

Press Release

Theralase Releases 2Q2015 Financials

Toronto, Ontario – August 28, 2015, Theralase Technologies Inc. (“Theralase” or the “Company”) (TLT:TSXV) (TLTF:OTC), a leading biotechnology manufacturer focused on commercializing medical technologies to eliminate pain and destroy cancer, released its second quarter 2015 financial results today. Revenue for the six-month period ended June 30, 2015 decreased by 21% from the same period in 2014.

In Canada, revenue increased 11% to \$562,890 from \$508,523, while US revenue decreased 54% from \$215,107 to \$99,343 and international revenue decreased 89% from \$136,807 to \$15,584. The moderate increase in Canadian revenue and the corresponding decrease in US and international revenue is attributable to the Company’s mandate of realigning its sales and marketing team for the anticipated launch of the next generation therapeutic laser system, starting in Canada, in 4Q2015. Once launched in Canada, the Company will focus on building out its sales and marketing team first in the US and then internationally, in 2016.

The cost of sales for the six-month period ended June 30, 2015 was \$243,394 resulting in a gross margin of \$434,423 (64% of revenue), compared to a cost of sales of \$245,828 in 2014, resulting in a gross margin of \$614,609 (71% of revenue).

Sales and marketing expenses for the six-month period ended June 30, 2015 were \$402,598 (59% of revenue), compared with \$301,716 (35% of revenue) in 2014. The increase represents investment on sales and marketing personnel, for launch of the next generation therapeutic laser system, which will augment sales in future financial quarters.

Administrative expenses for the six month period ended June 30, 2015 were \$982,841 (78% increase) from \$550,986 in 2014. Increases in administrative expenses for the six month period ended June 30, 2015 were attributable to the following:

- General and administrative expenses increased 83% due to increased spending on investor relations and research scientist activities
- Professional fees increased by 166% due to increased legal fees for additional trademark and intellectual property patents to protect the Company’s latest technological advances in both its therapeutic laser and anti-cancer divisions.
- Stock based compensation increased by 412% as a result of granting and vesting of stock options to certain employees, directors and officers of the Company in Q22015.

Research and development expenses totaled \$1,356,664 for the six month period ended June 30, 2015 compared to \$441,647 in 2014 (207% increase). Research and development expenses represented 50% of the Company’s operating expenses for the period and represent direct investment into commercialization efforts of the TLC-2000 therapeutic laser technology and research and development expenses of the TLC-3000 anti-cancer technology.

The net loss for the six month period ended June 30, 2015 was \$2,279,117 which included \$197,151 of net non-cash expenses (amortization, stock-based compensation expense, foreign exchange gain/loss and lease inducements). This compared to a net loss for the same period in 2014 of \$689,726, which

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included \$64,304 of net non-cash expenses. The Photo Dynamic Therapy (“PDT”) division represented \$1,481,001 of this loss (65%). The increase in net loss is due to increased investment in research and development, sales and marketing personnel and administrative personnel all related to the pending launch of the next generation therapeutic laser and the commencement of a Phase Ib clinical study for Non-Muscle Invasive Bladder Cancer (“NMIBC”) in 4Q2015.

Roger Dumoulin-White, President and CEO, Theralase stated that, “Theralase’s mandate has been to maintain product sales and market acceptance of the TLC-1000 laser technology in the Canadian market for the first three quarters of 2015, while awaiting Health Canada approval of its next generation therapeutic laser system. In 4Q2015, pending Health Canada approval, the Company will focus its energy and resources on successfully launching, increasing sales and growing market acceptance of the next generation TLC-2000 laser technology in Canada and then repeating this success in the United States and internationally, in 2016. In the anti-cancer division, the Company is in the final steps of completing the research and development of its patented and patent pending anti-cancer technology allowing enrollment of patients in a Phase Ib human clinical trial for the treatment of NMIBC in 4Q2015.”

Mr. Dumoulin-White concluded that, “The Company is confident that the successful execution of these strategic initiatives will dramatically increase shareholder value.”

About Theralase Technologies Inc.

Theralase Technologies Inc. (“Theralase®”) (TSXV: TLT) (TLTFF: OTC) in its Therapeutic Laser Technology Division designs, manufactures and markets patented super-pulsed laser technology indicated for the: elimination of pain, reduction of inflammation and dramatic acceleration of tissue healing for numerous nerve, muscle and joint conditions. Theralase’s Photo Dynamic Therapy Division researches and develops specially designed molecules called Photo Dynamic Compounds, which are able to localize to cancer cells and then when laser light activated, effectively destroy them.

Additional information is available at www.theralase.com and www.sedar.com.

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