Covalon Announces Breakthrough Success In Saudi Arabia

- Covalon receives $1.9 million order
- Covalon products selected by Ministry of Health and private hospitals in Saudi Arabia

MISSISSAUGA, Ontario – May 24, 2016 – /Business Wire/ - Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV), an advanced medical technologies company, today announced that it has received a $1.9 million order to fulfil demand for its infection management and advanced wound care products in Saudi Arabia. Covalon expects to ship and be paid for the full order prior to the end of June 2016.

Covalon has been successful in capturing market share from other multi-national companies, although the process took longer than anticipated. Due to delays in the awarding of tenders by the healthcare authorities in Saudi Arabia, approximate half of the order received was delayed and originally anticipated to have shipped in March 2016. As a result, the revenue associated with the delayed portion of the order will be fully recognized in the quarter ended June 30, 2016.

"I have always been of the view that in order for companies like Covalon to be successful they have to specifically target a geographic market in order to achieve a sales breakthrough", said Brian Pedlar, Covalon's Chief Executive Officer. "Today's announcement demonstrates that Covalon has achieved success in Saudi Arabia and we are in the process of replicating this business model in other markets throughout the world."

"Covalon employed an aggressive brand awareness campaign in Saudi Arabia which resulted in our IV Clear, SurgiClear and ColActive Plus products achieving top brand recognition in their categories in major hospitals associated with the Ministry of Health", said Hamed Abbasian, Covalon's Vice President of Business Development. "IV Clear has been selected as the exclusive antimicrobial vascular access dressing in the Intensive Care Unit of one of the most influential hospitals in Saudi Arabia. The Diabetic Foot Department of King Fahd General Hospital in Jeddah, which is the reference hospital for the Saudi Arabian Ministry of Health for patients with diabetic foot conditions, considers ColActive Plus as the most advanced collagen dressing available in the market for treating chronic wounds. ColActive Plus and SurgiClear have been selected as winners of their respective categories in a major tender. These successes have resulted in Covalon growing its market share rapidly over the past year, while most other international wound care companies have seen declines in their business in Saudi Arabia."

Covalon has also been winning business in the private hospital market in Saudi Arabia. Covalon is the exclusive supplier of wound care products to the Health Oasis Hospital in Riyadh, a major private hospital in Saudi Arabia, considered as one of the most advanced long term care hospital in the Middle East. Because of the success of ColActive Plus in preventing the need for limb amputations on diabetic patients with chronic wounds, Covalon became one of the main suppliers of wound care products to the International Medical Centre hospital in Jeddah.

Covalon offers infection management and advanced wound management dressings for both acute and chronic wounds, including its CovaWound™ ColActive® and SurgiClear™ brands that have strong clinical evidence to support their superior efficacy in helping to prevent infections in surgical procedures and in chronic diabetic foot wounds. ColActive and CovaWound when used together have the ability to rapidly promote wound closure and healing in chronic wounds, which remains an under-addressed market in Saudi Arabia.

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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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