

covalon TECHNOLOGIES LTD.

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OTCQX: CVALF
info@covalon.com

2024 Annual Shareholders Meeting

March 19, 2025

Brent Ashton
Chief Executive Officer

www.covalon.com

helping the most vulnerable patients have a better chance at healing



Management Presentation



Brent Ashton
Chief Executive Officer

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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.

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.

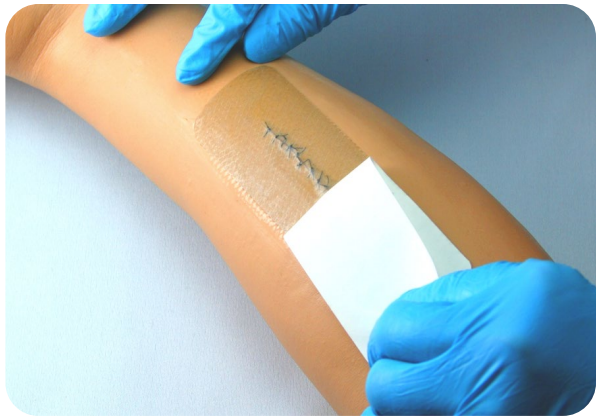
For further information about the risks and uncertainties relating to forward-looking statements included in this Memorandum, the recipient should consult the “Risks and Uncertainties” section of Covalon’s annual MD&A dated January 7th, 2025, as well as those contained in Covalon’s interim MD&As and other public record filings on SEDAR+.

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

Covalon Technologies Ltd.

We provide innovative and cost-effective healthcare solutions that help **prevent infection, reduce pain, and promote healing**

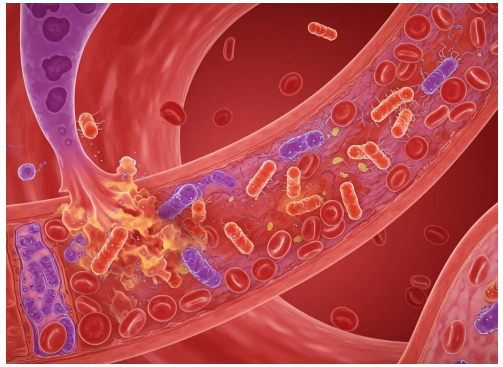





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Patients shouldn’t have to suffer due to :

Blood Stream Infections



Medical Adhesive Related Skin Injury



Surgical Site Infections



Chronic Wounds That Don’t Heal

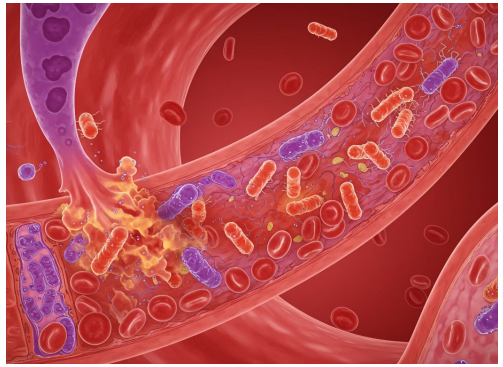




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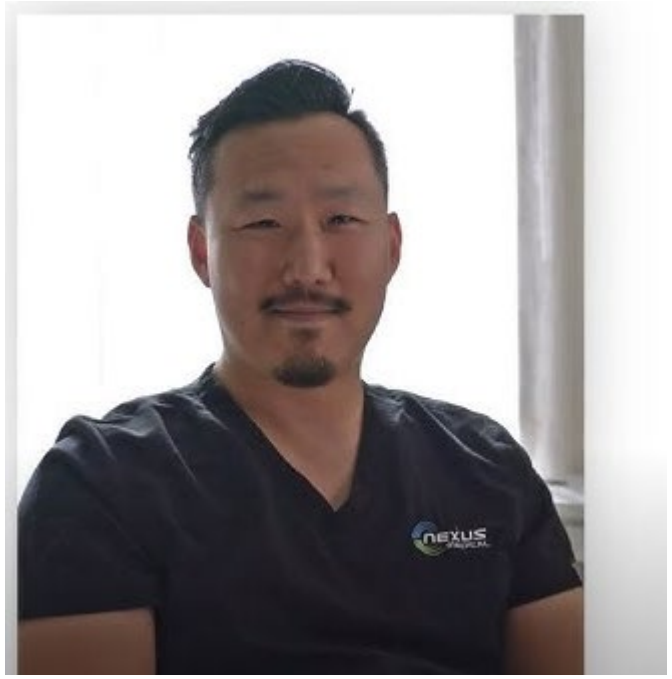
These complications affect millions of patients every year and can lead to:

- Intense pain and suffering
- Lower quality of life
- Mental health challenges such as anxiety or depression
- Serious other complications or even death
- Tens of billions of dollars of extra cost to health care systems

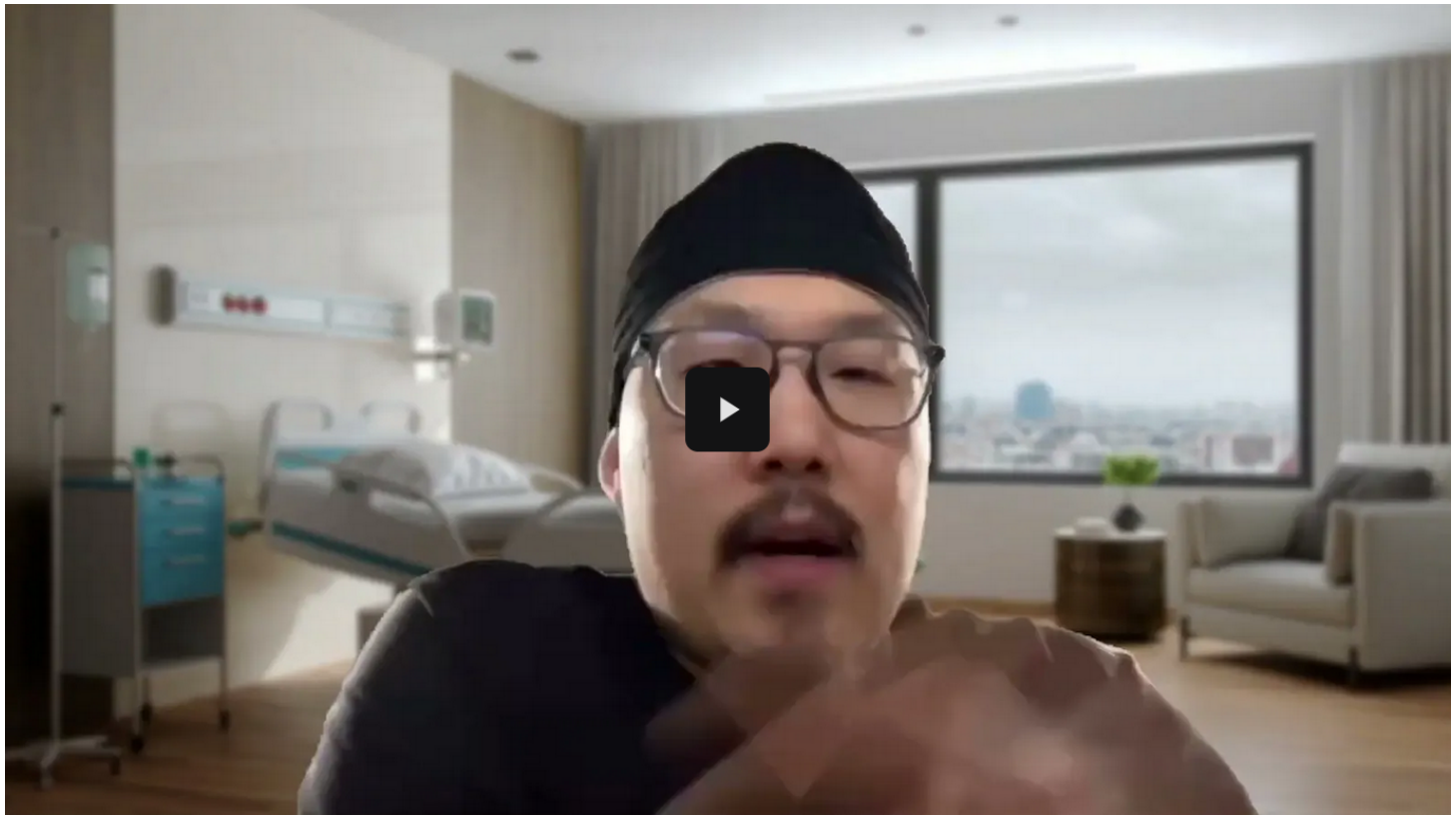
And Are Largely Preventable!

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Dennis Woo, RN – Interventional Vascular Access Specialist



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Please click here to access video clip within your browser

Covalon Solutions Directly Address Customers' Areas of Focus

HCA Healthcare

HCA unveils exec bonus structure for 2025

Alan Condon - Wednesday, March 5th, 2025

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Nashville, Tenn.-based HCA Healthcare has unveiled plans for the 2025 Executive Officer Performance Excellence Program in a Feb. 24 Form 8-K filed with the Securities and Exchange Commission.

Top executives for the 190-hospital system will be eligible to earn performance awards based on achieving specific targets, weighted as:

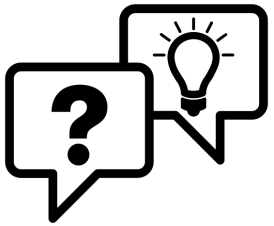
- 80% for achieving certain EBITDA targets
- 20% for achieving certain quality metrics in three categories:
  - Healthcare-associated infections and sepsis (30%)
  - Complication and mortality (30%)
  - Care experience (40%)

No one better suited to address these critical quality metrics than Covalon !



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Covalon Investment Thesis



Solving sizable customer challenges with differentiated, protected products



Favorable trends and competitive environment



Strong underlying financials



Significant product and geographical growth potential



Growth acceleration led by experienced leadership team

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Covalon - Advanced Wound Care

The Clinical Challenge

Growing number of chronic wounds (affect 11 Million patients in the US with a cost to treat of $28 Billion)[1]

High rates of infection (~45%) stall healing and lead to significant complications[2]

Without proper treatment – can lead to reduced quality of life, limb amputation, and even death



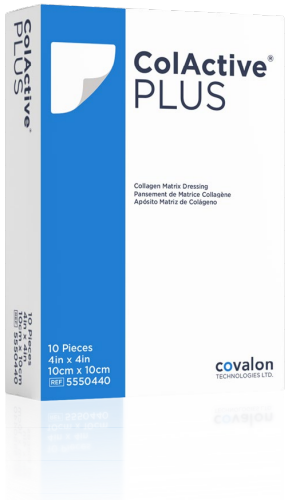
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1 - Sen CK. Human Wound and Its Burden: Updated 2022 Compendium of Estimates. Adv Wound Care (New Rochelle). 2023 Dec;12(12):657-670
2 - https://jamaevidence.mhmedical.com/content.aspx?bookid=845&sectionid=61357674

Covalon - Advanced Wound Care

The Covalon Solution





Our goal = accelerate wound healing to allow patients to get back to their normal, healthy lives

Before



After



Absorbs 20x its weight in wound exudate while still maintaining appropriate moisture balance





Broad spectrum antimicrobial activity (with Silver product)

US Market Performance

US Market Growth[1]	Covalon US CAGR (FY'21 – FY'24)
8% - 10%	> 30%

Covalon's Largest Competitors:

3M solventum MEDLINE AROA

How We Win

- Strong differentiation: a unique formulation that takes a multi-pronged approach to healing
- Proven reliable solution - long history of success with millions of patients worldwide
- Competitive price / value with favorable reimbursement (USA)

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[1] Grand View Research

•. 2015 Nov-Dec;42(6):589-98.

Covalon - Vascular Access and Surgical Consumables

The Clinical Challenge

Catheter Related Blood Stream Infections affect more than 500,000 Americans each year, kill more than 50,000 and cost health systems billions[1]



Surgical Site Infections affect more than 100,000 Americans each year, kill more than 10,000 and cost billions[2]

Medical Adhesive Related Skin Injuries (MARSI) affect 13% of all patients who have medical adhesive-based products applied, causing pain, trauma and skin injuries that require additional treatment[3]



1 - Haddadin Y et al. Central Line-Associated Blood Stream Infections. [Updated 2022 Nov 26]. In: StatPearls [Internet]
Mermel L. Short-term peripheral venous catheter-related bloodstream infections: A systematic review.
Clin Infect Dis. 2017;65(10):1757-1762
Saliba P, Hornero A, Cuervo G, et al. Mortality risk factors among non-ICU patients with nosocomial vascular catheter-related bloodstream infections: A prospective cohort study.
J Hosp Infect. 2018;99(1):48-54.
2 - https://www.ncbi.nlm.nih.gov/books/NBK560533/ , https://www.cdc.gov/nhsn/pdfs/pscmanual/9pscssicurrent.pdf
3 J Wound Ostomy Continence Nursing. 2015 Nov-Dec;42(6):589-98.

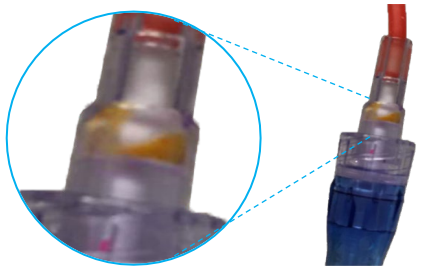
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Covalon - Vascular Access and Surgical Consumables

Covalon Solutions

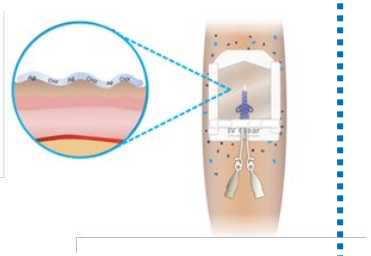


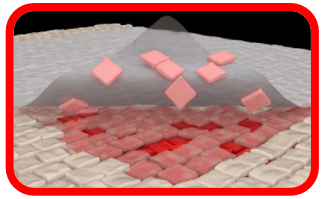
Only catheter line guard to protect against gross contamination



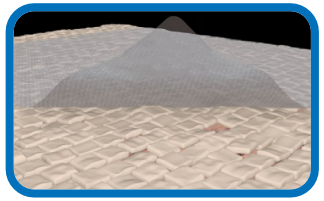


Dual-antimicrobial dressings (IV Clear® and SurgiClear®) with clear view of insertion site / surgical incision site





Acrylic Adhesives



Soft Silicone Adhesives

Gentle to skin silicone-adhesive on all three products provides protection against skin injury

US Market Performance

US Market Growth[1]	Covalon US CAGR (FY'21 – FY'24
5% - 7%	50% +

Covalon's Largest Competitors

3M solventum · MEDLINE · smith&nephew · Johnson&Johnson MedTech · ETHICON

How We Win

- Novel and unique products with strong value propositions
- Focus on high ROI call points – pediatric hospitals, Intensive Care Unit (ICU), oncology
- Focused commercial strategy
  – Retain, Grow, Add
  - Get in and accelerate the spread

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[1] Grand View Research

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

RETAIN

98% retention of our Top 50 FY'23 hospital customers

GROW EXISTING

55% revenue growth from our Top 50 FY'23 hospital customers

ADD NEW

Acquired **66 new hospital customers** in FY'24









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Highlights – Past 12 Months

VALGuard® system-wide use approval at a US top 5 Integrated Delivery Network



Significant Market Development advancement – clinical evidence, KOL relationships





>50%+ FY'24 revenue growth at half of the 30 largest Children's Hospitals in the United States



Signed new strategic distribution agreement with longstanding partner Paul Hartmann USA for ColActive® Plus and ColActive® Plus with Silver products

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HARTMANN





Outstanding operational performance to more than quadruple internal manufacturing output



Named as a:

- TSX Venture Exchange 2025 Top 50 Company
- 2025 OTCQX Best 50 Company

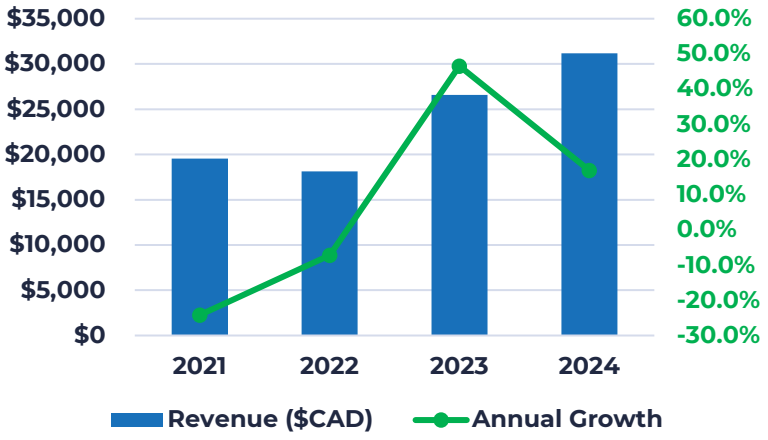
VENTURE 50 2025

BEST 50 OTCQX 2025

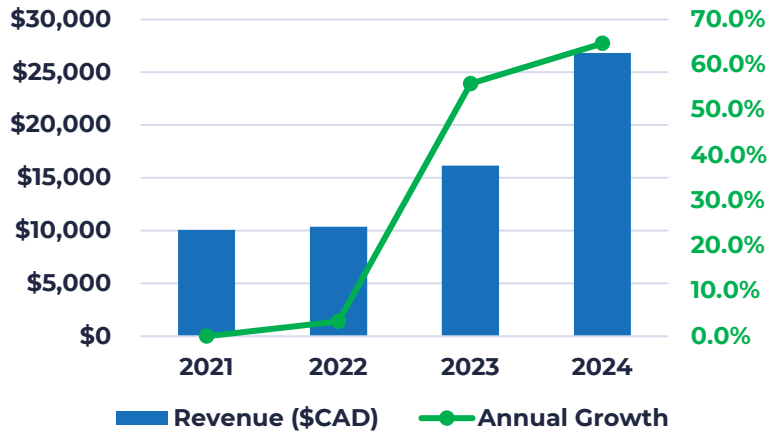
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FY 2024 Financial Outcomes

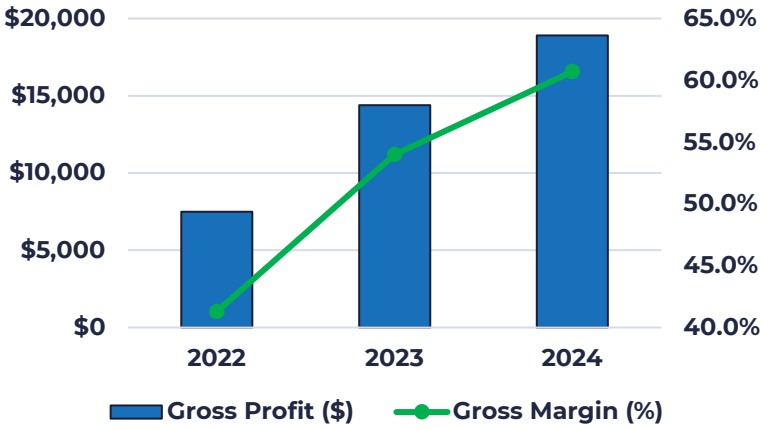
Revenue and Growth Full Company



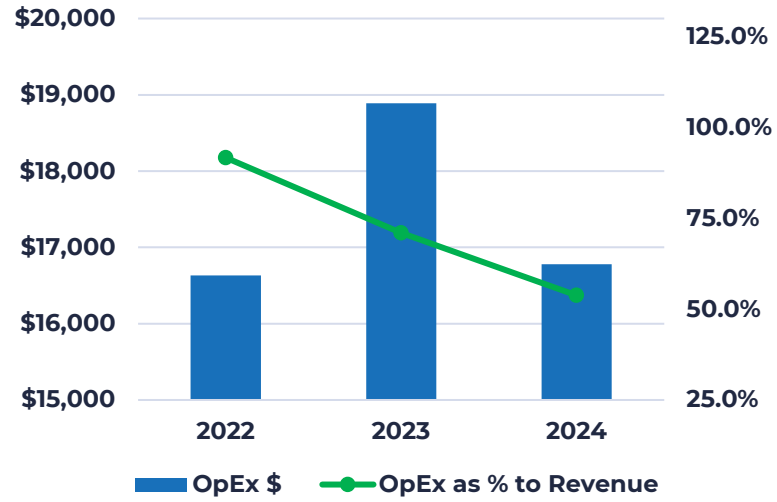
Revenue and Growth US Medical Consumables



Gross Profit / Gross Margin



Operating Expenses

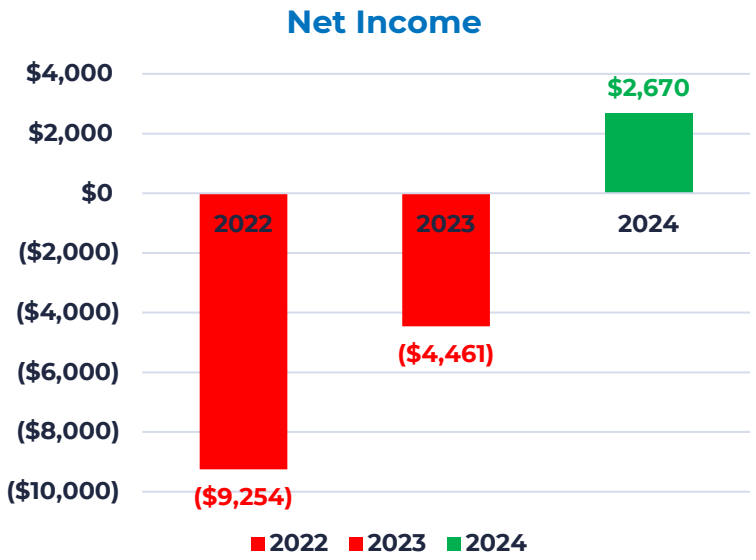


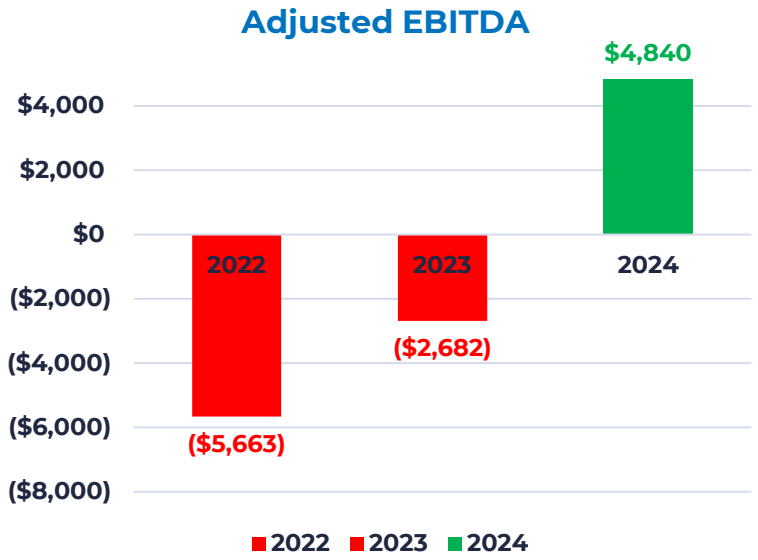
- **Strong growth – led by focus on US Product segment**
- **Margin expansion due to insourcing benefits and favorable mix (product and geography)**
- **Operating expenses drop largely driven by rightsizing of commercial team**

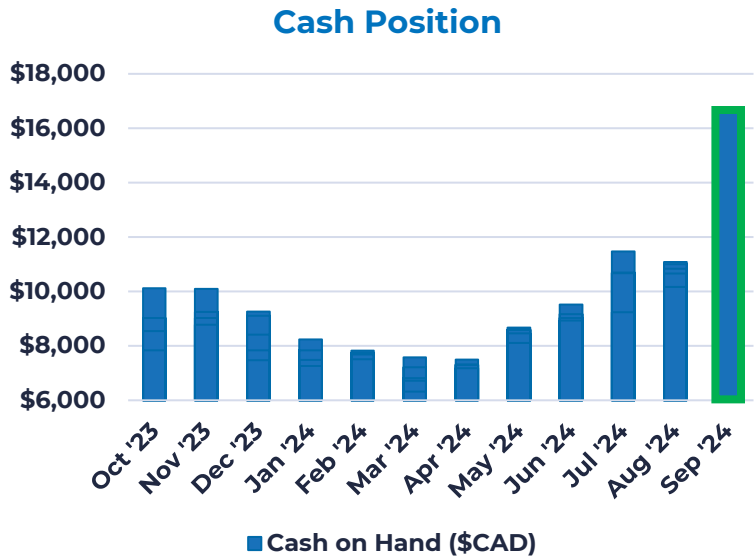
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All numbers are in CAD

FY 2024 Financial Outcomes







$5.5 million received in September, 2024 from warrant exercise

Significant income turnaround driven by growth, expanded margins and reduced operating expenses

Strong cash and no debt provides financial freedom and flexibility

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All numbers are in CAD

Covalon Focus on Future Growth Acceleration

Accelerate Demand Generation and Grow Revenue



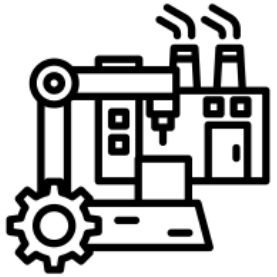
Commercial Advancement



Market Development



Innovation and Business Development



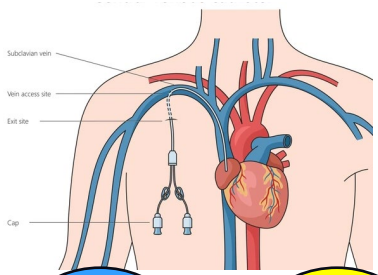
Operational Optimization

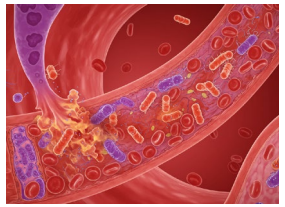
Support Revenue Acceleration and Improve Margins

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Preventing Complications from Peripheral IV's Rapidly Expanding Market – Covalon Well Positioned For Success

Central Lines (CVCs, PICCs, Ports, etc.)





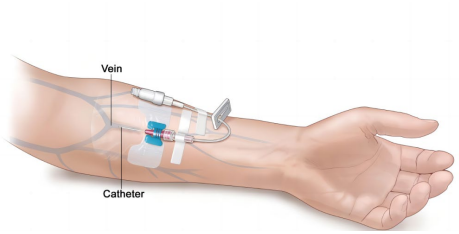
10 M Lines

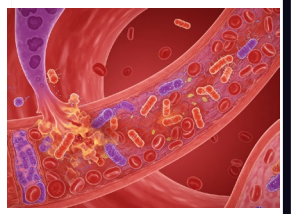
250 k BSI's

38 k deaths

>$500 million spent in US each year on consumables to prevent Central Line-Associated Blood Stream Infections

Peripheral Lines (PIVs, Midlines)



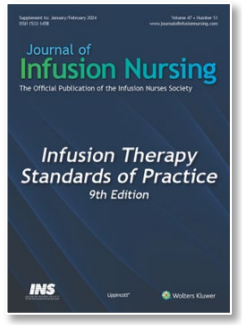


200 M Lines

360 k BSI's

46 k deaths

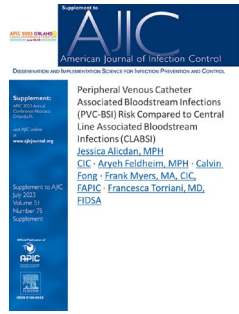
<$100 million spent in US each year on consumables to prevent Peripheral Line-Associated Blood Steam Infections



Clinical Practice Guidelines



Scientific Meetings



Clinical Surveillance

CMS CENTERS FOR MEDICARE & MEDICAID SERVICES HOB Hospital-Onset Bacteremia and Fungemia







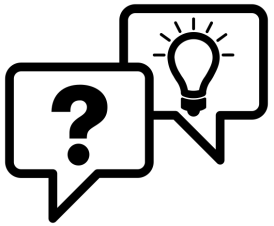
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*Estimated incidence values calculated based on the following studies:

- Mermel L. Short-term peripheral venous catheter-related bloodstream infections: A systematic review. Clin Infect Dis. 2017;65(10):1757-1762
- Saliba P, Hornero A, Cuervo G, et al. Mortality risk factors among non-ICU patients with nosocomial vascular catheter-related bloodstream infections: A prospective cohort study. J Hosp Infect. 2018;99(1):48-54.

Line insertions from various market reports

Covalon Investment Thesis



Solving sizable customer challenges with differentiated, protected products



Favorable trends and competitive environment



Strong underlying financials



Significant product and geographical growth potential



Growth acceleration led by experienced leadership team

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Q&A



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