

Management Presentation



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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.

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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 26th, 2024, 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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Covalon is a patient-driven medical device company, that provides innovative and cost-effective healthcare solutions that aim to help reduce pain, prevent infection, and promote healing.

Through a strong portfolio of patented technologies and solutions for advanced wound care, infection control, and medical device coatings, we offer innovative, gentle and more compassionate options to aid patients on their healing journey.

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

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One Covalon



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VP – Marketing & Sales Operations



Hector Padilla
VP – Strategic Markets



Teresa Sanelli
Sr. Manager, Quality Assurance



Dr. Daryl Sivakumaran
Principal Scientist



Elaine Zhang
VP - Operations







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Covalon Innovation Has Created 3 Focused Business Platforms

	Advanced Wound Care Collagen Matrix Dressings	**Infection Control*** Vascular Access & Post-Operative Dressings and Solutions	**Medical Device Coatings**
			
Market Segment Size	**$10.8B****	**$9.9B****	**$12.9B****
Market Segment Revenue CAGR (2023 – 2028)	**4.8%**	**5.3%**	**8.0%**

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**Covalon's solutions can play a role supporting industry guidelines aimed at infection control. Covalon does not make any claims that its products prevent or reduce the incidence of infection or the transmission of disease. For all products, refer to the intended use. Claims may differ depending on region.*
*** Various Market Research sources including Grand View Research and Market Research Future*

Helping Clinicians Solve Healthcare's Biggest Challenges

Healthcare Acquired Infections (HAIs)



- Vascular Access-driven Bloodstream Infections (CLABSIs and beyond)
- Catheter-Associated Urinary Tract Infections (CAUTIs)
- Surgical Site Infections (SSIs)

Chronic Non-Healing Wounds



- Pressure Ulcers (PUs), Diabetic Foot Ulcers (DFUs), and Venous Leg Ulcers (VLUs) are common chronic wound types that impact millions of patients annually
- DFUs and VLUs lead to more than 300,000 lower extremity amputations per year around the world

Skin Safety and Pain



- Medical Adhesive-related Skin Injury (MARSI)
- Painful Dressing Changes
- Skin Safe Pediatric Friendly Solutions

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Favorable Trends

Shift from CLABSI to Hospital-Onset Bacteremia (HOB)



- Greater focus on preventing blood stream infections from non-central line sources
- Expected to increase accuracy of surveillance approaches

Medical Adhesive-Related Skin Injuries (MARSI)



- Health Care providers are increasing their clinical focus on reducing MARSI
- Increased clinical attention around pain during vascular access process

Clinical practice guidelines driving change



- Stronger focus on protecting vascular access devices in home infusion
- Driving standardization of peripheral IV care

Increasing focus on Supply Chain Resiliency



- Reducing sole-source vulnerabilities
- Greater understanding of supply chain risks and taking actions to mitigate

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Covalon Leads with Differentiated Solutions

ColActive® PLUS ColActive® PLUS Ag

- **Collagen Matrix** Dressing
- Available with or without **antimicrobial silver**
- **Unique formulation** with EDTA, CMC and Alginate
- Covalon is an **OEM Collagen Matrix supplier** to several organizations in the U.S.



IV Clear®

- World's only **silicone** IV dressing with **dual antimicrobials**
- **Acrylic-free adhesive** dressing
- Transparent dressing allows for **complete insertion site visibility**
- Provides **antimicrobial protection throughout the entire dressing**



**Shown with optional acrylic adhesive securement strips*

SurgiClear®

- World's only **silicone** Post-Op dressing with **dual antimicrobials**
- Transparency allows for **complete site visibility**
- Provides **antimicrobial protection throughout the entire dressing**
- **Acrylic-free adhesive**



VALGuard®

- World's only **vascular access line guard** with **quick-release strip**
- Protects line connections & hubs from gross contamination
- **Transparent film** allows for visual detection of leaks or misconnections



Covalon's Value is Recognized by Leading Providers

Strong relationships with leading Children's Hospitals

Cincinnati Children's
Boston Children's Hospital
Texas Children's Hospital
Children's Hospital of Philadelphia
Children's National
Johns Hopkins All Children's Hospital
Children's Hospital Colorado
Lucile Packard Children's Hospital Stanford
Children's Healthcare of Atlanta
Seattle Children's Hospital · Research · Foundation
Children's Hospital · St. Louis · BJC HealthCare
children'shealth Children's Medical Center Dallas
Children's Minnesota
MSK Kids Memorial Sloan Kettering
Ann & Robert H. Lurie Children's Hospital of Chicago
CHOC
Phoenix Children's

Solid progress made with leading health systems both in the United States and Internationally

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
Baptist Health South Florida
YaleNewHavenHealth
Orlando Health
Dignity Health
Hospital Israelita Albert Einstein
covalon Technologies Ltd.
UCSF Health
Mayo Clinic
UTHealth The University of Texas Health Science Center at Tyler
Beth Israel Lahey Health Beth Israel Deaconess Medical Center
مدينة الملك سعود الطبية King Saud Medical City

2023 Highlights

Covalon products utilized by 6 of the top 10 U.S. Children's Hospitals



Impactful Key Opinion Leader (KOL) and Webinar Programs

Association for Vascular Access

Expanded Partnership with AVA

مدينة الملك سعود الطبية
KING SAUD MEDICAL CITY
HOSPITAL ISRAELITA ALBERT EINSTEIN

IV Clear named Vascular Access Dressing of Choice in two major influential international facilities



VALGuard Journal Publication in JAVA

debra
because the cost of doing nothing is too great

Partnered with dEBra of America by donating dressings for use by Epidermolysis Bullosa (EB) patients



Implemented new ERP Platform

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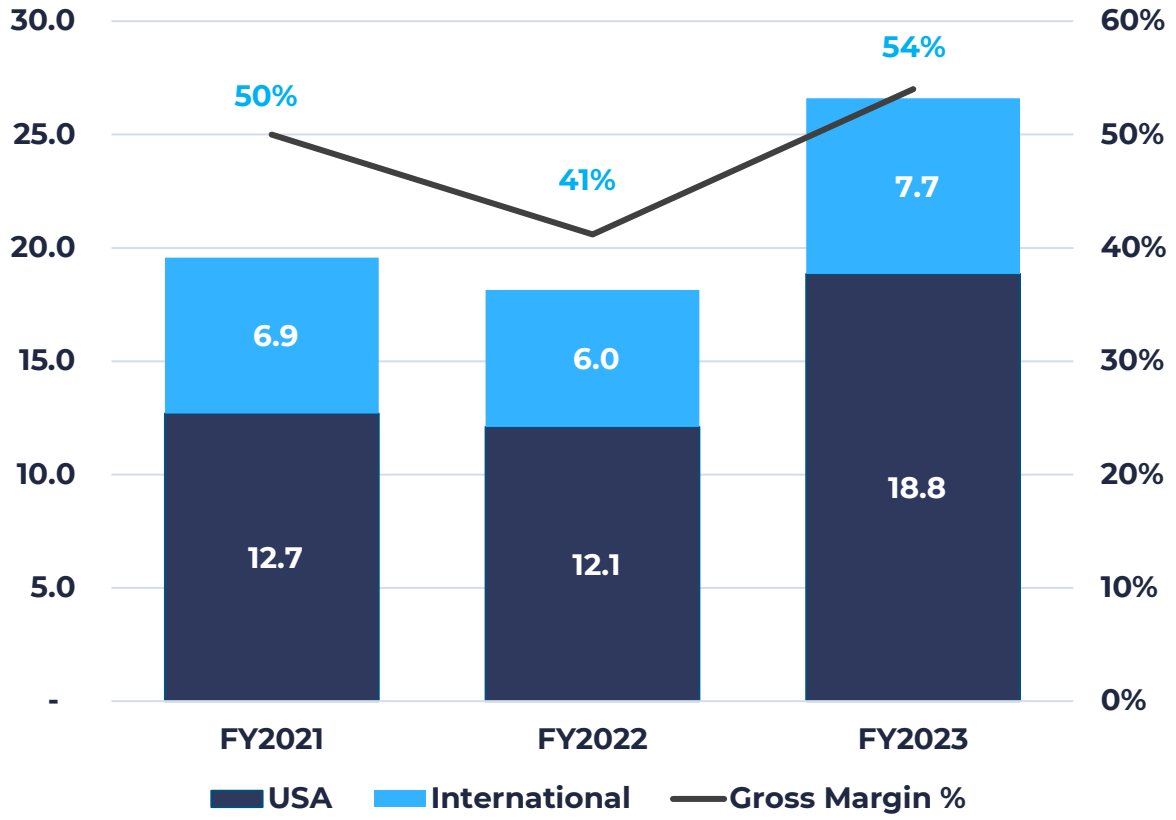
Annual Revenue Profile and Margin



- 47% YoY revenue growth for FY 2023
- Strong Gross Margin improvement
- Progress towards positive EBITDA

Strong Increases in Revenue and Margin YoY
Q1 FY'24 Gross Margin = 61%

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Strong Balance Sheet

	Sept. 30, 2022	Sept. 30, 2023	Dec. 31, 2023
Cash	$14.1M	$8.8M	$8.3M
Current Assets	$27.2M	$21.3M	$18.6M
Total Assets	$30.4M	$24.9M	$22.3M
Debt	$----	$----	$----
Current Liabilities	($4.5M)	($5.2M)	($3.9M)
Total Liabilities	($6.1M)	($6.1M)	($4.6M)

- Over $8.0 million of cash
- Zero debt
- Solid Current Ratio of 4.1

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Foundational Moves to Strengthen Covalon

Financial

- Debt-free capital structure
- Cost discipline and prioritization of high ROI investments
- Implementing new ERP platform

Operational

- New Operations Leader with deep expertise
- Strengthening supply chain partnerships
- Investments in process automation

Quality & Regulatory

- Implementing broad-based strong quality culture
- Expanded teams, including addition of new Quality Leader
- Initiating new eQMS system

Commercial

- Consolidated Commercial teams
- Investments in Account-Based Marketing (ABM)
- Strengthening key partnerships

Cultural foundation – trust and transparency + empowerment + accountability

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Looking Ahead

FY 2024 Performance	Short Term Directionality	Long Term Optionality
Strong revenue growth	Laser focus on US Wound Care and Vascular Access value capture	New leadership assessing future strategy
Positive EBITDA for the year	Ramping up Eastgate production output	Reinvigorating broad-based innovation
Increase cash reserves	Foundational sustaining investments and execution	Drive to scale and impact

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Key Takeaways

- Covalon operates in large, growing MedTech segments with favorable trends. Our products are differentiated and solve real clinical challenges for our customers.

- Our fiscal year 2024 is focused on delivering on our financial commitments, investing in foundational elements to ensure our strong future, and charting a new course for the company's exciting future.

- The full Covalon team is passionate about our mission and committed to delivering for our stakeholders – shareholders, patients, customers, business partners, team members and the communities that we serve.

Q&A

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