

Covalon Announces Major Sales Breakthrough - Wins Contracts With An Estimated Value Of \$100 Million Over A Three-Year Period

- **Conference call scheduled for Tuesday May 8th at 9am EDT to discuss the impact of this major transformative event**

MISSISSAUGA, Ontario--(BUSINESS WIRE)--May 7, 2018-- Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV; OTCQX: CVALF), an advanced medical technologies company, has been informed that it has won a series of competitive contracts in the Middle East with an estimated sales value of \$100 million over a three-year period.

The series of competitive contracts awarded to Covalon includes the granting of approximately ten categories of products under the Executive Board of Health Ministers' Council for Gulf Cooperation Council States (called "SGH"), as well as several contracts outside of the SGH in Saudi Arabia and other countries in the region that extend up to three years to supply Covalon's highly-regarded IV Clear, ColActive Plus, and CovaWound products.

The majority of the contracts have been awarded to Covalon through highly competitive bidding processes that involved the clinical evaluation of each product. The series of winning contracts extend over a period of three years and management anticipates delivery of the products under the contracts to commence by the Company's fiscal quarter ended December 31st 2018.

As more information becomes available, Covalon will provide further updates on the impact of each of these contract wins.

Brian Pedlar, Covalon's Chief Executive Officer, commented, "By winning these highly sought-after competitions against some major medical companies, Covalon has proven that it has truly differentiated, life-saving medical technologies.

"These contracts transform Covalon into a significant healthcare player in the vascular access and wound care markets. We anticipate the contracts to deliver approximately \$100 million of revenue to Covalon over the contractual periods of up to three years and provide Covalon with a very stable and predictable base of sales on which to continue to build our market presence internationally.

"We competed against very large and highly-respected medical companies for these contracts with our flagship products IV Clear, ColActive Plus, and several products in our CovaWound line. These contracts secure Covalon's business in the Middle East and allow us to focus on introducing new products into the region as we deliver under these contracts over the next three years."

Conference Call Scheduled

The Company has scheduled a conference call to be held Tuesday May 8th at 9:00 a.m. EDT to further discuss this major sales breakthrough. To participate in the call please dial:

Local / International: 647-689-4535
North American Toll-Free: 1-833-299-8117

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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Source: Covalon Technologies Ltd.

Covalon Technologies Ltd.

Brian Pedlar, 905-568-8400 x 233

CEO

bpedlar@covalon.com

Toll free: 1-877-711-6055

Web site: www.covalon.com

Twitter: @covalon

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