

Covalon Wins \$7.6 Million Twelve Month Contract To Supply Colactive Plus Advanced Wound Care Dressings To Saudi Arabia

MISSISSAUGA, Ontario--([BUSINESS WIRE](#))--Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV), an advanced medical technologies company, today announced that it has won a major contract to supply its advanced ColActive Plus and ColActive Plus Ag wound care dressings to Ministry of Health facilities in Saudi Arabia at a minimum guaranteed value of \$7.6 million over twelve months.

The contract was awarded to Covalon through the Executive Board of Health Ministers' Council for GCC States (called "SGH"). The SGH contract was awarded to Covalon following a highly competitive bidding process that resulted in Saudi Arabian wound care physicians selecting Covalon's ColActive Plus product line as its exclusive advanced collagen wound dressing.

The contract is for a term of one year and delivery of the products under the contract are expected to commence within the next four months.

"This win is a huge breakthrough for Covalon and will have significantly positive implications for us worldwide, not just in Saudi Arabia and the Middle East," said Brian Pedlar, Covalon's Chief Executive Officer. "This major win clearly demonstrates that Covalon's growth plan is working."

Prior to making their decision to select ColActive Plus, leading wound care physicians in Saudi Arabia trialed ColActive Plus products for over a year.

"The Saudi Arabian key opinion leaders selected our product because of their efficacy in helping to heal chronic, diabetic wounds," said Pedlar. "To be able to win this highly prized competition in Saudi Arabia clearly demonstrates how amazing Covalon's wound care technology really is."

In addition to ColActive Plus, Covalon markets a full line of advanced wound management dressings for both acute and chronic wounds under its CovaWound brand. As well, Covalon is also the only provider of a dual antimicrobial silicone adhesive technology used in its IV Clear and SurgiClear brands of infection management dressings. 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.

Conference Call

The Company has scheduled a conference call to be held Thursday, August 4, 2016 at 9:00 a.m. EDT to further discuss the tender contract to supply ColActive Plus in Saudi Arabia. To participate in the call please dial:

Local / International: 416-640-5946

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

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

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) 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 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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