To Create and Deliver the New Standard of Care in Sterile Reprocessing™
Important Cautions Regarding Forward Looking Statements and Other Disclosures

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All Dollars in USD, unless noted otherwise.

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US Pats. No. 9,101,679 / 9,474,815 / 9,480,763 / 9,480,765

US Pat. Applications No. 14/820,965; 15/247,450

Canada 2,767,726

EU Pat. EP 2,601,976; EP2,609,937; EP2,482,859; EP2,601,979

Japan Pat. 5,480,975; 5,785,208; 5,785,211; 5,855,045

Corresponding patents granted or pending in other countries

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To Create and Deliver the New Standard of Care in Sterile Reprocessing™
Company Milestones

1998
- Founded
- HQ: Québec City, Canada

2001
- IPO (TSX: TOS)

2009 - 2014
- Reworked products
- Introduced STERIZONE® 125L+ and VP4 Sterilizers
- Sterilizers sold and used in Canadian hospitals

2014 - 2015
- Initial FDA clearance
- Exclusive distribution agreement with Getinge - USD$7.5M in cash + performance minimums
- PO received for all of 2016
- Extended claims in Canada and Europe

2016
- Shipped 110 STERIZONE® VP4 Sterilizers
- Secured significant PO for 2017 shipments
- Record revenues & assembly capacity
- US$19.3M in cash\(^1\) at Dec. 31, 2016
- Extended FDA Claims to include colonoscopes and other long endoscopes
- Launched Strategic Partnership Program with major medical institutions

1) Cash reflects cash, cash equivalents and short and long term investments.
Purpose

A Sterile Device for Every Procedure
Multiple Large Target Markets

**Existing Low-Temp Sterilizer Market**

- Fastest growing sterilization segment (9%–10% CAGR\(^1\))
- Estimated equipment replacement value $4.5 billion\(^2\)
- ~30,000 units globally with ~3,000 replaced annually\(^2\)
- Millions of consumable cycles annually\(^2\)

**Now Possible: Endoscopy/GI Market**

- Expanded opportunity to terminally sterilize far more of the 55m annual procedures in US\(^4\)
- Displacement of high-level disinfection (HLD)
- Almost 50% are colonoscopies – none of which are terminally sterilized today\(^4\)

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**Global Sterilization Equipment Market\(^3\)**

- 2015: $4.3B
- 2016: $4.6B
- 2017: $4.9B
- 2018: $5.3B
- 2019: $5.7B
- 2020E: $6.1B

- 7.6% CAGR 2015-2020E

**Endoscopic Procedures in Europe & US\(^4,5\)**

- 2009: 55M (US)
- 2020E: 75M (US & Europe)

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Growing Demand for MIS & Endoscopy Procedures

Aging Population

Recovery Bed Time Reduction

Minimally Invasive Surgeries (MIS) & Endoscopies

Aging Population Expected to Drive Growth in MIS Surgeries and Endoscopies

>30 million MIS procedures annually in the U.S.

- Effective
- Faster Recovery Time
- Profitable

1) Markets and Markets, February 2015
2) U.S. Census Bureau
The Science – 47 Patents or Patents Pending

Concentration of 125-280 Solution™ (50 wt%)

Liquid

Convergence of theoretical and empirical values

Theoretical dew point pressure (condensation begins)

Chamber pressure (Torr)

Molar fraction

Measured H2O2 vapor concentration

Theoretical dew point curve

H2O2 + Small Quantity of O3 (Ozone)

Hydroxyl Radical Event
STERIZONE® VP4 Sterilizer

Advantages
- Single cycle – easy to use, error free cycle selection
- Mixed load sterilization
- Up to 75 lb in a single load

Proprietary Consumables
- 125-280 Solution™ (H₂O₂)
- STERIZONE® BI+ / Test Pack advanced process monitoring

Dynamic Sterilant Delivery System™
Proprietary Technology automatically adjusts the sterilant quantity based on load composition, weight and temperature.

Flexible Endoscope Clearance
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.

FDA-Cleared
- Dual Sterilant, Low Temperature Sterilization System –With Multi-Channeled Flexible Scope Claim
Chamber Load Capacities

Representative of a flexible endoscope load
## Improving Existing LT Sterilization Practice

<table>
<thead>
<tr>
<th>Old Technology</th>
<th>TSO₃ Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>20+ year-old core technology</td>
<td>✓ Next generation industry technology</td>
</tr>
<tr>
<td>• Single sterilant</td>
<td>✓ Dual Sterilant</td>
</tr>
<tr>
<td>• Fixed delivery</td>
<td>✓ Dynamic Delivery</td>
</tr>
<tr>
<td>• Operators must choose from several operating cycles</td>
<td>✓ Simple Single Cycle Operation</td>
</tr>
<tr>
<td>• Time consuming, complex procedures</td>
<td>✓ Captive Consumables</td>
</tr>
<tr>
<td>• Small, segregated loads</td>
<td>✓ Large Loads</td>
</tr>
<tr>
<td>• Expensive</td>
<td>✓ Mixed Loads</td>
</tr>
<tr>
<td></td>
<td>✓ Lower Cost</td>
</tr>
<tr>
<td></td>
<td>✓ Lower Risk</td>
</tr>
</tbody>
</table>
Greenfield opportunity for Terminal Sterilization – Displacing HLD

Potential to terminally sterilize far more of the 55m+ annual endoscopies

Almost 50% are colonoscopies – none of which are terminally sterilized today

Endoscopic Procedures in Europe & US

- 55M (US)
- 75M (US & Europe)

2009
2020E

1) Becker’s GI & Endoscopy “35 Statistics About GI/Endoscopy” 2) iData Research

* GI = Gastrointestinal, such as colonoscopes and gastrosopes.
### Modernizing GI Endoscope Reprocessing

<table>
<thead>
<tr>
<th>Old Technology</th>
<th>TSO₃ Technology</th>
</tr>
</thead>
</table>
| • Typically high level disinfection  
  • A fundamentally inferior level of certainty  
  • Many contaminated scopes  
  • Millions of colonoscopies, gastroscopies and other endoscopic procedures impacted annually | ✓ Sterilization *not* high level disinfection  
  ✓ Far higher degree of certainty  
  ✓ The only FDA-cleared technology validated to terminally sterilize colonoscopes, gastroscopes and other multi-channel flexible endoscopes with four or fewer channels and up to 3.5 meters in length. |
The Problem: Endoscopes & Superbugs

- **SUPERBUG** = Antimicrobial Resistant Bacteria
- **2 million+** Americans suffer from antibiotic-resistant bacteria annually – **23,000 die**<sup>1</sup>
- **CRE** is resistant to most available antibiotics - up to **50%** of infected patients die<sup>2</sup>
- **CRE infections growing and linked to endoscope use:** seven incidents and two deaths at UCLA Medical Center<sup>3</sup>
- **ECRI Institute’s 2016 Top 10 Health Technology Hazards List:** **No. 1 concern is inadequately-cleaned endoscopes**<sup>4</sup>

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1. Centers for Disease Control (CDC)
2. CDC Carbapenem-resistant Enterobacteriaceae in Healthcare Settings
4. ECRI Institute
A Call For Action

“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 (ie, 64% post-HLD, 9% poststorage).”

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

“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

“...despite adherence to strict guidelines, despite all that, bacteria can at times remain on these scopes... Microbial contamination was detected in 5 percent of more than 4,000 individual specimens collected after cleaning.”

Providence Health & Services, Seattle Times, June 2016
The Solution: FDA Clearance of Endoscope Claims

An Industry First:

July 2016: FDA cleared expanded indications for use of STERIZONE® VP4 Sterilizer to include:

- Colonoscopes
- Gastroscopes
- Other multi-channel (four or fewer channels) flexible endoscopes

Currently performing testing and documentation in relation to duodenoscopes for future submission to the FDA.

FDA has cleared the STERIZONE® VP4 Sterilizer for the sterilization of multi-channeled flexible endoscopes (with four or fewer channels) having internal lumens of ≥ 1.45 mm in inner diameter and ≤ 3,500 mm in overall length, and ≥ 1.2 mm in inner diameter and ≤ 1,955 mm in overall length, which are commonly found in video colonoscopes and gastroscopes.
Commercialization

- **Getinge Infection Control - Exclusive global distributor**
  - Global sales & service - over 3,000 associates in 36 countries
  - US$7.5M license fee paid to TSO3 in 2015
  - Minimum annual purchase commitments
  - Launched: VP4 Sterilizer in US, Canada, Europe and other markets
  - Reference customers – paying end customers helping other hospitals with the buying decision

- **Strategic Partner Facilities**
  - Key industry leaders
  - Data collection, evaluation and sharing

“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.”

Joacim Lindoff, president of surgical workflows for Getinge Group

November 2015, July 2016

GETINGE
2016 Financial Highlights – USD

- **2016 Highlights:**
  - Record Revenues of **$13.3M** (110 units shipped)
  - Gross margin\(^1\) of 33%, (36% in the 4\(^{th}\) Quarter) which indicates equipment margins and growing consumables
  - Cash of **$19.3M** at Dec. 31, 2016\(^2\)
  - No warrants, no debt

- **110 units shipped during calendar 2016**
- **PO received in 2016 for shipments in 2017**
- Additional capital available through automated receivables factoring program

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\(^1\) On a non-IFRS basis.

\(^2\) Cash reflects cash, cash equivalents and short and long term investments.
# Key Stats (TSX: TOS)

All Dollars in USD, unless noted otherwise.

<table>
<thead>
<tr>
<th>Stock Price (3/20/17)</th>
<th>CAD$2.78</th>
</tr>
</thead>
<tbody>
<tr>
<td>52 Week High-Low</td>
<td>CAD$3.82-$2.00</td>
</tr>
<tr>
<td>Avg. Daily Vol. (3 mo.)</td>
<td>0.18M</td>
</tr>
<tr>
<td>Shares Outstanding¹</td>
<td>92M</td>
</tr>
<tr>
<td>Warrants Outstanding¹</td>
<td>0</td>
</tr>
<tr>
<td>Float (est.)</td>
<td>~99%</td>
</tr>
<tr>
<td>Institutional Holdings</td>
<td>~40%</td>
</tr>
<tr>
<td>Insider Holdings</td>
<td>1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market Cap</th>
<th>CAD$256M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Value</td>
<td></td>
</tr>
<tr>
<td>Date Founded</td>
<td>1998</td>
</tr>
<tr>
<td>Employee Count</td>
<td>63</td>
</tr>
<tr>
<td>Fiscal Year End</td>
<td>December 31</td>
</tr>
<tr>
<td>Total Revenue (mrq)</td>
<td>$3.75M</td>
</tr>
<tr>
<td>Gross Profit (mrq)*</td>
<td>$1.3M</td>
</tr>
<tr>
<td>Net Loss (mrq)*</td>
<td>$(1.8)M</td>
</tr>
<tr>
<td>EPS (FY-2016)*</td>
<td>$(0.06)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash &amp; ST Investments (mrq)</th>
<th>$19.3M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets (mrq)</td>
<td>$27.6M</td>
</tr>
<tr>
<td>Total Debt (mrq)</td>
<td>$0.0M</td>
</tr>
<tr>
<td>Total Liabilities (mrq)</td>
<td>$9.9M</td>
</tr>
<tr>
<td>Total Equity (mrq)</td>
<td>$17.7M</td>
</tr>
</tbody>
</table>

Data sources: Yahoo! Finance, S&P Capital IQ, company estimates

(mrq) = most recent quarter at Dec. 31, 2016

¹ Issued and effective only as of Dec. 31, 2016

* non-IFRS
TSO₃ Key Takeaways

- **Razor/Razorblade recurring revenue** business model with proprietary captive consumables.
- **Industry changing technology that is selling now**
  - Dual sterilant
  - Dynamic Sterilant Delivery System™
- **Addressing large market opportunities**
  - Traditional low temperature sterilization
  - Flexible endoscope terminal sterilization
- **STERIZONE® VP4 Sterilizer:**
  - Faster, higher throughput, mixed loads and simple to operate
  - FDA-cleared device to terminally sterilize colonoscopes and gastroscopes – first and only in the industry
- **Exclusive global distribution agreement with Getinge Infection Control with performance minimums. Installations happening.**
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Appendix
FDA is considering an expansion of its sterilization requirements\textsuperscript{1,2}

<table>
<thead>
<tr>
<th>Margin of Safety</th>
<th>Body Contact</th>
<th>Reprocessing Requirements</th>
<th>FDA Device Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest</td>
<td>Sterile Body Cavity</td>
<td>Sterilization</td>
<td>Critical</td>
</tr>
<tr>
<td></td>
<td>Mucous Membranes</td>
<td>High Level Disinfection</td>
<td>Semi-Critical</td>
</tr>
<tr>
<td>Lowest</td>
<td>Intact Skin</td>
<td>Low Level Disinfection</td>
<td>Non-Critical</td>
</tr>
</tbody>
</table>

1) Bloomberg, Sept. 2015