



TSO₃ Provides an Operational Update

Québec City, Québec – January 5, 2017 – TSO₃ Inc. (TSX: TOS) ("TSO₃" or the "Company"), an innovator in sterilization technology for medical devices in healthcare settings, today provided an update on its 2016 operating activities ahead of an Analyst Day which the Company is holding today in Myrtle Beach, South Carolina.

During 2016, TSO₃ shipped a total of 110 STERIZONE[®] VP4 Sterilizers to Getinge Infection Control, its exclusive global distribution partner, with 30 of those units being shipped in the fourth quarter of 2016. The Company also supported Getinge in the installation of STERIZONE[®] VP4 Sterilizers into multiple medical facilities in Canada and the United States. In 2016, the Company expanded its commercialization and laboratory capacity in response to experienced and anticipated growth. The pipeline for STERIZONE[®] VP4 Sterilizers in the United States is strong and the Company shall participate in its full European commercial launch planned for the first quarter of 2017.

TSO₃ also signed with a number of leading healthcare institutions in 2016 under its recently announced Strategic Partnership Program – a program where healthcare institutions work with TSO₃ to study the impact of the Company's industry changing technology on traditional sterilization practices and the processes to enable the routine terminal sterilization of multi-channel flexible endoscopes.

The Company also made significant advances during the year toward further expanding its labeling claims to include multi-channeled flexible endoscopes containing guide wire mechanisms, such as duodenoscopes, and the Company continues to target a related filing with the US Food and Drug Administration (FDA) in the first quarter of 2017.

Finally, TSO₃ completed the construction of its new Compatibility Testing Service (CTS) laboratory in Myrtle Beach, SC. During the Analyst Day, the Company will present the laboratory's importance in claims support as well as providing Original Equipment Manufacturers with information to support the use of TSO₃'s technology with their instrumentation.

"We are pleased with the tangible progress we have made in 2016 and are looking forward to hosting our Analyst Day event", stated Ric Rumble, Chief Executive Officer of TSO₃, "We thank Getinge's global and North American management team, along with their low temperature sterilization specialist, for participating in our event. Contributions from these individuals, along with attending industry specialists, regulatory experts and direct customer feedback, will clearly articulate the buzz that our technology is creating in the industry, how it is sold and used in hospitals, and its potential impact on reprocessing of multi-channel flexible endoscopes."

About the STERIZONE[®] VP4 Sterilizer

The STERIZONE[®] VP4 Sterilizer is a low-temperature sterilization system that utilizes the dual-sterilants of vaporized hydrogen peroxide (H₂O₂) and ozone (O₃) to achieve terminal sterilization of heat and moisture sensitive medical devices. Its single pre-programmed cycle can sterilize a large number and wide range of compatible devices, creating a cost-effective sterilization process with error free cycle selection. The device's unique Dynamic Sterilant Delivery System™ automatically adjusts the quantity of injected sterilant based on the load composition, weight and temperature. This capability removes the guesswork and potential for human error, as there is no need to sort instruments and choose the appropriate cycles as with other machines.

The STERIZONE[®] VP4 Sterilizer is the only terminal sterilization method that is FDA cleared to sterilize multi-channeled flexible endoscopes (with a maximum of four channels) of up to 3.5 meters in length, such as video colonoscopes and gastroscopes - an industry first for any medical device sterilization process.

The STERIZONE[®] VP4 Sterilizer is also the only cleared low temperature sterilizer that can process a mixed load consisting of general instruments, single channel flexible endoscopes, and single or double channel rigid endoscopes in the same cycle with load weights of up to 75 lb. The ability to run mixed loads significantly reduces labor costs by minimizing the amount of instrument sorting required, while maximizing the device turns (more productivity from increased throughput capacity).

More information about the STERIZONE[®] VP4 Sterilizer is available through TSO₃'s website, under the Products section at <http://www.tso3.com/en/products/sterizone-vp4/>.

About TSO₃

Founded in 1998, TSO₃'s activities encompass the sale, production, maintenance, research, development and licensing of sterilization processes, related consumable supplies and accessories for heat-sensitive medical devices. The Company designs products for sterile processing areas in the hospital environment that offer an advantageous replacement solution to other low temperature sterilization processes currently used in hospitals. TSO₃ also offers services related to the maintenance of sterilization equipment and compatibility testing of medical devices with such processes.

For more information about TSO₃, visit the Company's web site at www.tso3.com.

The statements in this release and oral statements made by representatives of TSO₃ relating to matters that are not historical facts (including, without limitation, those regarding the timing or outcome of TSO₃'s sales, business or operations) are forward-looking statements that involve certain risks, uncertainties and hypotheses, including, but not limited to, the ability of the Company to obtain the required regulatory clearance to market its products on a worldwide basis; general business and economic conditions, the condition of the financial markets, the ability of TSO₃ to obtain financing on favourable terms and other risks and uncertainties.

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

For further information

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