

Covalon Announces Closing of Non-Brokered Private Placement

MISSISSAUGA, Ontario – September 18th, 2019 – /Business Wire/ - Covalon Technologies Ltd. (the “Company” or “Covalon”) (TSXV: COV; OTCQX: CVALF), an advanced medical technologies company, today announced that, further to its press release dated September 6, 2019, it has completed a non-brokered private placement offering comprised of approximately 2,750,000 units (each, a “Unit”) of the Corporation at a price of \$2.00 per Unit for aggregate gross proceeds of approximately \$5,500,000 (the “Offering”).

Each Unit is comprised of one common share of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”). Each Warrant entitles the holder to acquire an additional Common Share at a price of \$2.00 per share for a period of five years from the closing date. Insiders participated in the Offering for an aggregate of 2,175,400 Units for gross proceeds of \$4,350,800. In connection with the closing of the Offering, the Company has received a necessary waiver and consent from its lenders under its applicable credit agreement. All securities issued pursuant to the Offering will be subject to a hold period expiring January 19, 2020. Proceeds of the Offering will be used by Covalon for general working capital, to expand international distribution channels, to develop and commercialize new products and for the repayment of debt.

No commission or finder's fee was paid in connection with the Offering. The Offering has been conditionally approved by the TSX Venture Exchange.

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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 infection control, vascular access, surgical procedures, advanced wound care, and medical device coatings. To learn more about Covalon, visit our website at www.covalon.com.

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

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, the closing of proposed transactions, 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.

Source: Covalon Technologies Ltd.