

FY'25-Q1 Earnings Presentation

February 21, 2025

Brent Ashton – CEO

Katie Martinovich – Interim CFO

*Compassionate solutions designed for
patients and made for care providers*

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; 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-GAAP 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-GAAP measures do not have any standardized or prescribed meaning under IFRS Accounting Standards or otherwise and therefore are unlikely to be comparable to similar measures presented by other companies. These non-GAAP measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS Accounting Standards. All non-GAAP 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 7th, 2025, 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.

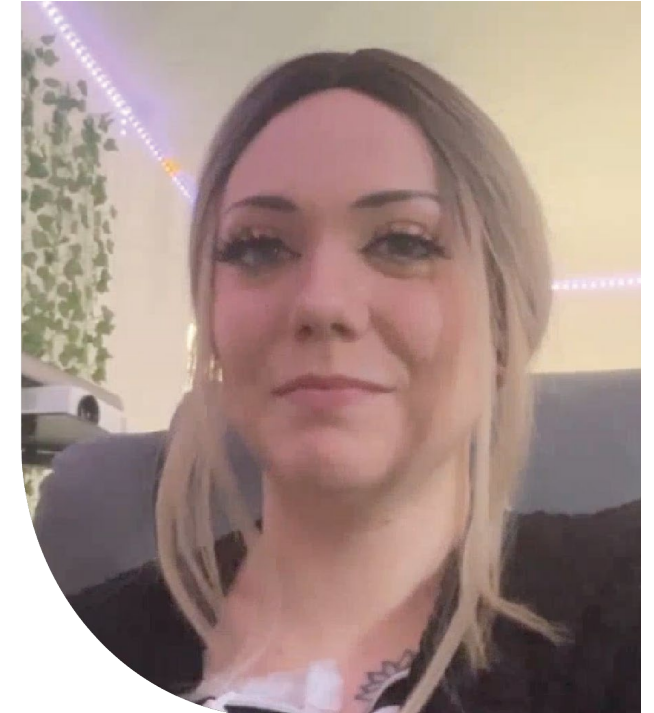
Jessika and Covalon's IV Clear® Dressing

“ Meet Jessika, a former firefighter medic. She was diagnosed with a medical condition that required her to have a Hickman line (a type of central venous catheter) inserted into her body. Like many patients with central lines, she experienced significant complications including infections and skin trauma..

*“We tried multiple different dressings with bad reactions to them. I was **breaking out in blisters all over my chest. It was absolutely horrendous.**”*

Then, Covalon's IVClear® dressing was used to secure and protect her Hickman line:

*“I didn't have any skin trauma issues at all. I'm still using it. **IV Clear - it's just been a savior of mine.** I love the antimicrobial properties, especially because this is **as long as I've gone without a line infection in my life** and so I'm very grateful for that.”*



Covalon Q1 FY'25 Summary

Strong Financial Results:

- Revenue of \$8.2 million, growth of 75% over Q1 FY'24
- Adjusted EBITDA of \$1.5 million, an increase of \$2.8 million over Q1 FY'24
- Trailing Twelve Months (TTM) ended Dec 31, 2024 Adjusted EBITDA of \$7.8 million, an increase of \$11.8 million over the prior TTM ended Dec 31, 2023
- Earnings Per Share of \$.04, an increase of \$.07 over prior year

Key Recent Accomplishments:

- Recognized as 2025 TSX Ventures Top 50 Company and a 2025 OTCQX Best 50 Company
- Secured new patent for VALGuard® Line Guard
- VALGuard® approved for use system-wide at one of the top 5 Integrated Delivery Networks (“IDNs”) in the United States

“Covalon delivered strong revenue growth in Q1, led by success with our US Medical Consumables business, our primary area of focus. This revenue growth also fueled strong increases in gross profit and earnings over our prior year.”

In addition to the financial success, Covalon has also driven several recent achievements that will strengthen the company and fuel further growth.”



Brent Ashton
Covalon Technologies Ltd
Chief Executive Officer



FY'25 Q1 Financial Highlights

US Medical Consumables
Revenue

\$7.0M



Gross Profit

\$5.0M



Operating Expenses

\$3.7M



Adjusted EBITDA

\$1.5M



Earnings Per Share

\$0.04



Cash Position
(end of Quarter)

\$17.5M



US Vascular Access and Surgical Consumables – Strong Focus Driving Outstanding Growth

8 of the 10 best US Children's Hospitals¹ trust Covalon to protect their patients



RETAIN



100% retention
of our Top 50 FY'24
hospital customers

GROW EXISTING



39% revenue growth from
our Top 50 FY'24
hospital customers in Q1 FY25

ADD NEW



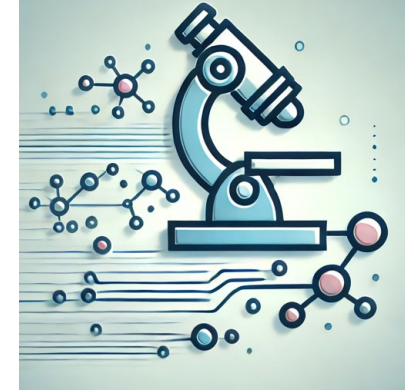
Acquired
21 new hospital customers
over the last 3 months



Covalon 2025 Focus for the Future



Growth-Focused Commercial Advancement



Market Development Acceleration



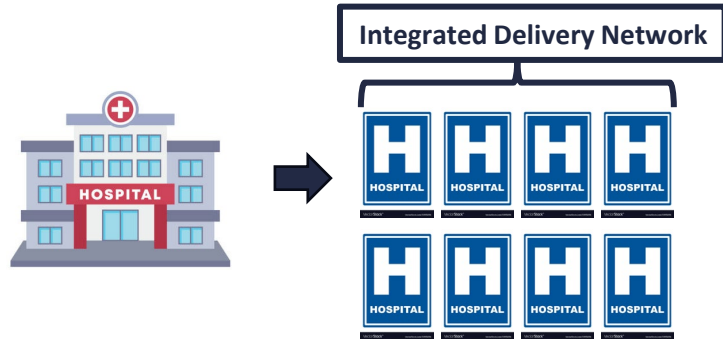
Operational Optimization



Innovation and Business Development

Growth Focused Commercial Advancement

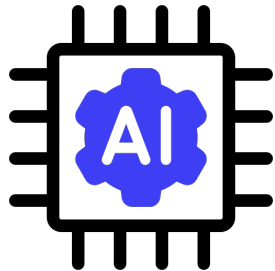
Advance From Single Facilities To Large Health Systems



Scientific Meeting Partnerships



AI-Driven Content, Customer Insights, and Engagement



Gentle to Skin Content and Campaign

Choosing with Care: IV Medical Dressing Selection Checklist

*Dressings Done Right:
Not all IV dressings are made
equal, find what's right for
your patient.*

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Summary

- Covalon is making a significant impact for patients and the clinicians who treat them
- Exciting start to 2025 with strong first quarter growth and a number of important accomplishments
- Growth-focused Commercial advancement will help to fuel strong multi-year growth opportunity



Q&A





Investor Relations Contact Information



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Q1 FY'25 Results

	Q1 FY'25	Q1 FY'24	Delta
Revenue	\$8.2	\$4.7	+ 74.5%
Gross Profit (Gross Margin)	\$5.0 (61.2%)	\$2.9 (61.1%)	+ 72.4%
Operating Expenses (% to Revenue)	\$3.7 (45.1%)	\$4.3 (91.5%)	- 4,640 bps
EBITDA (% to Revenue)	\$1.4 (17.1%)	-\$0.6 (-12.8%)	+ \$2.0
Adjusted EBITDA (% to Revenue)	\$1.5 (18.3%)	-\$1.2 (-25.5%)	+ \$2.8
Net Income	\$1.2	-\$0.9	+ \$2.1
EPS (cents per share)	\$0.04	-\$0.03	+ \$0.07

\$3.5 M of revenue growth led by focus on US Product Sales (73% YoY growth)
United States represents 87% of WW revenue

\$0.6M in lower operating expenses while driving \$3.5M of higher revenue

Improvement reflects our continued focus on revenue growth, operational efficiencies, & strategic cost management.

Past 7 Quarters of Financial Performance

	Q3 FY'23	Q4 FY'23	Q1 FY'24	Q2 FY'24	Q3 FY'24	Q4 FY'24	Q1 FY'25
Revenue	\$6.3	\$6.9	\$4.7	\$8.4	\$9.2	\$8.9	\$8.2
Gross Profit (Gross Margin)	\$3.6 (57.5%)	\$2.9 (41.9%)	\$2.8 (61.1%)	\$5.3 (63.1%)	\$5.4 (58.9%)	\$5.3 (60.2%)	\$5.0 (61.2%)
Operating Expenses (% to Revenue)	\$4.2 (66.7%)	\$5.8 (83.4%)	\$4.3 (91.5%)	\$3.8 (45.4%)	\$4.0 (43.7%)	\$4.7 (52.8%)	\$3.7 (45.1%)
Adjusted EBITDA (% to Revenue)	-\$0.4 (-6.3%)	-\$1.8 (-26.5%)	-\$1.2 (-25.5%)	\$2.5 (29.6%)	\$2.4 (25.8%)	\$1.1 (12.4%)	\$1.5 (18.3%)
Net Income (loss)	-\$0.5	-\$2.9	-\$0.9	\$1.5	\$1.4	\$0.6	\$1.2
EPS (cents per share)	-\$0.02	-\$0.12	-\$0.03	\$0.06	\$0.06	\$0.02	\$0.04