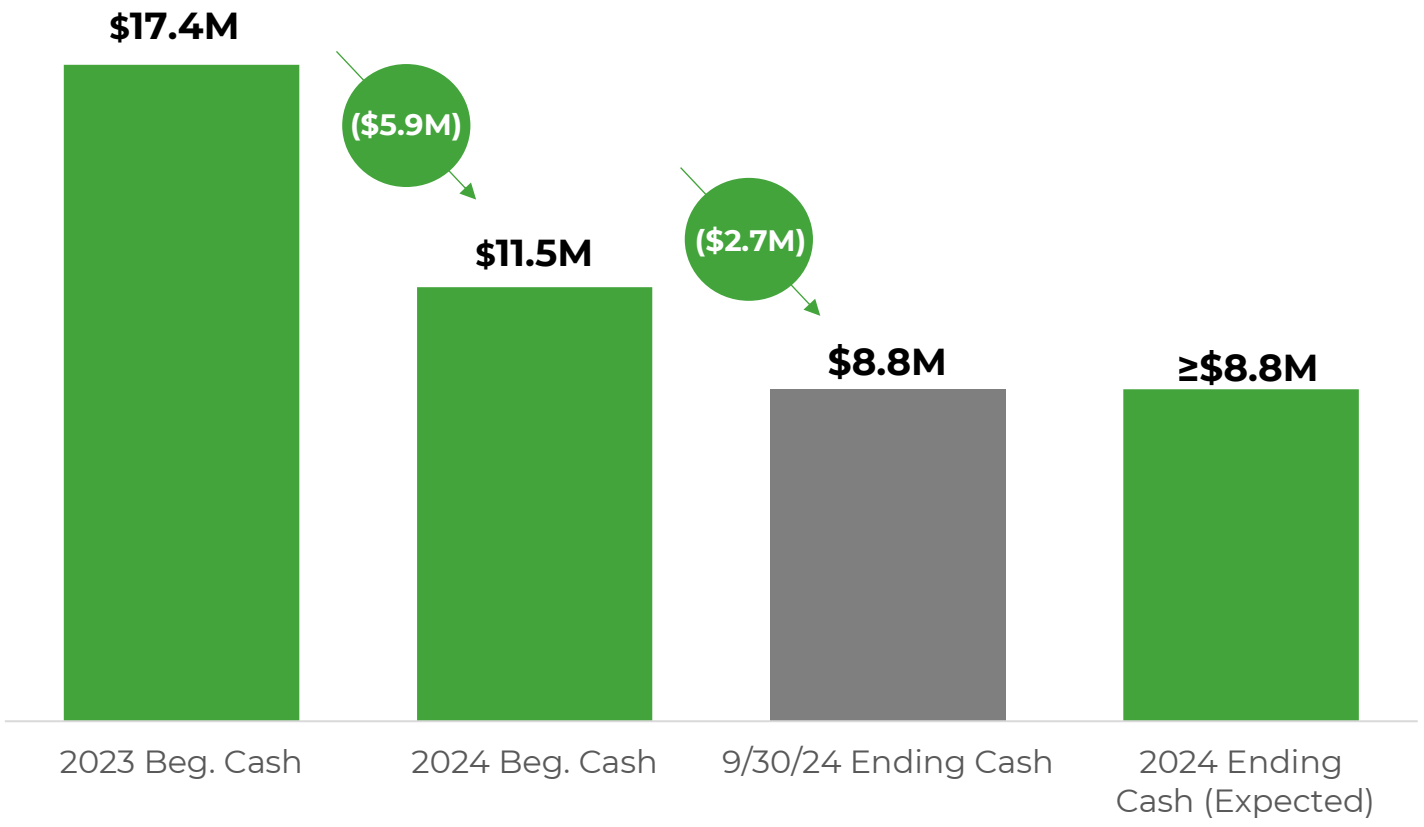
* Refer to appendix slide 1

On Track to Reach Cash Flow Breakeven

Cash burn improving with expected 2024 ending cash balance of ≥$8.8M



Key Drivers

- Substantially reduced y/y cash burn with YTD cash usage of $2.7M, a 60% improvement over 2023
- Key contributors:
  - Lower net losses driven by higher revenues
  - Higher gross margin
  - Improved operating leverage
  - Improvements in working capital
- Expected Q4 cash flow breakeven
- 2024 ending cash balance of at least $8.8M
- Long-term $10M credit facility remains unused

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Strong Year-To-Date Execution Down the P&L

YTD Q3 Financial Highlights			
Metric	**YTD '24**	**YTD '23**	**Y/Y Δ**
Revenue	$24.8M	$21.3M	16.3% growth
Gross Margin	63.6%	58%	560bps growth
OpEx	$20.6M	$20.4M	1% increase
Net Loss	($4.5M)	($6.3M)	28% improvement
EPS	($0.10)	($0.14)	29% improvement
Cash Burn	($2.7M)	($6.6M)	60% improvement

Raising 2024 Guidance

Revenue Growth

Increased to **$32.75-$33.25M, 15-17% growth**[1]

Key Drivers/Milestones

- SCIg 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

Increased to **62-63%**[2]

Key Drivers/Milestones

- Favorable **manufacturing efficiencies**
- Improved **Novel Therapies sales mix**
- Supply chain **inflationary** pressures

Cash & Cash Flow

Increased to greater than **$8.8M** ending cash balance[3]

Key Drivers/Milestones

- Operating Expense of **~$24.5-$25.0M,** 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 unused credit facility**

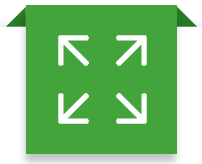
1 Increased from prior guidance of $32.0-$32.5M
2 Increased from prior guidance of 61-62%
3 Increased from prior guidance of $8.0M ending cash balance

Continued Progress on Vision 26 Key Milestones

Double-digit revenue growth versus FY2023

Accelerating Core growth with new patient starts, share gains, and continued International expansion

Progressing Novel Therapies pipeline with 6 potential commercial launches by 2026 – continued focus on late-stage drug candidates and entering the infusion clinic market



Expecting multiple 510k submissions in 2025 for new products and new drug launches on FREEDOM® Infusion System

Continued operating leverage driving **cash flow breakeven in Q4 2024** and **cash flow positive for the full year 2025**

Appendix

Non-GAAP Financial Measures

This presentation includes the non-GAAP financial measures “adjusted EPS”, "adjusted diluted EPS“, and “adjusted EBITDA” that are not in accordance with, nor an alternate to, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. These non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Non-GAAP financial measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. They are limited in value because they exclude charges that have a material effect on KORU Medical's reported results and, therefore, should not be relied upon as the sole financial measures to evaluate the Company's financial results. Non-GAAP financial measures are meant to supplement, and to be viewed in conjunction with, GAAP financial results. Reconciliations of the Company's non-GAAP measures are included at the end of this presentation.

Reconciliation of GAAP Net (Loss) to Non-GAAP Adjusted EBITDA:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
GAAP Net Loss	$ (1,580,817)	$ (1,368,262)	$ (4,505,490)	$ (6,275,033)
Tax Benefit *	(314,095)	(300,247)	(892,524)	(1,477,642)
Allowance for Tax Benefit *	314,095	—	892,524	—
Reorganization Charges	396,926	—	496,255	—
Depreciation and Amortization *	227,785	216,014	677,019	642,050
Interest Income, Net	(112,997)	(135,429)	(364,183)	(392,098)
Manufacturing Initiative Expense	—	—	—	55,361
Stock-based Compensation Expense *	634,608	697,658	1,948,992	2,379,613
Non-GAAP Adjusted EBITDA	$ (434,495)	$ (890,266)	$ (1,747,407)	$ (5,067,749)
Weighted average number of common shares	45,851,019	45,606,603	45,791,756	45,547,427

Reconciliation of Reported Diluted EPS to Non-GAAP Adjusted Diluted EPS:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Reported Diluted Earnings Per Share	$ (0.03)	$ (0.03)	$ (0.10)	$ (0.14)
Tax Benefit *	(0.01)	(0.01)	(0.02)	(0.03)
Allowance for Tax Benefit *	0.01	—	0.02	—
Reorganization Charges	0.01	—	0.01	—
Depreciation and Amortization *	—	—	0.01	0.01
Interest Income, Net	—	—	(0.01)	(0.01)
Manufacturing Initiative Expense	—	—	—	—
Stock-based Compensation Expense *	0.01	0.02	0.04	0.05
Non-GAAP Adjusted Diluted Earnings Per Share	$ (0.01)	$ (0.02)	$ (0.05)	$ (0.12)

*Non-cash items