

Covalon Establishes Key Distribution Channel In Mexico

- Covalon Succeeds in Launching its Latin American Expansion Based on the Same Strategy Successfully Implemented in the Middle East

MISSISSAUGA, Ontario--(BUSINESS WIRE)--Sep. 13, 2016-- Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV:COV), an advanced medical technologies company, today announced that it has established a distribution channel for its products into Mexico's advanced wound care and infection management markets.

Through a distribution arrangement with a partner company in Mexico, Covalon will be distributing Covalon-branded products, including Covalon's CovaWound™ and ColActive® Plus advanced wound care lines and Covalon's IV Clear™ and SurgiClear™ infection management products into Mexico.

"Mexico is a key market for Covalon," said Brian Pedlar, Covalon's Chief Executive Officer. "It is one of the largest and most sophisticated healthcare markets in Latin America. Our success in establishing this key distribution channel in Mexico will help drive increased sales of our products into other Latin American countries."

"We are starting to implement in the vast Latin American market, the exact same strategy we have successfully implemented in the Middle East. Interestingly, the large contract awards Covalon recently won in the highly competitive Saudi Arabian market are definitely being noticed by medical thought-leaders in Latin America," continued Pedlar.

"As we have consistently stated, Mexico is key to accelerating our business as Covalon enters the vast Latin American market," said John R. Hands, Covalon's Executive Vice President. "Covalon's products are uniquely positioned to address many of the product gaps currently found in the Latin American medical market, especially when one considers the explosion of diabetic-related wounds in the region".

Covalon has already signed distribution agreements and commenced sales of its products in:

- Argentina
- Chile
- Guatemala
- Honduras
- Nicaragua
- El Salvador
- Costa Rica
- Panama
- Puerto Rico

Covalon expects to have its products cleared by the end of 2016 in:

- Colombia
- Peru
- Venezuela
- Ecuador
- Dominican Republic
- Paraguay
- Uruguay

Regulatory clearance in Brazil is expected in 2017.

With over 600 million people in Latin America and significantly higher rates of hospital-acquired infections as compared to the United States, Covalon's products will provide advanced options for Latin American clinicians to help reduce infections and promote the healing of chronic wounds when used as part of appropriate clinical protocols.

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.

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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