

Covalon Announces Third Quarter Financial Results

MISSISSAUGA, Ontario--(BUSINESS WIRE)--Aug. 19, 2016-- Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV:COV), an advanced medical technologies company, today announced financial results for its third quarter ended June 30, 2016.

Revenue for the three months ended June 30, 2016 was \$2,600,002, operating expenses were \$1,793,108 and net loss was \$156,793 or \$0.02 per share. For the nine months ended June 30, 2016, revenue was \$5,838,384, operating expenses were \$4,594,223 and net loss was \$956,087 or \$0.07 per share.

Brian Pedlar, Covalon's President and CEO, stated "I am very pleased with our third quarter results. It clearly demonstrates the positive momentum Covalon has been building through its global marketing efforts."

"Our hard work has resulted in the announcement after the end of the third quarter of two major contract awards in Saudi Arabia totalling a minimum guaranteed amount of \$11 million and the selection by key reference hospitals of Covalon's technologies over competitive products that are provided by some of the largest and most respected medical companies in the world," continued Pedlar.

"We have focused heavily on building our success in the healthcare tender process in Saudi Arabia and in the key public, government and private healthcare facilities that set standards of care in the region," continued Pedlar.

"I fully expect that our success in the healthcare tender process in Saudi Arabia will provide momentum for our efforts in the rest of the Middle East, the Americas, Asia and Europe. We are already seeing evidence of the positive impact our wins in Saudi Arabia are having on these markets," continued Pedlar. "We have a very strong product portfolio that is helping us win business."

"I am just as excited about some of the new products Covalon has in its development pipeline that will make us leaders in infection control. These products will transform the way hospitals and clinicians practice and dramatically reduce serious medical setbacks and deaths that too-often occur from surgical site and ventilator-associated infections," stated Pedlar.

"Fiscal 2017 will be a significant growth year for Covalon," concluded Pedlar.

Management looks forward to updating shareholders on a conference call which is scheduled for:

Monday August 22, 2016 at 9:00 am EDT

Call-in details:

Local / International: 416-640-5946

North American Toll- Free: 1866-233-4585

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.

Web site: www.covalon.com

Twitter: @covalon

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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Source: Covalon Technologies Ltd.

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