Covalon Announces Second Quarter Financial Results 2016

MISSISSAUGA, Ontario – May 30, 2016 – /Business Wire/ - Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV), an advanced medical technologies company, today announced financial results for its second quarter ended March 31, 2016.

Brian Pedlar, Covalon's President and CEO, stated "As we previously disclosed, delays in the awarding of tenders by the healthcare authorities in Saudi Arabia resulted in Covalon not receiving revenue it expected to receive by the end of the second quarter ending March 31, 2016. However, as disclosed in the press release of May 24, 2016, Covalon did receive an order from Saudi Arabia for $1.9 million after the end of the second quarter which will be recognized in the third quarter ending June 30, 2016. Due to this anomaly, for the three months ended March 31, 2016, revenue was $797,748, operating expenses were $1,501,824 and net loss was $1,065,517 or $0.10 per share. For the six months ended March 31, 2016, revenue was $3,238,381, operating expenses were $2,801,413 and net loss was $798,533 or $0.08 per share."

"With the $1.9 million order, we fully expect to be back on track with our financial results in the third quarter ending June 30, 2016. As of May 26, 2016 we have over $2.4 million of cash in the bank and expect to collect on the $1.9 million order prior to the end of June."

"Furthermore, I fully expect our success in the healthcare tender process in Saudi Arabia will prove to be financially beneficial to Covalon in the quarters and years to come. Of even greater importance, this success is transformative in giving Covalon clear evidence of its ability to win major business when going up against some of the largest and most respected medical companies in the world."

"Our success in Saudi Arabia has proven that our business strategy works and early results in Latin America are showing us that we can replicate this model in other worldwide markets. Covalon is actually off to an excellent start for the first half of fiscal 2016."

"I look forward to updating our shareholders on a conference call which is scheduled for Tuesday, May 31, 2016 at 9:00 am EST."

To participate in the call please dial:

Local / International: 416-640-5946

North American Toll- Free: 1 866-233-4585

Copies of Covalon's financial statements, MD&A and additional information on Covalon Technologies Ltd. can be obtained on SEDAR at www.sedar.com, as well as the Company's website at www.covalon.com.

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About Covalon

Covalon Technologies Ltd. researches, develops and commercializes new healthcare technologies that help save lives around the world. Covalon's patented technologies, products and services address the advanced healthcare needs of medical device companies, healthcare providers and individual consumers. Covalon's technologies are used to prevent, detect and manage medical conditions in specialty areas such as wound care, tissue repair, infection control, disease management, medical device coatings and biocompatibility. To learn more about Covalon, visit our website at www.covalon.com

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This news release contains 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" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. These forward-looking statements involve risk and uncertainties, including 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. Many risks are inherent in the industry; others are more specific to the Company. Investors should consult the Company's ongoing quarterly filings for additional information on risks and uncertainties relating to these forward-looking statements. Investors should not place undue reliance on any forward-looking statements. The Company assumes no obligation to update or alter any forward-looking statements whether as a result of new information, further events or otherwise.

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