covalon
TECHNOLOGIES LTD.

**NEWS RELEASE**

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# Covalon Technologies Ltd. Achieves DTC Eligibility in the United States

*Improving Access for U.S. Investors and Supporting Share Price Appreciation for Canadian MedTech Innovator*

MISSISSAUGA, Ontario – August 20, 2025 – (BUSINESS WIRE) – Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV; OTCQX: CVALF), an advanced medical technologies company, is pleased to announce that its common shares are now eligible for electronic clearing and settlement in the United States through The Depository Trust Company ("DTC").

DTC eligibility simplifies the trading process for Covalon shares on the U.S. OTCQX Market under the symbol *CVALF* by eliminating manual delays and higher transaction costs often associated with cross-border securities.

Most United States-based brokerage firms do not allow their customers to trade shares unless they are DTC eligible. This accomplishment will enable Covalon to generate increased U.S. interest, which will enhance liquidity and improve Covalon's positioning in the United States, where companies with Covalon's financial performance trade at much higher market values.

*"This is a major milestone for Covalon as we expand our visibility and access to a broader investor base,"* said Brent Ashton, CEO of Covalon. *"Receiving DTC eligibility significantly streamlines the investment process for U.S. shareholders and demonstrates the commitment to growing our presence in U.S. capital markets, where we have received very positive feedback from investors."*

In addition, in the Company's May 15, 2025 press release, Covalon announced the promotion of Kim Crooks appointment to Covalon's Board of Directors, and the awarding of 150,000 common share stock options, both of which were subject to the approval of the TSX Venture Exchange.

The Options were granted pursuant to the Company's Omnibus Long-Term Incentive Plan on May 30, 2025, and are subject to the terms of the applicable grant agreement, the requirements of the TSX Venture Exchange, and shareholder approval at the Company's next Annual General Meeting, scheduled in early 2026.

The Options were granted at an exercise price of $2.50 per share, effective May 30, 2025. The options vest 34% on the first anniversary of the grant date, 33% on the second anniversary, and the remaining 33% on the third anniversary. The Options shall expire five (5) years from the initial grant date.

Those interested in learning about Covalon's solutions may visit www.covalon.com or follow Covalon on LinkedIn, Facebook, Instagram, or X.

To learn more about Covalon, please contact:

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## About Covalon

Covalon is a leading medical device 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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