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TECHNOLOGIES LTD.

TSX-V: COV
OTCQX: CVALF

Planet MicroCap CEO Presentation

April 26th 2023

Brian Pedlar, CEO

www.covalon.com



helping the most vulnerable patients have a better chance at healing

Forward-Looking Statements and Non-GAAP Financial Information

Certain statements included in this presentation may be considered forward-looking statements. These forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “estimate”, “expect”, “intend” and statements that an event or result “may”, “will”, “should”, “could”, or “might” occur or be achieved and other similar expressions. More specifically, this presentation contains forward-looking statements which include, but are not limited to statements regarding: the Company’s corporate strategy and strategic objectives; the availability of external financing to fund the Company’s ongoing liabilities and commitments; the direct and indirect impact of the COVID-19 pandemic on the Company’s business and operations, including supply chain, manufacturing, research and development costs, contracted service providers and employees, and general business and economic events. These forward-looking statements involve risk and uncertainties, including the impact on the Company given its current liquidity situation, the difficulty in predicting product approvals, acceptance of and demands for new products, the impact of the products and pricing strategies of competitors, delays in developing and launching new products, the regulatory environment, fluctuations in operating results, and other risks, any of which could cause results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. Such forward-looking statements should not be taken as guarantees of future performance of Covalon.

All forward-looking statements are based on Covalon’s current beliefs as well as assumptions made by and information currently available to Covalon and relate to, among other things, anticipated financial performance, business prospects, partnership opportunities, strategies, regulatory developments, market acceptance and future commitments. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation.

Due to risks and uncertainties, including the risks and uncertainties identified by Covalon in its public securities filings, actual events may differ materially from current expectations. Covalon disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Certain financial measures in this presentation – namely earnings before interest, depreciation and amortization (“EBITDA”), adjusted EBITDA, pro-forma EBITDA, free cash flow and enterprise value – are non-IFRS financial measures. While Covalon and certain of its competitors measure and evaluate the performance of their respective consolidated operations and business segments with reference to these and similar measures, non-IFRS measures do not have any standardized or prescribed meaning under IFRS or otherwise and therefore are unlikely to be comparable to similar measures presented by other companies. These non-IFRS measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS. All non-IFRS measures are included because management monitors and uses the information on a regular basis to analyze the performance of the business and therefore may be considered useful information.

For further information about the risks and uncertainties relating to forward-looking statements included in this Memorandum, the recipient should consult the “Risks and Uncertainties” section of Covalon’s annual MD&A dated January 25th, 2023, as well as those contained in Covalon’s interim MD&As and other public record filings on SEDAR.

All figures are in Canadian dollars, unless otherwise noted, and Covalon’s fiscal year end is September 30th.

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Capitalization Table
(in Canadian $)

Share Price (April 24, 2023)	*($/share)*	$2.00
Basic Shares	*(mm)*	24.9
FD ITM Shares	*(mm)*	28.9
FD ITM Market Cap	***($ mm)***	**$57.8**
Less: Cash (Dec 31, 2022)	*($ mm)*	($14.1)
Plus: Debt	*($ mm)*	$0.0
Plus: Minority Interest	*($ mm)*	
Enterprise Value	***($ mm)***	**$43.7**

~55%
Insider ownership

$14mm
Cash

$0
Debt Outstanding

$62mm
Market Capitalization

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We aren’t just another medical device company…

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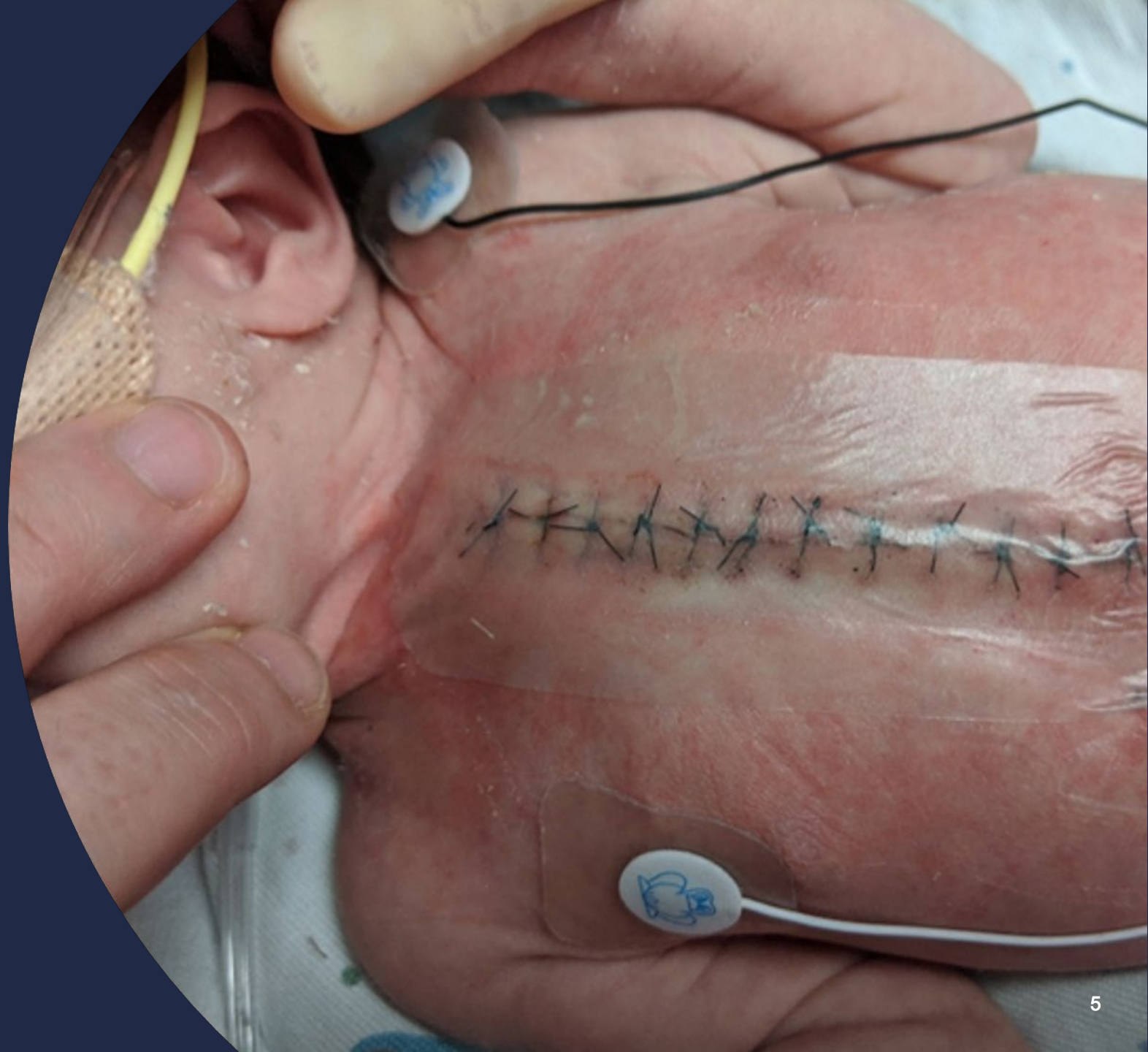
Covalon is a patient-driven medical device company, built on the relentless pursuit to help the most vulnerable patients have a better chance at healing.

Through a strong portfolio of patented technologies and solutions for advanced wound care, infection prevention, and medical device coatings, we offer innovative, gentler and more compassionate options for patients to heal with less infections, less pain, and better outcomes.

Our solutions are designed for patients and made for care providers.

Our Mission

Provide innovative and cost-effective healthcare solutions that **reduce pain, prevent infection, and promote healing**.



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Covalon is focused on becoming

a leading provider of

compassionate care solutions that

help patients heal faster and live better.

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Fiscal 2023: Strong Path to Financial Growth

- **Investing in Sales and Marketing initiatives to drive aggressive growth in our US Hospital Market**
  - Currently have 70 major hospital customers (> 200 beds)
  - 3 strong infection prevention products
- **6 of the Top 10 Pediatric Hospitals in the US use Covalon products to protect their patients from infection**
  - Our products are currently used in about 20% of the pediatric hospitals in the US (42 pediatric facilities)
- **International and US Wound Care business expected to achieve 25% CAGR in Revenue 2022 through the end of 2025**

2025 Targets:

400
Major Hospitals

#1
Market Share in Pediatric Hospitals

#1 or #2
Market Share in Collagen

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Uninsured Hospital-Acquired Infections have increased as much as 63% in Intensive Care Units[1]

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[1] Weiner-Lastinger, L., Pattabiraman, V., Konnor, R., Patel, P., Wong, E., Xu, S., Dudeck, M. (2022). The impact of coronavirus disease 2019 (COVID-19) on healthcare-associated infections in 2020: A summary of data reported to the National Healthcare Safety Network. Infection Control & Hospital Epidemiology, 43(1), 12-25. doi:10.1017/ice.2021.362



Current “Standard of Care” Products used to combat vascular access and surgical site infections (SSIs) in hospitals in the United States are ineffective[1]

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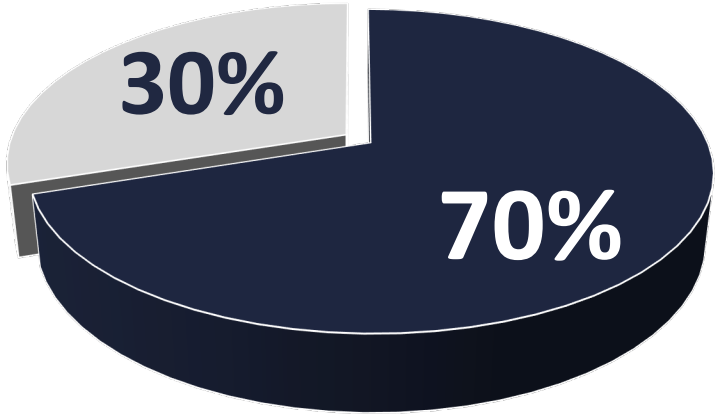
[1] Klevens, R. Monina; Edwards, Jonathan R.; Richards, Chesley L.; Horan, Teresa C.; Gaynes, Robert P; Pollock, Daniel A.; Cardo, Denise M. (2007). "Estimating Healthcare-associated Infections and Deaths in U.S. Hospitals, 2002". Public Health Reports. 122 (2): 160–166. doi:10.1177/003335490712200205

70% of Hospital-Acquired Infections Are Preventable

$28 Billion
Treatment Cost[1]

100,000
Annual Deaths[1]

1.7 Million Annual US Hospital-Acquired Infections[1]



■ **Preventable Infections**



It's time to give frontline care providers the right technology

[1]Klevens, R. Monina; Edwards, Jonathan R.; Richards, Chesley L.; Horan, Teresa C.; Gaynes, Robert P; Pollock, Daniel A.; Cardo, Denise M. (2007). "Estimating Healthcare-associated Infections and Deaths in U.S. Hospitals, 2002". Public Health Reports. 122 (2): 160–166. doi:10.1177/003335490712200205



Clinicians and Patients are demanding

Better, Safer Products

… A Better Standard of Care

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Many Prestigious Hospitals Choose Covalon

Some of our Children's Hospital Customers including 6 of the top 10 in the United States:

Boston Children's Hospital
Texas Children's Hospital
Cincinnati Children's
Children's Hospital of Philadelphia
Children's National
St. Jude Children's Research Hospital
Johns Hopkins All Children's Hospital
Ann & Robert H. Lurie Children's Hospital of Chicago
Children's Healthcare of Atlanta
Riley Children's Health, Indiana University Health
Phoenix Children's
Seattle Children's Hospital • Research • Foundation
Children's Minnesota
Orlando Health | Winnie Palmer Hospital for Women & Babies
CHOC

Some of our Acute Care Hospital Customers in the United States:

Cedars Sinai
Memorial Sloan Kettering Cancer Center
UPMC Life Changing Medicine
Kaiser Permanente
Hackensack Meridian Health
Northside Hospital
Intermountain Healthcare
Advocate Good Samaritan Hospital
Banner Health
AdventHealth Shawnee Mission
Mayo Clinic
Baptist Health South Florida
YaleNewHavenHealth
Orlando Health
Dignity Health
Beth Israel Lahey Health, Beth Israel Deaconess Medical Center
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UCSF Health
University of Rochester Medical Center

Strong Distribution Channels

Direct Sales

> 70
Major Hospitals
(> 300 Beds)

6 of 10
Top 10 Children's Hospitals

IV Clear™ SurgiClear® VALGuard™

Strong Clinical Evidence

Long-term Care & Home Healthcare Distribution Partners

smith&nephew McKESSON MEDLINE DermaRite HARTMANN Byram Healthcare Owens & Minor

International Distributors

20
Countries

~20
Distributors

JamJoom Business Group HARTMANN PANAFARMA Promedon People + Innovation

2023 Revenue Breakdown

63%
United States

37%
International

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For the period ended December 31, 2022

Balance Sheet with Significant Cash and No Debt

Key Takeaways

- We ended both Q1 2023 and fiscal 2022 with $14M cash on the balance sheet
- Current assets consists of cash, accounts receivable, inventories and prepaid expenses
- Current liabilities consist of trade payables, accruals, current lease liabilities and deferred revenue
- **Cash reserves, no debt, strong working capital**

	Sept. 30, 2022	Dec. 31, 2022
Cash	**$14.1M**	**$14.1M**
Current Assets	**$27.2M**	**$26.7M**
Total Assets	**$30.4M**	**$30.0M**
Debt	**$----**	**$----**
Current Liabilities	**($4.5M)**	**($5.1M)**
Total Liabilities	**($6.1M)**	**($6.5M)**

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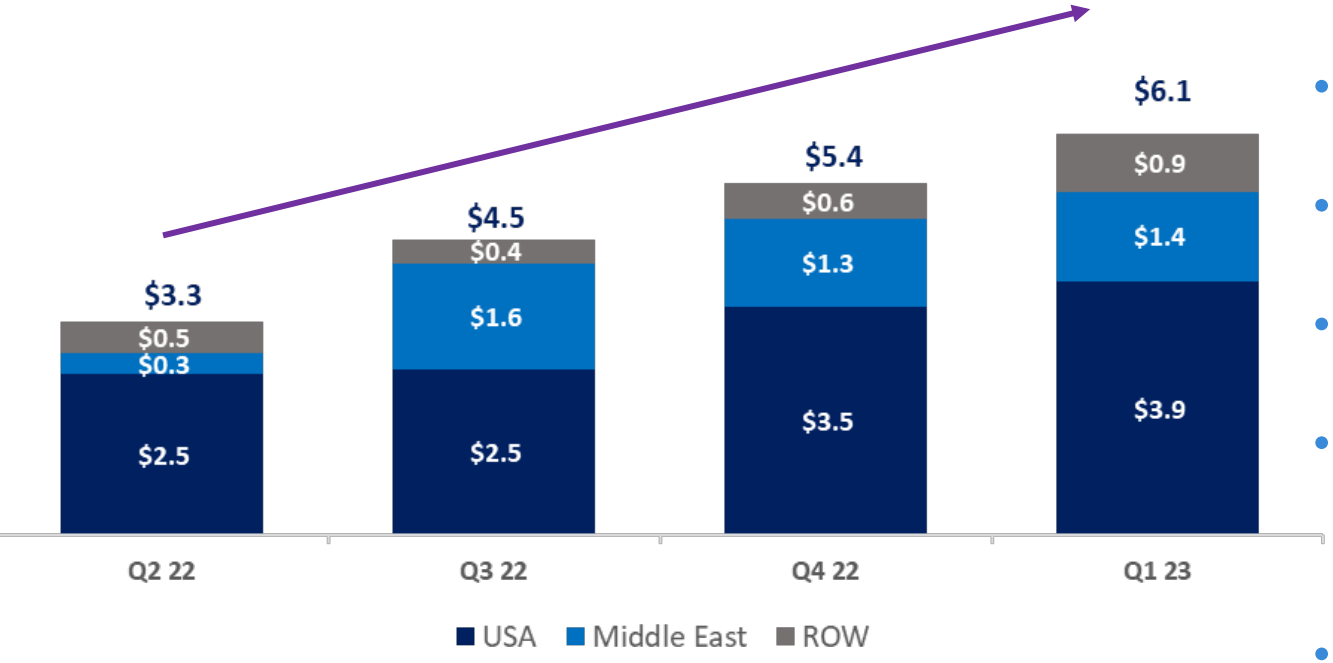
Quarterly Revenue Growth Last 4 Quarters



61% **Q1 2023 Adjusted Gross Margin[1]**

Key Takeaways

- Strong revenue growth over the past 4 quarters
- Forecasting revenue growth for 2023
- United States revenue growth tracking to plan
- Middle East revenue continuing to return to expected levels, but still “lumpy” quarter to quarter
- Rest of World seeing growth quarter over quarter
- Gross margins anticipated to improve in 2023 compared to prior years

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[1]Adjusted for inventory provisions and product re-work costs.

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Our Patented FDA Cleared Product Solutions Focus On

Infection Prevention

- Vascular Access Blood Stream Infections (“BSIs”)
- Surgical Site Infections (“SSIs”)
- Medical Device-related Infections

Advanced Wound Healing

- Diabetic chronic wounds
- Surgical wounds
- Traumatic non-healing wounds
- Serious burns



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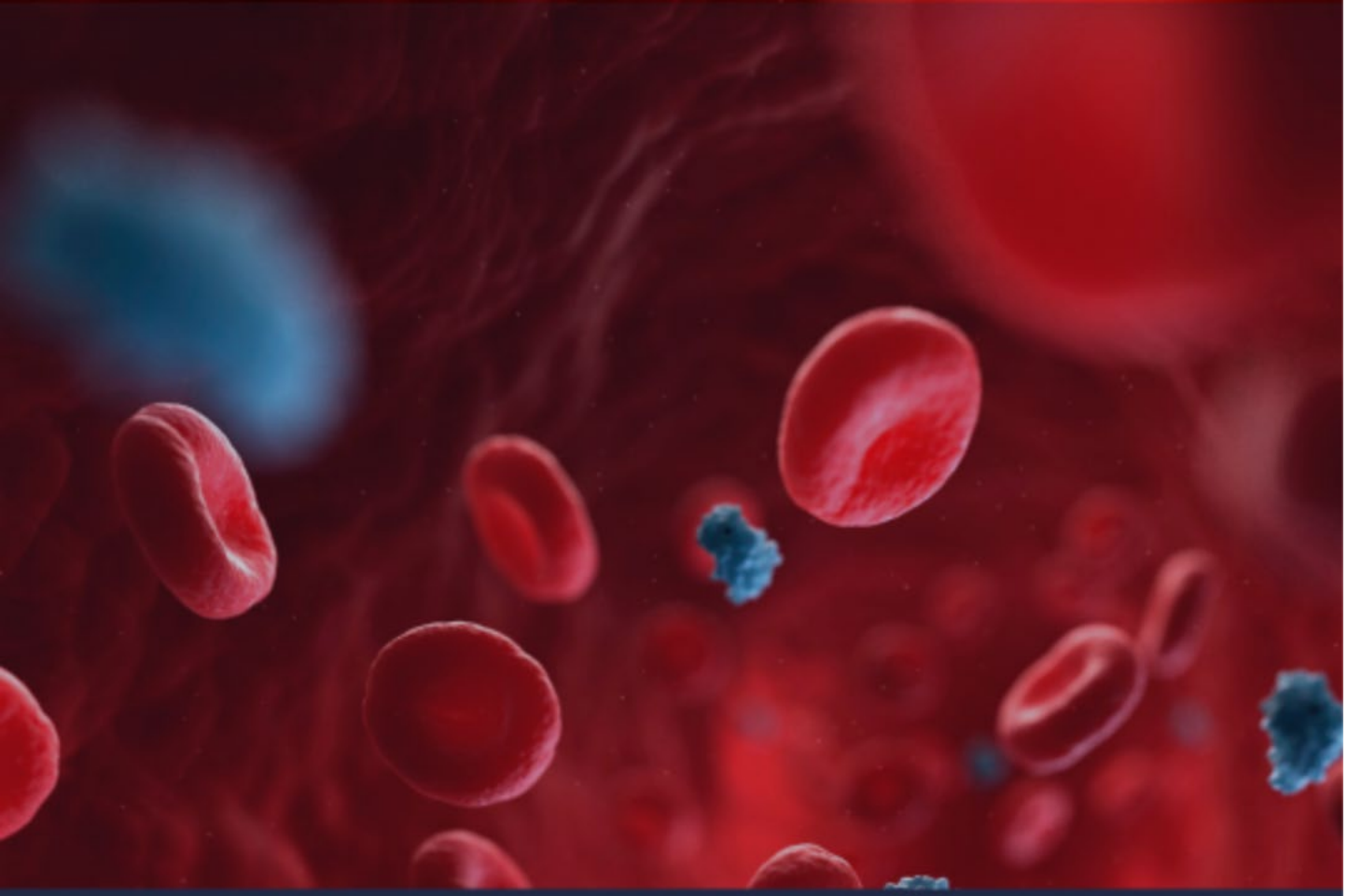

Catheter related bloodstream infections have a **25%** mortality rate

Better Vascular Access
Infection Prevention Solutions



VALGuard™
Vascular Access Line Guard



IV Clear™



CovaClear™ IV



CovaCoat®

Antimicrobial Catheter Coating



The # 1 cause of hospital readmission after surgery is infection

Better Surgical Site Infection Prevention Solutions

#1

SurgiClear is the Surgical Dressing of Choice by #1 Congenital Heart Program at Texas Children's



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Protecting patients from the inside out

We work with some of the largest Medical Device Organizations to incorporate our infection prevention technologies into their well-known devices, helping clinicians to better protect patients from the inside out.

Our Medical Coatings Save Lives

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For millions of patients, complex wounds are debilitating.

ColActive Plus®

Closes Complex Wounds

6.7M

Americans are living with a chronic, non-healing ulcer

25%

Of people living with Diabetes will experience a diabetic foot ulcer

1 in 4

Families has a family member with a chronic wound

$50B

The annual Impact chronic wounds have on the Healthcare System

Selected Partners & Distributors

Regulatory Pathway Expertise

ISO13485: 2016, MDSAP and FDA QSR certified

Award Winning Products

Covalon Delivers

Our R&D, Quality, and Regulatory expertise is recognized and sought by global healthcare companies worldwide.

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Covalon Has a Strong Growth Platform



Financially Strong Core Business

- Significant cash; no debt
- Above-market revenue growth potential with our strong distribution channels
- Strong management team focused on growth

Innovative Product Solutions backed by Strong IP

- Solid clinical evidence backing patented product solutions
- Better, safer products that solve serious clinical issues
- Better antimicrobial technology and biological collagen platform technology

Massive Growth Potential

- $8.9 billion infections and chronic wounds market growing at alarming rates
- Leading influential KOL facilities becoming champions
- Solid distribution channels in United States, Middle East, and LATAM

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