To Create and Deliver the New Standard of Care in Sterile Reprocessing™
The statements contained in this presentation and oral statements made by representatives of TSO3 Inc. ("Company") relating to matters that are not historical facts are forward-looking statements that involve certain risks, uncertainties and hypotheses, including, but not limited to, general business and economic conditions, the ability of the Company to obtain the required regulatory clearance to market its products on a worldwide basis, the outcome of patent applications, the condition of the financial markets, the ability of the Company to obtain financing on favorable terms and other risks and uncertainties.

Risks and uncertainties about the Company’s business are more fully discussed in the disclosure materials filed with the securities regulatory authorities in Canada, which are available on SEDAR under the issuer profile of the Company at www.sedar.com. You are urged to read these materials.

Although management of the Company believes that the conclusions, estimates or projections reflected in such forward-looking information are reasonable and represent the Company’s conclusions, estimates or projections at this time, such information involves unknown risks and uncertainties which may cause the Company’s actual results to differ materially from the Company’s conclusions, estimates or projections expressed or implied by such forward-looking information. You are cautioned not to place undue reliance on these forward-looking statements. Except as required by law, we do not undertake to update any forward-looking statement.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of any securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

All Dollars in USD, unless noted otherwise.

Important Cautions Regarding Forward Looking Statements and Other Disclosures

The statements contained in this presentation and oral statements made by representatives of TSO3 Inc. ("Company") relating to matters that are not historical facts are forward-looking statements that involve certain risks, uncertainties and hypotheses, including, but not limited to, general business and economic conditions, the ability of the Company to obtain the required regulatory clearance to market its products on a worldwide basis, the outcome of patent applications, the condition of the financial markets, the ability of the Company to obtain financing on favorable terms and other risks and uncertainties.

Risks and uncertainties about the Company’s business are more fully discussed in the disclosure materials filed with the securities regulatory authorities in Canada, which are available on SEDAR under the issuer profile of the Company at www.sedar.com. You are urged to read these materials.

Although management of the Company believes that the conclusions, estimates or projections reflected in such forward-looking information are reasonable and represent the Company’s conclusions, estimates or projections at this time, such information involves unknown risks and uncertainties which may cause the Company’s actual results to differ materially from the Company’s conclusions, estimates or projections expressed or implied by such forward-looking information. You are cautioned not to place undue reliance on these forward-looking statements. Except as required by law, we do not undertake to update any forward-looking statement.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of any securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

All Dollars in USD, unless noted otherwise.
To Create and Deliver The New Standard of Care In Sterile Reprocessing™

A Sterile Device for Every Procedure
Major Milestones  Laying Foundation for Growth

1998 - 2008
- Founded
- HQ: Québec City, Canada
- IPO (TSX: TOS)

2009-2014
- Product redesign
- Introduced STERIZONE® 125L+ and VP4 Sterilizers
- Canadian hospital installations
- Initial FDA clearance received December 2014

2015
- Exclusive distribution agreement with Getinge - $7.5M in cash + performance minimums
- P.O. received for all of 2016
- Extended claims in Canada and Europe

2016
- Shipped 110 STERIZONE® VP4 Sterilizers to Getinge
- P.O. Received for 2017
- Record revenues and assembly capacity
- Extended FDA claims to include colonoscopes and other long flexible endoscopes
- Launched Strategic Partner Facility Program

2017
- TTM Revenue of $16.1M
- $16.7M in cash
- Submitted FDA duodenoscope claims
- Featured in Peer Review Papers
- Installations in Major Hospitals
- Reference Customers

1) In USD. As at June 30, 2017. Cash reflects cash, cash equivalents and short and long term investments. TTM means trailing twelve months.
STERIZONE® VP4 Sterilizer

Advantages

• Single cycle – easy, error-free cycle selection
• Mixed load sterilization
• Up to 75 lb in a single load
• Flexible Endoscope Clearance

Proprietary Consumables

(Razor/Razorblade Model)

• 125-280 Solution™ (H₂O₂)
• STERIZONE® BI+ / Test Pack
  advanced process monitoring
Industry First: FDA Clearance of TSO$_3$ Endoscope Claims

The only FDA cleared device validated to sterilize colonoscopes, gastroscopes and other flexible endoscopes up to 3.5m in length and with four or fewer channels.
1. Insert Room Temperature Instruments Into a Warm Chamber
2. Create a Vacuum and Inject Small Amounts of Vapourized Heated Sterilant Over Time
3. Micro Condensation Forms on the Instruments

**Dynamic Sterilant Delivery System™**

![Graph showing chamber pressure vs molar fraction with theoretical and experimental values converging](image)

**Dual Sterilants**

- H₂O₂
- Small Quantity of O₃ (Ozone)

**Hydroxyl Radical Event**
Global Market Opportunity

United States
• ~ 10,000 Hospitals and Ambulatory Surgery Centers¹
• ~ 48 million annual procedures¹
• ~ 15 million colonoscopies performed annually²
• > 500,000 endoscopic retrograde cholangiopancreatographies performed annually³

Canada
• ~ 1,400 Hospitals⁴
• ~ 2.4 million annual procedures⁵

Europe
• ~ 15,000 Hospitals⁶
• ~ 54 million annual procedures⁵

Aging Population – Driving Growth in MIS

Driving Growth in MI Surgeries and Endoscopies
Growth in U.S. Population Age Groups 65+1

Minimally Invasive Surgery (MIS)
- Effective
- Faster Recovery
- More profitable

Over 65 Years Old
- 88% of ophthalmology surgeries
- 70% of cardiothoracic surgeries
- 65% of urology surgeries
- 60% of general surgeries2

1) U.S. Census Bureau 2) Annals of Surgery. 2003 August; 238(2): 170-177
Health Care Procedures

Millions of Surgical and Diagnostic Procedures Each Year

Surgical – OR Support
- $6b+ Sterilization Existing Market\(^1\)
- High Growth Low Temperature Component

Diagnostic – GI
- 50m+ Procedures/year\(^2\)
- No sterilization for most

1) Market and Market, June 2016  2) Becker’s GI & Endoscopy “35 Statistics About GI/Endoscopy”
Cost Effectiveness

Convenience/Simplicity

Throughput

OR Market: Sterile Devices
A Better Solution for OR Support

**Old Technology**

- 20+ year-old core technology
  - Single sterilant
  - Fixed delivery
- Small loads
- Segregated loads
- Expensive
- Time consuming
- Multiple cycle operator selection required

**TSO₃ Technology**

- Next generation industry technology
  - Dual Sterilant
  - Dynamic Delivery
- Simple Single Cycle Operation
- Large Loads
- Mixed Loads
- Lower Cost
- Lower Risk
- Higher throughput

Up to ~30,000 unit opportunity¹

¹ Company estimates
Larger, Mixed Loads

Competition

Sterrad® 100NX®

V-PRO® Max

STERIZONE® VP4 Sterilizer
Health Care Procedures

Millions of Surgical and Diagnostic Procedures Each Year

Surgical – OR Support
• $6b+ Sterilization Existing Market
• High Growth Low Temperature Component

Diagnostic – GI
• 50m+ Procedures/year
• No sterilization for most

1) Market and Market, June 2016  2) Becker’s GI & Endoscopy “35 Statistics About GI/Endoscopy”
A Shift to a New Standard of Care: Patient Safety

Diagnostic GI/Endoscopic Market Driver
Patient and Medical Facility Demand
- Patient Safety
- Litigation
- Cost Reduction

Technology Advancement
- STERIZONE® VP4 Sterilizer

Regulatory Change
- FDA Regulation Advancement
- Industry Dialogue and Guidelines

How Change Happens

Market Change
Modernizing GI Endoscope Reprocessing

Old

STERIZONE® VP4 Sterilizer

TSO₃
## Spaulding Classification

<table>
<thead>
<tr>
<th></th>
<th>Body Contact</th>
<th>Reprocessing Requirements</th>
<th>FDA Device Class: Today</th>
<th>FDA Device Class: Signaled</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Highest</strong></td>
<td>Sterile Body Cavity</td>
<td>Sterilization</td>
<td>Critical</td>
<td>Critical</td>
</tr>
<tr>
<td><strong>Margin of safety</strong></td>
<td>Mucous Membranes</td>
<td>High Level Disinfection</td>
<td>Semi-Critical</td>
<td>Critical?</td>
</tr>
<tr>
<td><strong>Lowest</strong></td>
<td>Intact Skin</td>
<td>Low Level Disinfection</td>
<td>Non-Critical</td>
<td>Non-Critical</td>
</tr>
</tbody>
</table>
# A New Problem: Endoscopes and Superbugs

**“Deaths from Drug-Resistant Infections Set to Skyrocket”**
Deaths from antimicrobial resistant infections and other causes in 2050\(^1\)

<table>
<thead>
<tr>
<th>Cause</th>
<th>Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antimicrobial Resistant Infections</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Cancer</td>
<td>8,200,000</td>
</tr>
<tr>
<td>Diabetes</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Diarrhoeal Disease</td>
<td>1,400,000</td>
</tr>
<tr>
<td>Road Traffic Accidents</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Measels</td>
<td>130,000</td>
</tr>
<tr>
<td>Cholera</td>
<td>120,000</td>
</tr>
<tr>
<td>Tetanus</td>
<td>60,000</td>
</tr>
</tbody>
</table>

Two million+ Americans suffer annually from antibiotic-resistant bacteria, aka “Superbugs,” with 23,000 deaths.\(^2\)

Carbapenem-resistant Enterobacteriaceae (CRE) are resistant to most antibiotics, and 50% of infected patients die.\(^3\)

CRE infections are linked to endoscopic devices, with seven incidents and two deaths at UCLA Medical Center.\(^4\)

Inadequately-cleaned endoscopes are number one on ECRI Institute Top 10 Health Technology Hazards List.\(^5\)

---

1) Statista - Review on Antimicrobial Resistance  
2) Centers for Disease Control (CDC)  
3) CDC Carbapenem-resistant Enterobacteriaceae in Healthcare Settings  
5) ECRI Institute
Duodenoscopes – the point on the spear

**Duodenoscope**

**Expanded Claims: FDA – Duodenoscopes**
- Already cleared in Canada and Europe
- Launched US regulatory filings for duodenoscopes

**Market Launch and Awareness**
- Duodenoscopes now being terminally sterilized in Western Canada
- Working with US and Canadian healthcare institutions toward ERCP sterilization
- Collaborating with strategic partner hospitals
- Working with US legislators on awareness campaign
Public Awareness

Nation World

“FDA links ‘superbug’ to key medical device.”

“LOS ANGELES — A ‘superbug’ outbreak suspected in the deaths of two Los Angeles hospital patients is raising disturbing questions about the design of a hard-to-clean medical instrument used on more than half a million people in the U.S. every year. At least seven people — two of whom died — have been infected with a potentially lethal, antibiotic-resistant strain of bacteria after undergoing endoscopic procedures at Ronald Reagan UCLA Medical Center. and more than 170 other patients may have been exposed...”

- February 20, 2015

Los Angeles Times

“Jury orders Olympus to pay $6.6 million but rejects claims its medical scopes are unsafe.”

“A jury ordered giant medical scope maker Olympus Corp. to pay a Seattle hospital $6.6 million in damages tied to a deadly superbug outbreak, and told the hospital to pay $1 million to a deceased patient’s family. But jurors on Monday also handed the Tokyo-based manufacturer a key win, rejecting claims that the company’s flagship medical scope was unsafe as designed.”

- July 25, 2017

HealthLeaders Media

“Infection fears prompt Fujifilm Medical Systems Duodenoscopes recall.”

- July 24, 2017

Kaiser Health News

“FDA Faults 12 Hospitals For Failing To Disclose Injuries, Deaths Linked To Medical Devices”

- October 28, 2016
“Despite reprocessing in accordance with US guidelines, viable microbes and biologic debris persisted in clinically used [GI] endoscopes, suggesting current reprocessing guidelines are not sufficient to ensure successful decontamination.

“Residual contamination was detected on multiple components after reprocessing colonoscopes and EGDs in accordance with guidelines...viable microbes were recovered from patient-ready endoscopes (i.e., 64% post-HLD, 9% post-storage).”

- American Journal of Infection Control (with Mayo Clinic), 2015

“...Despite adherence to strict guidelines...bacteria can at times remain on these scopes...microbial contamination was detected in 5% of more than 4,000 individual specimens collected after cleaning.”

- Providence Health & Services, Seattle Times, June 2016

“We have to transition to sterilization. That is the only way we’ll eliminate the outbreaks associated with scopes.”

- Dr. William Rutala, APIC Daily News June 2016

“Strong Evidence for Sterilization of Endoscopes Presented at Stakeholder Meeting”

- AAMI, September 2017
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>VA Officials Get Probed For Using Non-sterile Instruments on Patients</td>
</tr>
<tr>
<td>2013</td>
<td>Dirty Instruments Lead to Investigation of Seattle Hospital</td>
</tr>
<tr>
<td>2014</td>
<td>Dirty Endoscopes Raising Alarms for Colonoscopies</td>
</tr>
<tr>
<td>2014</td>
<td>A 21st Century Nosocomial Issue With Endoscopes</td>
</tr>
<tr>
<td>2015</td>
<td>Deadly Bacteria On Medical Scopes Trigger Infections</td>
</tr>
<tr>
<td>2015</td>
<td>Nightmare Bacteria And Dirty Scopes - Ignorance And Want in Medicine</td>
</tr>
<tr>
<td>2015</td>
<td>Bacteria Lingers On Medical Scopes Even with Heightened Cleaning</td>
</tr>
<tr>
<td>2015</td>
<td>Seattle Hospital Sues Olympus Over Superbug Outbreak</td>
</tr>
<tr>
<td>2015</td>
<td>FDA Advisory Committee Finds Duodenoscopes Unsafe - Urges For Sterilization</td>
</tr>
</tbody>
</table>
Cross-contamination Not Limited to Duodenoscopes

More Infections From Contaminated Scopes Suspected in L.A.

Dirty Endoscopes Top ECRI Institute's 2016 Technology Hazards List

An Epidemic Is On the Rise That May Kill More People Each Year Than AIDS

Hospitals Failing to Report Outbreaks Due to Contaminated Scopes

Endoscopes Still Contaminated After Cleaning, Study Shows

Potentially Deadly Infections From Endoscopes Undereported

Important Information For Infection Preventionists Regarding Media Attention on an Outbreak Involving Reusable Surgical Instruments

FDA Orders Endoscope Manufacturers To Perform Post-market Surveillance Studies In Facilities

Number of Scope-Related Infections Higher Than Previously Reported By FDA, Senate Committee Finds

Superbug Linked to 2 deaths at UCLA Hospital; 179 potentially Exposed
Why It Took Years For The FDA to Warn About Infections Tied to Medical Scopes

Superbug Infections Must Be Listed On Death Certificate Under Proposed Bill

Redesigned Olympus Scopes linked to Superbug Outbreak: 7 Things to Know

Carbapenem-Resistant Enterobacteriaceae in Patients From the US Veterans Health Administration

Olympus to Recall and Redesign Medical Scope Linked to Superbug Outbreaks

FDA-Infections Linked with Reprocessed Bronchoscopes

The Effectiveness of Sterilization For Flexible Ureteroscopes: A realworld study

'Catastrophic Threat': CDC Chief Fears a Deadly Superbug’s Spread

Properly Sterilizing Scopes Still a Challenge, Experts Say
Commercialization

- Getinge Group - Exclusive Global Distributor
  - Global sales and service; 3,000+ associates in 36 countries
  - Paid $7.5 million up-front license fee
  - Minimum annual purchase commitments
  - Launched STERIZONE® VP4 Sterilizer in US, Canada, Europe and other markets
- TSO₃ Strategic Partner Facility Program
  - Key industry leaders
  - Data collection, evaluation and sharing
- Growing list of reference customers

“The STERIZONE® VP4 Sterilizer uniquely addresses an unmet global need for cost effective, high throughput sterilization of complex medical devices used in hospital environments.”

“Our initial customer experience with the product line has been excellent.”

"The STERIZONE® VP4 Sterilizer raises the standards for infection control and patient safety.”

November 2015 & July 2016
Next Generation Technology
Extensive Patent Portfolio
Razor/Razorblade Business Model
FDA-cleared Device for Terminal Sterilization of Colonoscopes and other flexible endoscopes
Global Distribution Partner
Growing Sales
Financially Sound
**Key Stats (TSX: TOS) /// All Dollars in USD, Unless Noted Otherwise**

<table>
<thead>
<tr>
<th>Stock Price (9/7/17)</th>
<th>CAD$2.52</th>
</tr>
</thead>
<tbody>
<tr>
<td>52 Week High-Low</td>
<td>CAD$3.73-$2.05</td>
</tr>
<tr>
<td>Shares Outstanding (mrq) (no warrants)</td>
<td>92.7M</td>
</tr>
<tr>
<td>Average Daily Volume (90 day)</td>
<td>220,269</td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>CAD$233M</td>
</tr>
<tr>
<td>Institutional Holdings</td>
<td>~31%</td>
</tr>
<tr>
<td>Total Revenue (mrq)</td>
<td>$4.6M</td>
</tr>
<tr>
<td>Cash and ST Investments (mrq)</td>
<td>$16.7M</td>
</tr>
</tbody>
</table>

---

**Quarterly Revenue Growth**

US$ Millions

<table>
<thead>
<tr>
<th>Quarter</th>
<th>US$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2-15</td>
<td>$3.1</td>
</tr>
<tr>
<td>Q3-15</td>
<td>$3.0</td>
</tr>
<tr>
<td>Q4-15</td>
<td>$3.5</td>
</tr>
<tr>
<td>Q1-16</td>
<td>$3.7</td>
</tr>
<tr>
<td>Q2-16</td>
<td>$4.2</td>
</tr>
<tr>
<td>Q3-16</td>
<td>$4.6</td>
</tr>
</tbody>
</table>

Data sources: Yahoo! Finance, company estimates

(mrq) = most recent quarter at June 30, 2017

---

©BigCharts.com