

## Covalon Reports on 2026 First Quarter Results and Recent Achievements and Highlights

MISSISSAUGA, Ontario – February 25, 2026 – (BUSINESS WIRE) – Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV; OTCQX: CVALF), an advanced medical technologies company, today announced its fiscal 2026 first quarter results for the period ended December 31, 2025, along with its recent achievements and highlights. Full financial statements and management discussion and analysis are available on the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca).

Brent Ashton, Covalon's Chief Executive Officer's commented, "Covalon's first quarter of fiscal 2026 delivered results just above a breakeven, reflecting normal quarter-to-quarter variability in the timing of orders received and shipments fulfilled. Notably, sales and orders received in the first half of the second quarter, from January 1 to February 15, 2026 have already exceeded the total revenue reported for Q1 fiscal 2026. As a result, we are confident that we will remain on track for a strong Q2 and a strong fiscal 2026 overall.

Covalon's recent clinical validations, accelerating sales wins and rapidly expanding industry recognition are also resulting in growing attention from both large and emerging companies, leading to numerous business development discussions that could result in significant opportunities such as strategic partnerships, mergers and acquisitions.

For all these reasons, along with many other initiatives currently underway within our organization, and coupled with Covalon's strong balance sheet, with more than \$17 million in cash and no debt, I continue to remain extremely excited about Covalon's prospects."

### Financial Summary:

	Three Months Ended December 31,	
	2025	2024
Revenue	\$6,888,302	\$8,077,940
Gross profit	\$4,008,231	\$4,994,466
Gross Margin %	58.2%	61.2%
Operating Expenses	\$3,955,987	\$3,679,798
Net Income	\$125,377	\$1,422,103
Adjusted EBITDA	\$426,829 <sup>(1)</sup>	\$1,547,671 <sup>(1)</sup>
Earnings Per Share (Diluted)	\$0.00	\$0.04

(1) See "Non-GAAP Measures" below, including for a reconciliation of the non-GAAP measures used in this release to the most comparable IFRS Accounting Standards measures.

- The Company's cash position on December 31, 2025 was approximately \$17.9 million which was more than \$0.5 million higher than the start of that quarter and after the \$4.1 million special dividend payment.



## Recent Covalon Achievements and Upcoming Events

- Covalon added more than a dozen new customers from prestigious, world-renowned medical centers for its Vascular Access and Surgical Consumables as well as its Advanced Wound Care collagen dressings.
- Covalon secured system-wide approval and recommendation for use of its VALGuard® Vascular Access Line Guard at a large Integrated Delivery Network (“IDN”) in the southeastern United States. This IDN has more than 300 sites of care, including more than 15 acute care and pediatric hospitals.
- One of Covalon’s US strategic partners, HARTMANN USA, was recently awarded an Innovative Technology contract from Vizient, the largest Group Purchasing Organization (“GPO”) in the United States. The contract bundled Covalon’s innovative collagen matrix dressing, sold by HARTMANN USA under Covalon’s ColActive® Plus brand with HARTMANN’s Zetuvit® Plus family of dressings. In securing this contract, Vizient cited the products’ “unique benefit . . . over other products available in the market today.”
- Covalon continues to gain strong clinical recognition for its solutions, as evidenced by the increased customer interest since the publication of a peer-reviewed clinical study in the Journal of the Association for Vascular Access (JAVA), evaluating the use of Covalon’s VALGuard® Vascular Access Line Guard. Conducted at the Children’s Hospital at Montefiore, a nationally ranked U.S. pediatric hospital, the study demonstrated a significant reduction in central line–associated bloodstream infections (CLABSIs), including a sustained period of zero CLABSIs in the Pediatric Critical Care Unit (PCCU).
- Covalon’s partnership with internationally recognized vascular access expert, Dr. Nancy Moureau, continues to elevate awareness of the critical clinical challenge of IV line connection contamination and infection risk. Presentations by Dr. Moureau provide further spotlight for this important patient safety issue and expand the awareness of advanced approaches to prevention aligned with Covalon’s solutions.
  - Earlier this week, Dr. Moureau, in partnership with the renowned Association for Vascular Access and Covalon, presented a Continuing Education webinar, spreading awareness of this critical issue to hundreds of healthcare professionals.
  - Dr. Moureau will also deliver podium presentations at two of the industry’s most influential scientific forums: the Infusion Nurses Society (INS) Annual Meeting & Exhibition in April and the Association for Professionals in Infection Control and Epidemiology (APIC) Annual Conference & Exposition, in June, 2026. These premier meetings convene thousands of leading infusion nurses, vascular access specialists, and infection prevention professionals from across North America and around the world.
- A scientific poster authored by notable Advanced Wound Care Key Opinion Leader, Dr. Traci Kimball, has been accepted for presentation at the 2026 Symposium on Advanced Wound Care



Spring (SAWC), in April, 2026. The poster, a case report detailing outstanding results achieved with Covalon's differentiated and patented collagen matrix dressing demonstrates promise in accelerating healing and managing complex wound environments.

### Conference Call Scheduled

A conference call and webcast to discuss Covalon's fiscal 2026 Q1 results will be held on Wednesday, February 25, 2026 at 8:30am Eastern Time. To view, listen to, and participate in the live webcast, please follow the link below:

<https://events.q4inc.com/attendee/620262525>

To listen and participate via the conference call, please dial:

North American Toll-Free: 1-800-549-8228  
Local (Toronto): 289-819-1520  
Local (New York): 646-564-2877  
Conference ID: 568849

Participants will be able to ask questions of Company management during the Q&A portion of the conference call.

A recording of the call will also be available on <http://ir.covalon.com> under Quarterly Results on the Financials tab.

### Non-GAAP Financial Measures

This press release refers to certain non-GAAP measures. These measures are not recognized or defined measures under IFRS Accounting Standards, do not have standardized meaning prescribed by IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional financial information to complement those IFRS Accounting Standards measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS Accounting Standards. The non-GAAP financial measures, adjustments, and reasons for adjustments should be carefully evaluated as these measures have limitations as analytical tools and should not be used in substitution for an analysis of the Company's results under IFRS Accounting Standards. We use non-GAAP measures including "Adjusted Gross Margin" and "Adjusted EBITDA" to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS Accounting Standards measures. We believe that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. Our management also uses non-GAAP measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.



The following non-GAAP financial measures are presented in this news release, and a description of the calculation for each measure is included below:

Adjusted EBITDA as earnings (loss) before interest expense (income), depreciation and amortization, stock-based compensation, inventory provisions (reversals), accounts receivable write-offs, gain (loss) on finance lease receivable, and loss (gain) on disposal of property and equipment.

You should also be aware that the Company may recognize income or incur expenses in the future that are the same as, or similar to some of the adjustments in these non-GAAP financial measures. Because these non-GAAP financial measures may be defined differently by other companies in our industry, our definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

The table below provides a reconciliation of net loss under IFRS Accounting Standards in the consolidated financial statements to Adjusted EBITDA for the three months ended December 31, 2025 and 2024. Management believes that these non-GAAP measures are useful in assessing the performance of the Company's ongoing operations and its ability to generate cash flows to fund its cash requirements from period to period. The adjusting items below are considered to be outside of the Company's core operating results, and these items can distort the trends associated with the Company's ongoing performance, even though some of those expenses may recur.

	Three months ended December 31,	
	2025	2024
Net income	125,377	1,206,046
Add: Net finance income	(123,718)	(41,068)
Add: Depreciation and amortization	242,517	257,125
Add: Share-based compensation	67,530	90,523
Add: Inventory provision (releases)	64,608	(114,645)
Add: Loss on finance lease receivable	50,585	149,690
Adjusted EBITDA	426,899	1,547,671

Those interested in learning about Covalon's solutions may visit [www.covalon.com](http://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 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](http://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, 2025, which is available on the Company's profile at [www.sedarplus.ca](http://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.*

Zetuvit® Plus is a registered trademark of PAUL HARTMANN AG.

VALGuard® Line Guard is indicated to cover and protect IV line connections and catheter hubs from sources of gross contamination. VALGuard is not cleared or approved by the U.S. Food and Drug Administration (FDA) for infection prevention or CLABSI reduction.

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