Covalon Signs Distribution Agreement With Medline

June 15th, 2016

- Medline Industries Inc. is one of the largest Medical Product Distributors in the USA
- Covalon's products now available to thousands of health care institutions throughout Medline's network

MISSISSAUGA, Ontario – June 15, 2016 – /Business Wire/ - Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV), an advanced medical technologies company, today announced that it has signed a distribution agreement with Medline Industries Inc. ("Medline"), the largest privately held medical distributor in the United States, whereby Medline will be distributing Covalon-branded products, including IV Clear™, SurgiClear™, and ColActive® Plus product lines into its extensive United States customer base.

"Hospital and clinic demand for IV Clear and SurgiClear has largely been the driver behind this opportunity with Medline," said Brian Pedlar, Covalon's Chief Executive Officer. "We expect to see increased sales of our products through this channel in the United States, and fully expect to grow our customer base of leading cancer treatment centers, pediatric hospitals, and wound care clinics because of our products' improved availability."

Products distributed by Medline can be found in most hospitals, extended-care facilities, surgery centers, physician offices, home care dealers, home health agencies, and retail outlets in the United States. Medline leads the market in more than a dozen major medical product categories, including skin care, operating room kits, surgical trays, and advanced wound care. As a result, many of the departments within healthcare institutions already have purchasing relationships with Medline which allows for a seamless procurement process for purchasing Covalon's products.

"Our new distribution relationship with Medline significantly expands the reach of our products within the United States market" said John R. Hands, Executive Vice President at Covalon. "Medline's position of strength in categories that complement our products makes for an obvious fit, and we are very excited about the growth potential that this opportunity represents. We have been steadily building on the awareness and distribution capabilities of our products within the US market and we intend to take full advantage of Medline's specialized distribution programs to connect with their hospital, surgery center, nursing home, and home health agency customers."

Covalon offers infection management and advanced wound management dressings for both acute and chronic wounds, and is the only provider of a dual antimicrobial silicone adhesive technology used in its IV Clear and SurgiClear brands. Both of these product lines offer superior efficacy in helping to prevent infections and medical adhesive skin injuries, while providing total insertion or incision site visibility to the healthcare provider.

To learn more about Covalon, please contact:

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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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