



Our Infection Prevention Technologies Save Lives./
我们的**感染预防技术**能拯救生命。



Brian Pedlar | CEO / 首席执行官
June 2022 / 2022年6月

TSX-V: COV | OTCQX: CVALF
Covalon.com

Forward-Looking Statements and Non-GAAP Financial Information

/ 前瞻性陈述与非公认会计原则

Certain statements included in this Memorandum 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 Memorandum 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 recipient is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Memorandum.

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.

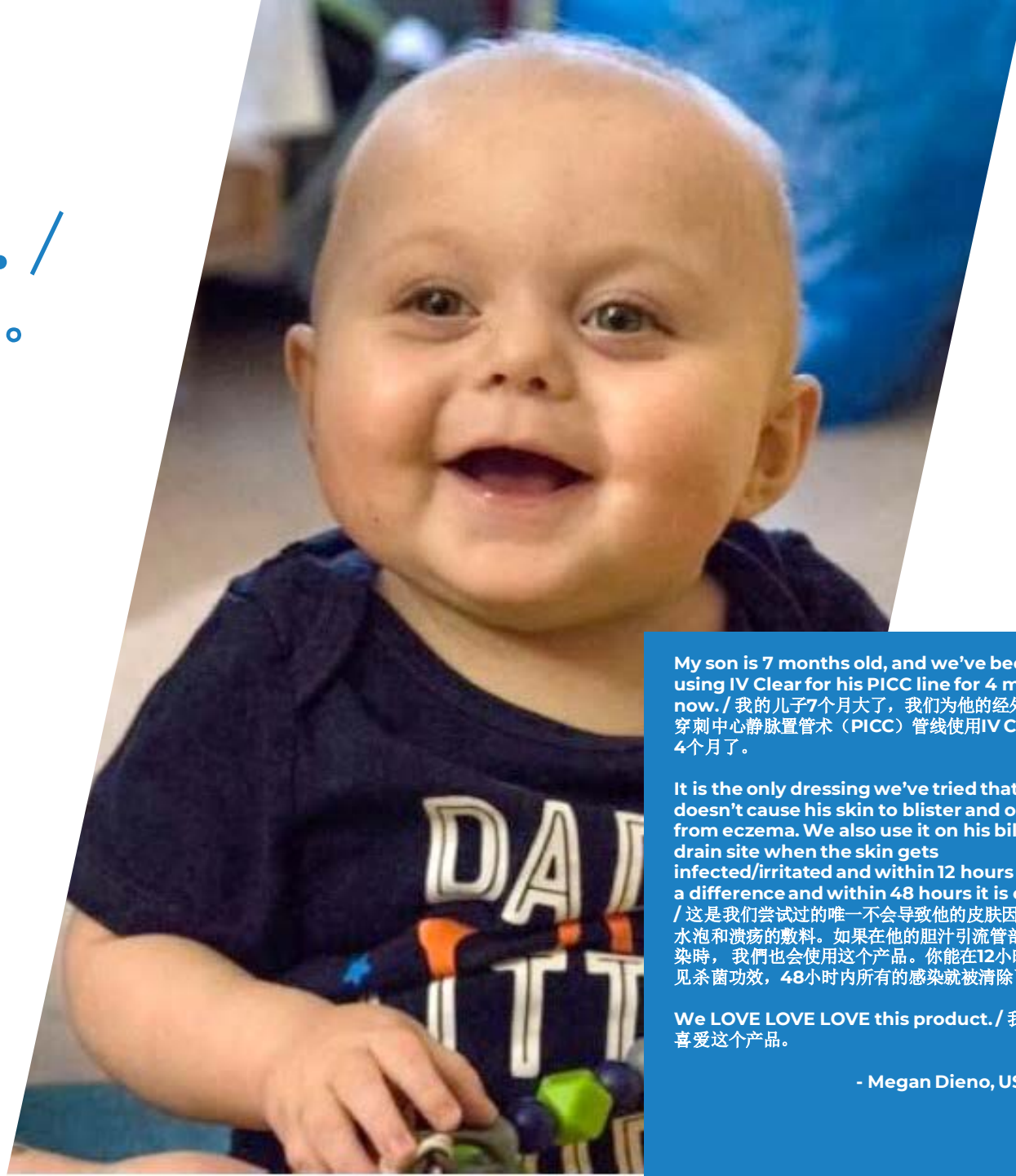
Certain financial measures in this Memorandum – namely earnings before interest, depreciation and amortization (“EBITDA”), adjusted EBITDA, pro-forma EBITDA, free cash flow and enterprise value – are non-IFRS financial measures. While Covalon and certain of its competitors measure and evaluate the performance 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 27, 2021, 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.

Designed for Patients. Made for Care Providers. / 专为患者设计。专为医护人员定制。

We provide innovative and cost-effective healthcare solutions that reduce pain, prevent infection, and promote healing. / 我们提供创新和具有高性价比的医疗解决方案，以减少病痛、预防感染和促进伤口愈合。



My son is 7 months old, and we've been using IV Clear for his PICC line for 4 months now. / 我的儿子7个月大了，我们为他的经外周静脉穿刺中心静脉置管术（PICC）管线使用IV Clear已经4个月了。

It is the only dressing we've tried that doesn't cause his skin to blister and ooze from eczema. We also use it on his biliary drain site when the skin gets infected/irritated and within 12 hours we see a difference and within 48 hours it is cleared. / 这是我们尝试过的唯一不会导致他的皮肤因湿疹而起水泡和溃瘍的敷料。如果在他的胆汁引流管部位有感染時，我們也会使用这个产品。你能在12小时内就看见杀菌功效，48小时内所有的感染就被清除了。

We LOVE LOVE LOVE this product. / 我们超级喜爱这个产品。

- Megan Dieno, USA / 美国

An **Expert Level** of Understanding / 专家级的认识

For more than **20 years**, we have successfully delivered vascular access, advanced wound care, perioperative care, and customized medical device coating solutions to patients **around the world**, including the U.S, Canada, Europe, and the Middle East.

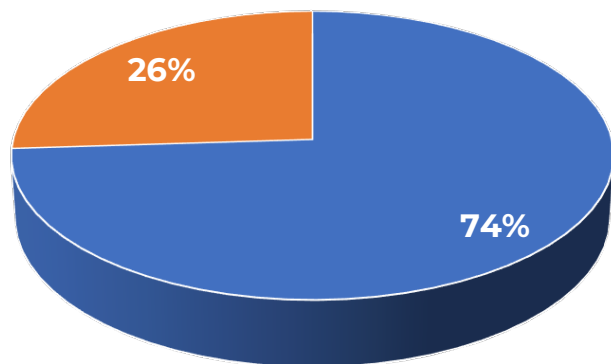
20多年来，我们已经成功地为**世界各地的**患者提供了血管导管介入部位护理、高级伤口护理、围手术期护理和客户定制的医疗设备涂层解决方案，包括美国、加拿大、欧洲和中东。



Covalon's Products are Used Around the World / Covalon的产品在世界各地使用

REVENUE

■ United States ■ International



United States: / 美国:

- Significant presence in **Long-term Care, Home Healthcare** through selected distribution partners: / 通过选定的分销合作伙伴在长期护理、家庭医疗护理领域有重要的影响力:



- Growing **Direct Sales** in 60 major **hospitals**, approx. 200 regional hospitals and **clinics**, with historic relationships in over 1,500 hospitals and clinics out of 6,000 in U.S. / 在60家综合型医院、约200家地区医院和诊所的直接销售不断增长，与美国6000家医院和诊所中的超过1500家建立了长期的合作关系。



International: / 国际:

- Exclusive Distribution network of approximately 15 distributors into 30 countries in Latin America, the Middle East and Asia. / 在拉丁美洲、中东和亚洲的30个国家拥有由大约15个独家经销商建立的销售网络。



For the six months ended March 31, 2022 / 截至2022年3月31日的六个月内

Our Patented Product Solutions Focus On / 我们的专利产品解决方案侧重于

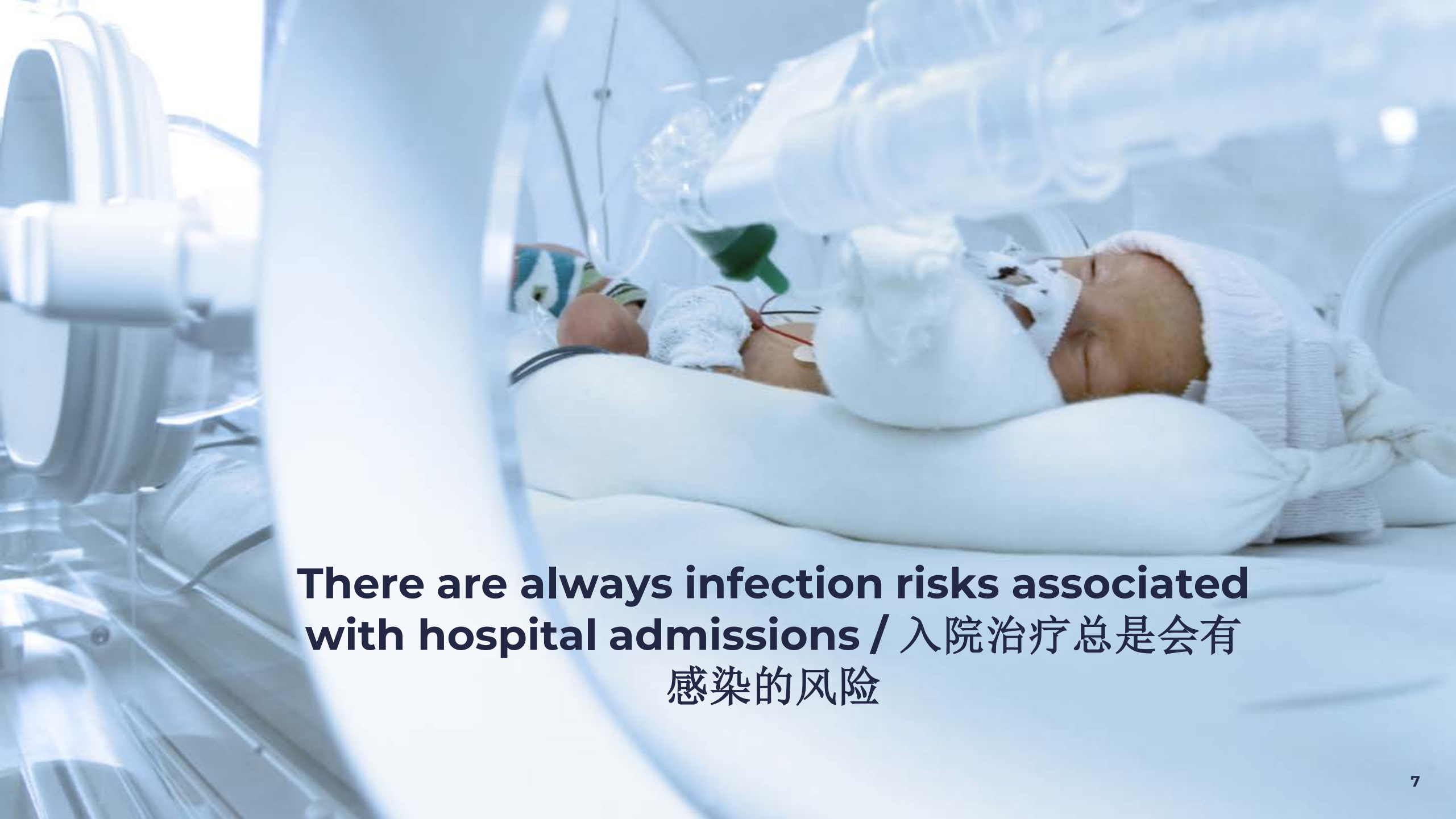
Infection Prevention / 感染预防

- Vascular access Blood Stream Infections (“BSIs”) / 血管导管介入引起的感染 (“BSIs”)
- Surgical Site Infections (“SSIs”) / 手术部位感染 (“SSIs”)
- Medical Device-related Infections / 医疗产品引起的感染

Advanced Wound Healing / 先进的伤口愈合

- Diabetic chronic wounds / 糖尿病慢性伤口
- Surgical wounds / 外科伤口
- Traumatic non-healing wounds / 外伤性不愈合的伤口
- Serious burns / 严重烧伤





There are always infection risks associated with hospital admissions / 入院治疗总是会有感染的风险



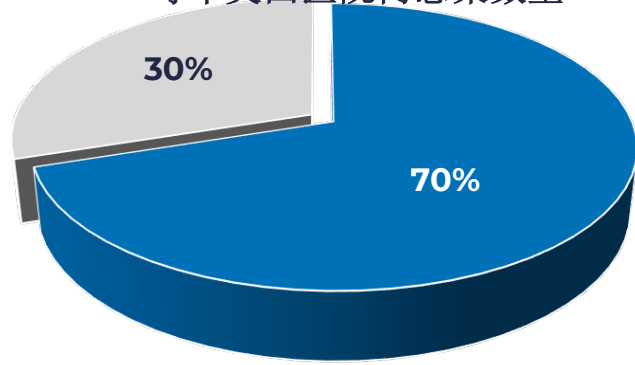
Post COVID-19, ICU infections are up 63%... / 在大流行之后，ICU的感染率上升了63%.....

Healthcare workers are stretched thin, and care shouldn't be compromised. / 医护人员不堪负重，护理工作质量不能打折扣。

The Problem: Hospital-Acquired Infections / 问题：医院内感染

1.7M Annual US Hospital-Acquired Infections
170万

每年美国医院内感染数量¹



- Preventable Infections
- Unpreventable Infections

Treatment Cost **\$28-45B**
治疗费用 / **\$280-450亿**

100,000
Annual Deaths /
每年死亡人数¹



The Second Problem: Chronic Wounds / 第二个问题: 慢性伤口

Chronic wounds are considered a silent epidemic
/ 慢性伤口被认为是一种无声的流行病

6.7M / 670万

Americans are living with a chronic, non-healing ulcer / 670万美国人患有慢性不愈合的溃疡

25%

Of people living with Diabetes will experience a diabetic foot ulcer / 25%的糖尿病患者将出现糖尿病足溃疡

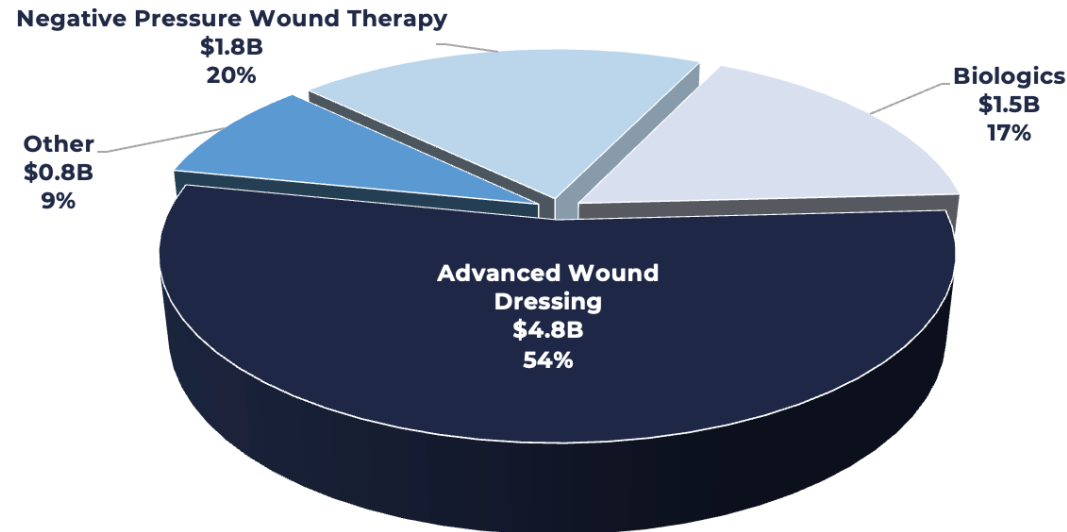
1 in 4 / 四分之一

Families has a family member with a chronic wound / 四分之一的家庭中有一个家庭成员患有慢性伤口

\$50B / \$500亿

The annual impact chronic wounds have on the Healthcare System / 慢性伤口对医护理系统的年度影响

~ \$8.9B Advanced Wound Care Market ⁽¹⁾



A 600 Patient Clinical Study by a Major Teaching Hospital / 一家综合型教学医院的600名患者的临床研究

TCH wanted to: / 德克萨斯州儿童医院想:

1. Reduce infection rates, / 降低感染率,
2. Make it easier for clinicians to monitor surgical incisions, and / 让临床医生更容易监测手术切口, 以及
3. Improve healing rates / 提高愈合率

Over a **12-month study of 600 patients** who had **open heart surgery**, TCH used Covalon's **SurgiClear** antimicrobial dressing and was able to: / 在对**600名开放性心脏手术患者**的为期**12个月**的研究中, 德克萨斯州儿童医院使用了Covalon的**SurgiClear**抗菌敷料, 并能:

1. Significantly reduced infection rates (to 0.0%) / 显著降低感染率 (至0.0%)
2. Reduce dressing changes and improve ability for clinicians to monitor patients / 减少换药, 提高临床医生对患者的监控能力
3. Improve healing and skin integrity / 改善愈合和皮肤完好性

As a result, TCH likely **saved** more than **\$200,000**, improved patient satisfaction scores and had better outcomes with **lower complications**. / 因此, 德克萨斯州儿童医院可能节省了**\$20多万**资金, 提高了患者的满意度, 并有更好的结果和**更低的并发症**。

Clinical staff at **TCH became champions** for our product, which resulted in more than 10 additional major facilities becoming Covalon customers. TCH is now looking to convert to a 3rd Covalon product. / 德克萨斯州儿童医院的临床人员成为我们产品的**拥护者**, 从而使另外10多家综合型成为Covalon的客户。德克萨斯州儿童医院现在正寻求使用第三款Covalon产品。



- 5 towers – 25 floors per tower / 5座塔楼 — 每座塔楼25层
- 973 beds (main campus) / 973张床位 (主园区)
- ~170 bed Neonatal ICU / ~新生儿重症监护室约170张床位
- Largest children's hospital in US / 美国最大的儿童医院
- #1 Pediatric Cardiology & Heart Surgery Hospital in US / 美国最大的儿科心脏病和心脏手术医院
- 3 additional locations in Texas / 在德克萨斯州还有3处医院
- Associated with Texas Medical Center / 与德克萨斯医疗中心相关

The world's **only** dual-antimicrobial surgical site dressing / 世界上**唯一**的双抗菌手术部位敷料

SurgiClear[®]



**Solutions
Designed for Patients.
Made for Healthcare Providers.**
/专为患者设计的、专为医护人员提供者制作的解决方案

The world's **only** vascular access line-to-line connection barrier /世界上**唯一**的保护血管导管的线对线的防污染的保护屏障

VALGuard[™]
Vascular Access Line Guard



covalon
TECHNOLOGIES LTD.



The world's **only** dual-antimicrobial silicone IV dressing / 世界上**唯一**的双抗菌硅酮静脉敷料

IV Clear®

**Solutions
Designed for Patients.
Made for Healthcare Providers.**
/专为患者设计的、专为医护人员定制的解决方案

covalon
TECHNOLOGIES LTD.

The world's **only** collagen wound filler with antimicrobial silver /世界上**唯一**的含有抗菌银的胶原蛋白伤口填充物

**ColActive® PLUS
POWDER Ag**

**ColActive® PLUS
POWDER Ag**



Our Collagen Solutions at Work / 我们的胶原蛋白解决方案在使用中

Infected Foot Wounds treated within 30 Days
感染的脚部伤口在30天内治愈


2019-12-01  **2020-01-08**



ColActive[®] PLUS Ag


Diabetic Foot Ulcer
糖尿病足溃疡

After 5 Weeks - Healed
5周后 - 痊愈




ColActive[®] PLUS Ag

Diabetic Foot Ulcer - Scheduled for Amputation
糖尿病足溃疡 - 计划截肢



After 6 Months - Healed
6个月 - 痊愈

ColActive[®] Transfer



Our Product Solutions / 我们的产品解决方案

vascular access Technologies / 血管导管介入部位	Advanced wound Care / 先进的伤口护理	perioperative Care / 围手术期护理	Medical device Coatings / 医疗器械涂层
<p>IV Clear[®]</p> <p>VALGuard[™] <small>Vascular Access Line Guard</small></p> <p>CovaView[™] IV</p> <p>CovaClear[™] IV</p>	<p>ColActive[®] PLUS</p> <p>ColActive[®] PLUS Ag</p> <p>ColActive[®] Transfer</p> <p>ColActive[®] PLUS POWDER</p> <p>ColActive[®] PLUS POWDER Ag</p> <p>COVACLEAR[®]</p>	<p>CovaWound[™] Silicone</p> <p>CovaWound[™] Foam</p> <p>CovaWound[™] Alginate</p> <p>CovaWound[™] Alginate Ag</p> <p>CovaWound[™] SuperAbsorbent</p> <p>CovaWound[™] Hydrocolloid</p>	<p>SurgiClear[®]</p> <p>MediClear[®] PreOp</p> <p>MediClear[™] PostOp Absorb</p> <p>MediClear[™] Scar</p> <p>CovaCoat[®]</p> <p>SilverCoat[™]</p>

Selected Partners & Distributors / 部分合作伙伴和经销商



Regulatory Pathway Expertise / 医疗器械注册专业知识



ISO13485: 2016, MDSAP and FDA QSR certified

/ 通过ISO13485: 2016、MDSAP和FDA QSR认证

Award Winning Products / 获奖产品



Covalon Delivers / Covalon提供服务

Our R&D, Quality, and Regulatory expertise is recognized and sought by global healthcare companies worldwide. / 我们在研发、质量和医疗器械注册方面的专长得到了全球医疗器械公司的认可和青睐。

covalon
TECHNOLOGIES LTD.

Financials

财务状况



Key Financials¹

主要财务数据

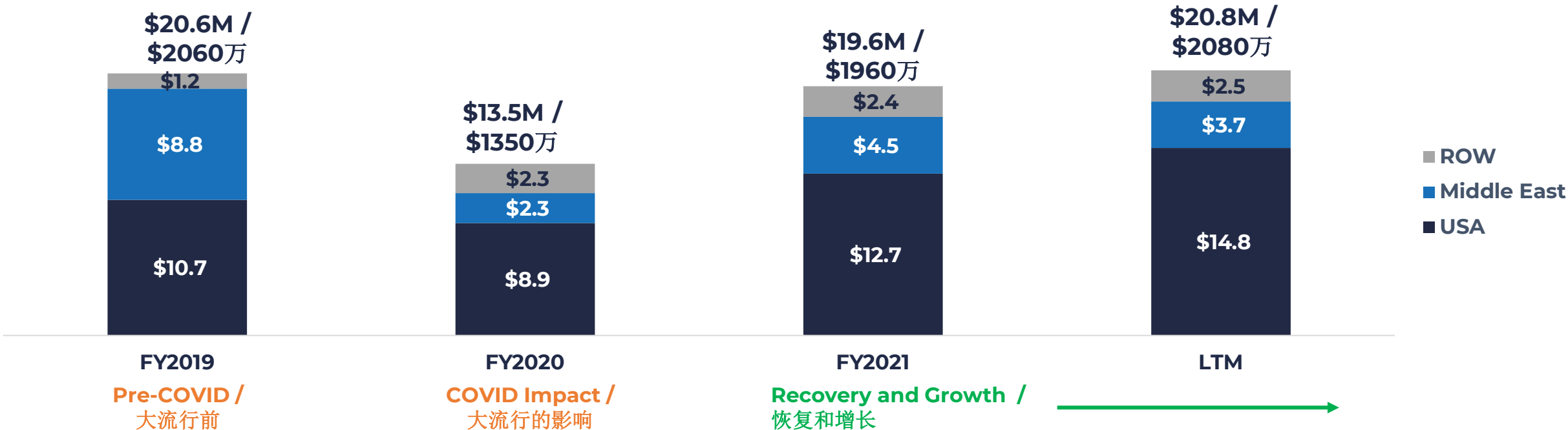
(in Canadian \$)

(以加元计)

TSX-V Listing / 多交所创业板上市	COV
OTCQX (United States) / (美国)	CVALF
Market Capitalization / 市值	\$59.1 million / \$5910万
Shares Issued / 已发行股票	25.9 million / 2590万
52 Week Low - High / 52周低点 - 高点	\$1.40 – \$3.15
Current Share Price / 当前股价	\$2.28
Insider Ownership / 内部人士持股	Approximately 55% / 约55%
Cash Per Share (no debt) / 每股现金 (无债务)	~\$0.85

¹ As at Jun. 5, 2022 / 截至2022年6月5日

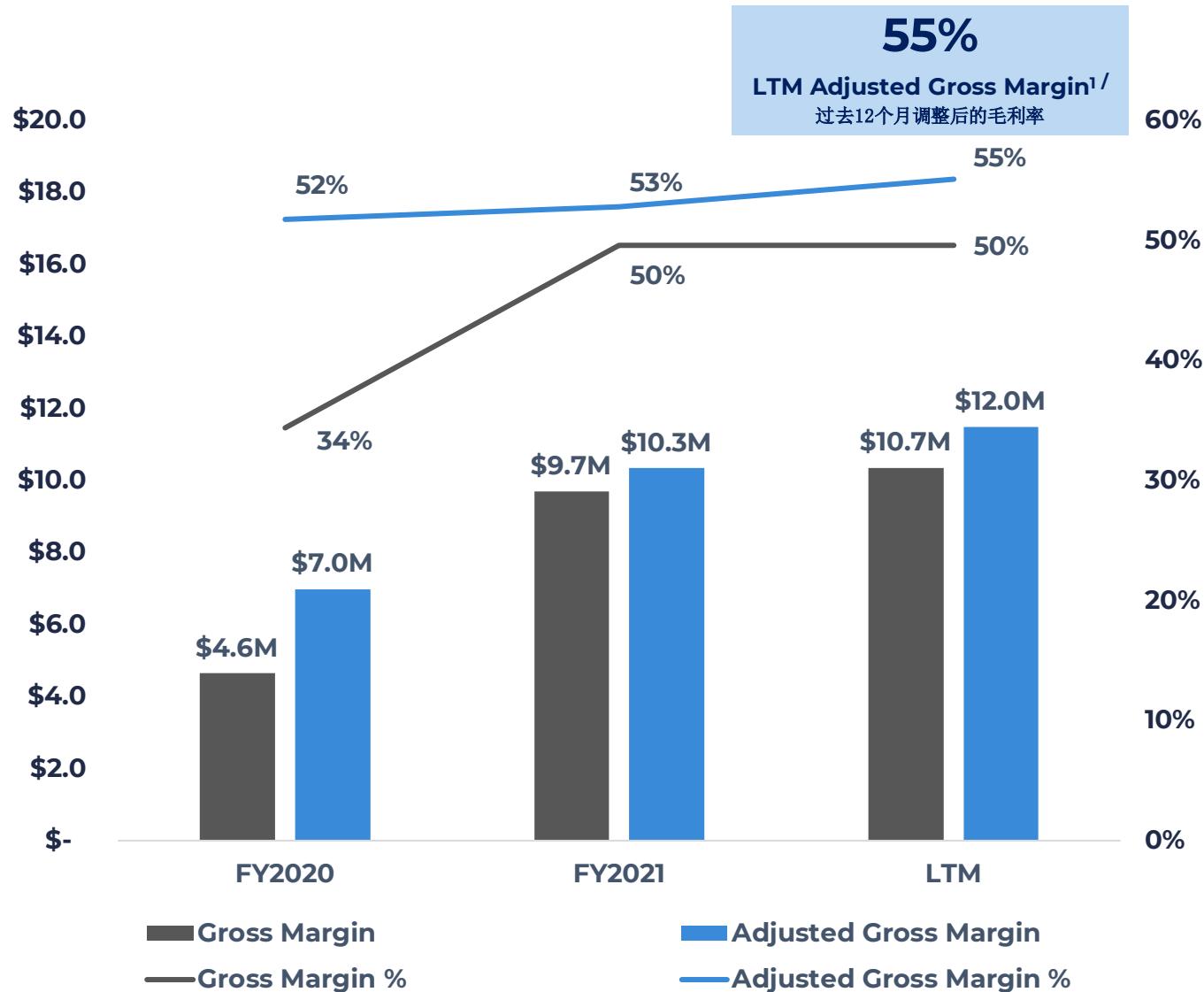
Revenue Profile - Continuing Operations / 收入概况—持续经营



Key Takeaways / 关键点

- Revenue in the United States recovered from the impact of COVID-19 on our customers and supply chain / 美国的收入从大流行对我们的客户和供应链的影响中恢复过来
- We adapted to the negative impact of COVID-19 and the interruption to the distribution of our products in the Middle East / 我们适应了大流行的负面影响和我们在中东地区产品分销的中断
- Following the divestiture of AquaGuard, we retained a smaller sales force in the United States to focus on selling IV Clear, VALGuard and SurgiClear into US hospitals / 在剥离AquaGuard之后，我们在美国保留了一支规模较小的销售队伍，专注于向美国医院销售IV Clear、VALGuard和SurgiClear
- Covalon has appointed a major European medical products company as its new distribution partner for the Middle East and has secured several new contracts for 2022 and 2023 / Covalon已指定一家大型欧洲医疗产品公司作为中东地区的新分销伙伴，并已获得若干2022年和2023年新合同
- ROW markets have been slower to recover and grow compared to United States and Middle East / 与美国和中东相比，世界其他地区的市场恢复和增长速度较慢

Gross Margins – Continuing to Increase / 毛利率——继续增加



Key Takeaways / 关键点

- Gross margins have fluctuated due to inventory provisions and product re-work costs / 由于库存准备和产品返工成本，毛利率有所波动
- Product re-work costs relate to re-deploying inventory packaged for a certain market to satisfy demand in another market by repackaging the dressings at an incremental cost lower than producing new product / 对库存产品进行返工的成本，即更换包装以满足另一个市场的需求，低于生产新产品所需的成本。
- When adjusting for both inventory provisions and product re-work costs, gross margins are trending upwards / 在对库存准备和产品返工成本进行调整后，毛利率呈上升趋势
- We have experienced cost increases in our supply chain and have attempted to mitigate these by focusing selling efforts on higher margin products / 我们经历了供应链成本增加，并试图通过将销售工作集中在高利润产品上来缓解这些问题
- In FY2021 we began in-house manufacturing collagen dressings to create capacity 自己内部生产胶原蛋白敷料，以增加产能并满足客户需求
- Gross margins are heavily influenced by product mix and geographical concentration / 毛利率在很大程度上受到产品组合和地域集中度的影响

Balance Sheet Significantly Improved / 资产负债表明显改善

	Sept. 30, 2020 / 2020年9月30日	Sept. 30, 2021 / 2021年9月30日	Mar. 31, 2022 / 2022年3月31日
Cash / 现金	\$3.5M / \$350万	\$25.5M / \$2550万	\$22.0M / \$2200万
Current Assets / 流动资产	\$14.8M / \$1480万	\$37.4M / \$3740万	\$31.5M / \$3150万
Total Assets / 总资产	\$34.7M / \$3470万	\$40.6M / \$4060万	\$34.6M / \$3460万
Debt / 债务	(\$17.7M) / (\$1770万)	\$-----	\$-----
Current Liabilities / 流动负债	(\$22.6M) / (\$2260万)	(\$5.0M) / (\$500万)	(\$3.5M) / (\$350万)
Total Liabilities / 负债总额	(\$25.6M) / (\$2560万)	(\$7.2M) / (\$720万)	(\$5.4M) / (\$540万)

Key Takeaways / 关键点

- Our balance sheet was transformed by the divestiture of the AquaGuard product line / 我们的资产负债表因剥离AquaGuard产品系列而发生了质的变化
- We repaid all outstanding bank debt and retired all credit facilities with HSBC Bank / 我们偿还了所有未偿还的银行债务，并清偿了汇丰银行的所有信用贷款
- We ended our fiscal 2022 Q2 with \$22M cash on the balance sheet / 在2022财年第二季度末，我们的资产负债表上有\$2200万现金
- Current assets consists of cash, accounts receivable, inventories and prepaid expenses / 流动资产包括现金、应收账款、存货和预付费用
- Current liabilities consist of trade payables, accruals, current lease liabilities and deferred revenue / 流动负债包括应付账款、应计费用、流动租赁负债和递延收入

Why Covalon / 为何选择Covalon

Financially Strong Core Business / 财力雄厚的核心业务

Innovative Product Solutions backed by Strong IP / 以强大的知识产权为后盾的创新产品解决方案

Significant Growth Potential / 巨大增长潜力

- ◆ ~\$22 million in cash; no debt / ~约\$2200万现金；没有债务
- ◆ Above-market revenue growth with modest profit in 2021 from continuing operations / 高于市场的收入增长并且从2021年持续运营中产生了适中利润
- ◆ Well funded, debt free, investing in growth resources / 资金充足、无债务、向增长资源投资
- ◆ Strong management team focused on growth / 专注于增长的强大管理团队

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Significant Growth Potential / 巨大增长潜力

- ◆ Solid clinical evidence backing patented product solutions / 坚实的临床证据为专利产品解决方案提供支持
- ◆ Better, safer products that solve serious clinical issues / 解决严重临床问题的更好、更安全的产品
- ◆ Better antimicrobial technology and biological collagen platform technology / 更好的抗菌技术和生物胶原蛋白平台技术
- ◆ Patented silicone technologies with exceptional patient and clinician feedback / 拥有专利的硅酮技术，并得到患者和临床医生的积极反馈

Why Covalon / 为何选择Covalon?



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Significant Growth Potential / 巨大增长潜力

- ◆ \$8.9 billion infections and chronic wounds market growing at alarming rates / 价值\$89亿的感染和慢性伤口市场以惊人的速度增长
- ◆ Leading influential KOL facilities becoming champions / 权威的，具有影响力的综合性医院正成为本公司产品的拥护者（代言人）
- ◆ Solid distribution channels in U.S, Middle East and LATAM / 在美国、中东和拉丁美洲拥有稳固的分销渠道
- ◆ Strong opportunities to Cross-Sell Covalon products from existing customer base / 从现有客户群中交叉销售Covalon产品的巨大机会
- ◆ Strong distribution partner and direct sales networks / 强大的分销合作伙伴和直销网络

Why Covalon / 为何选择Covalon

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- ◆ Well funded, debt free, investing in growth resources / 资金充足、无债务、向增长资源投资
- ◆ Strong management team focused on growth / 专注于增长的强大管理团队

Innovative Product Solutions backed by Strong IP / 以强大的知识产权为后盾的创新产品解决方案

- ◆ Solid clinical evidence backing patented product solutions / 坚实的临床证据为专利产品解决方案提供支持
- ◆ Better, safer products that solve serious clinical issues / 解决严重临床问题的更好、更安全的产品
- ◆ Better antimicrobial technology and biological collagen platform technology / 更好的抗菌技术和生物胶原蛋白平台技术
- ◆ Patented silicone technologies with exceptional patient and clinician feedback / 拥有专利的硅酮技术，并得到患者和临床医生的积极反馈

Significant Growth Potential / 巨大增长潜力

- ◆ \$8.9 billion infections and chronic wounds market growing at alarming rates / 价值\$89亿的感染和慢性伤口市场以惊人的速度增长
- ◆ Leading influential KOL facilities becoming champions / 权威的，具有影响力的综合性医院正成为本公司产品的拥护者（代言人）
- ◆ Solid distribution channels in U.S, Middle East and LATAM / 在美国、中东和拉丁美洲拥有稳固的分销渠道
- ◆ Strong opportunities to Cross-Sell Covalon products from existing customer base / 从现有客户群中交叉销售Covalon产品的巨大机会
- ◆ Strong distribution partner and direct sales networks / 强大的分销合作伙伴和直销网络

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