

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Covalon Technologies Ltd. (the “**Company**” or “**Covalon**”)
1660 Tech Avenue, Unit 5
Mississauga, Ontario
L4W 5S7

Item 2 Date of Material Change

January 3, 2024

Item 3 News Release

A press release was disseminated through Business Wire on January 4, 2024 and filed on www.sedarplus.ca.

Item 4 Summary of Material Change

On January 4, 2024, the Company announced that its Board of Directors (the “**Board**”) has appointed Mr. Brent Ashton to serve as Chief Executive Officer and a director of the Company, effective immediately.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that the Board has appointed Mr. Brent Ashton to serve as Chief Executive Officer and a director of the Company, effective immediately.

Mr. Ashton brings a wealth of experience in the MedTech industry, having led large business units responsible for wound care, vascular access, infection prevention and pre-analytical diagnostics at medical industry leaders 3M Health Care and BD (Becton Dickinson). With his broad experience in the sector, Mr. Ashton is poised to lead Covalon into its next phase of growth and development.

Mr. Ashton is a seasoned executive with more than 25 years of experience. He was most recently at BD as Vice President and General Manager responsible for the Specimen Management Business Group (best known for the Vacutainer® brand of blood collection tubes and needles). Prior to his role at BD, Mr. Ashton spent 13 years at 3M Health Care, excelling in roles that ranged from Global Business Director to Business Unit Vice President. His most recent role at 3M Health Care involved leading commercial and cross-functional efforts for the Patient Preparation and Management Business Unit with greater than \$2.0 billion in worldwide revenue focused on vascular access, securement, patient monitoring, device reprocessing, patient warming and surgical infection prevention businesses. Mr. Ashton is a graduate of the Ivey School of Business

at Western University in London, Ontario, Canada with a Bachelor of Arts in Honors Business Administration (Marketing and International).

In connection with the appointment of Mr. Ashton, the Board has accepted the resignation of Amir Bolor in his capacity as the Interim Chief Executive Officer of the Company and has appointed Mr. Bolor to the role of Executive Chair of the Company. In his new role Mr. Bolor will be working closely with the Board, Mr. Ashton and the management team of Covalon.

Mr. Ashton will be granted 800,000 stock options that will vest equally over four years at an exercise price equal to the greater of the market price of the Company's common shares at the date of grant and \$1.50 per share. The vesting of 50% of the stock options is time-based, with such stock options vesting in equal increments over the four-year period, and the vesting of the remaining 50% of the stock options is based on certain thresholds of the market price of the Company's common shares being achieved over the course of the same four-year period. Mr. Ashton's appointment and stock option grant are subject to the approval of the TSX Venture Exchange.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

N/A

Item 7 Omitted Information

N/A

Item 8 Executive Officer

Brent Ashton, Chief Executive Officer
Covalon Technologies Ltd.
Email: bashton@covalon.com
Toll-Free: 1.877.711.6055

Item 9 Date of Report

January 11, 2024