

Covalon Technologies Ltd. Poised for Strong Benefit From Positive US Tariff Outcome

MISSISSAUGA, Ontario – April 3, 2025 – (BUSINESS WIRE) – Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV; OTCQX: CVALF), an advanced medical technologies company is pleased to announce the very positive outcome for the Company with regards to the April 2, 2025 tariff announcements by U.S. President Donald Trump.

Under provisions outlined in the United States-Mexico-Canada Agreement (USMCA), certain products that meet the agreement's rules of origin requirements are not subject to the recent tariffs. Covalon's products, produced in Canada and compliant with USMCA guidelines, therefore qualify for full exemption from US tariffs.

"Covalon relies on a mix of manufacturing in Canada and the United States for the vast majority of its life-saving, highly innovative medical products. We're pleased to confirm that our Canadian-manufactured products are not subject to U.S. tariffs under the current trade policy." said Brent Ashton, Chief Executive Officer of Covalon. "This allows us to maintain competitive pricing and uninterrupted access for our highly differentiated products to customers in the United States."

Furthermore, Covalon is uniquely positioned as the largest advanced wound care collagen dressing manufacturer in North America. Most of Covalon's competitors in this large market manufacture their collagen dressings in the United Kingdom, Germany or China where U.S. import tariffs will be 10%, 20% and 54%, respectively. Covalon is well placed to capitalize on this advantage and has already begun work with our strategic partners to advance efforts on this front.

To learn more about Covalon, please visit our website at www.covalon.com or contact us at investors@covalon.com.

About Covalon

Covalon is a leading MedTech company dedicated to improving patient outcomes through innovative and compassionate medical products and technologies. Our expertise spans advanced wound care, vascular access, and surgical consumables, with a strong focus on enhancing healing, reducing healthcare-associated infections (HAIs), and protecting skin integrity. Our solutions are designed for patients and made for care providers. The Company is listed on the TSX Venture Exchange (COV) and trades on the OTCQX Market (CVALF). To learn more about Covalon, visit our website at www.covalon.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release may contain forward-looking statements which reflect the Company's current expectations regarding future events. The forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "estimate", "expect", "intend", or variations of such words and phrases or state that certain actions, events, or results "may", "could", "would", "might", "will" or "will be taken", "occur", or "be achieved". In addition, any statements that



refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts, but instead represent management’s expectations, estimates, and projections regarding future events. Forward-looking statements involve risks and uncertainties, including, but not limited to, the factors described in greater detail in the “Risks and Uncertainties” section of our management’s discussion and analysis of financial condition and results of operations for the year ended September 30, 2024, which is available on the Company’s profile at www.sedarplus.ca, any of which could cause results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. Investors should not place undue reliance on any forward-looking statements. The forward-looking statements contained in this news release are made as of the date of this news release, and the Company assumes no obligation to update or alter any forward-looking statements, whether as a result of new information, further events, or otherwise, except as required by law.

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