

Theralase Increases Revenue 14% for 2Q2017 Financial Statements

Toronto, Ontario – August 29, 2017, Theralase Technologies Inc. (“Theralase®” or the “Company”) (TSXV: TLT) (OTCQX: TLTF), a leading biotech company focused on the commercialization of medical devices to eliminate pain and the development of Photo Dynamic Compounds (“PDCs”) to destroy cancer, announced today that for the six-month period ended June 30, 2017, total revenue increased to \$1,016,734 from \$893,138 for the same period in 2016, a 14% increase.

In Canada, revenue increased 55% to \$769,840 from \$497,378. In the US, revenue decreased 33% to \$211,453 from \$316,756 and international revenue decreased 55% to \$35,441 from \$79,004. The increase in Canadian revenue in 2017 and the corresponding decrease in US and international revenue is attributable to the Company systematically building its sales and marketing teams in the Canadian market, the learning curves associated with training and developing a new sales force in the US and the ramp-up strategy of successfully commercializing the TLC-2000 therapeutic laser system to a recurring revenue model.

Cost of sales for the six-month period ended June 30, 2017 was \$394,068 (39% of revenue) resulting in a gross margin of \$622,666 or 61% of revenue, compared to a cost of sales of \$302,879 (34% of revenue) in 2016, resulting in a gross margin of \$590,259 or 66% of revenue. Cost of sales is represented by the following costs: raw materials, subcontracting, direct and indirect labour and the applicable share of manufacturing overhead.

Cost of sales increased primarily due to the retention of external engineering teams in order to optimize the TLC-2000 therapeutic laser system software, firmware and hardware to support the Company mandate of successfully commercializing the TLC-2000 for a recurring revenue model in 2018.

Sales and marketing expenses for the six-month period ended June 30, 2017 were \$898,258 representing 88% of sales, compared with \$665,727 or 75% of sales in 2016.

The increase is primarily due to increased spending on sales and marketing personnel, which are intended to augment sales of the TLC-2000 in future financial quarters. Selling expenses are expected to continue to increase in the future as the Company expands sales and marketing operations in Canada, the US and international markets. On-going investment in: sales personnel, marketing events and advertising are required expenses to generate and increase revenues in subsequent financial quarters.

Administrative expenses for the six-month period ended June 30, 2017 were \$1,522,916 representing a 5% increase from \$1,452,732 in 2016.

Increases in administrative expenses are attributed to the following:

- Insurance expenses increased 28% due to increased product liability coverage
- Professional fees increased by 111%, as a result of increased patent related fees for the Photo Dynamic Therapy (“PDT”) division.
- Administrative salaries increased by 16%, as a result of hiring additional clinical and educational staff.

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Gross research and development expenses totaled \$1,433,968 for the six-month period ended June 30, 2017 compared to \$925,504 in 2016 (55% increase). The increase in research and development expenses is a direct result of the ongoing investment in a Phase Ib clinical trial for Non-Muscle Invasive Bladder Cancer ("NMIBC"). Research and development expenses represented 37% of the Company's operating expenses for the year and represent direct investment into the research and development expenses of the TLC-3000 anti-cancer technology.

The net loss for the six-month period ended June 30, 2017 was \$3,238,023 which included \$338,825 of net non-cash expenses (i.e.: amortization, stock-based compensation expense, foreign exchange gain/loss and lease inducements), with the PDT division represented \$1,512,622 of this loss (47%). This compared to a net loss for the same period in 2016 of \$2,456,417, which included \$422,726 of net non-cash expenses, where the PDT division represented 1,669,988 of this loss (68%).

The increase in net loss is primarily due to increased investment in research and development of the TLC-3200 Medical Laser and TLC-3400 Dosimetry Fibre Optic Cage related to the support of a Phase Ib NMIBC clinical study and engineering, sales, marketing and administrative personnel initiatives for the optimization and commercialization of the TLC-2000 therapeutic laser system.

The PDT division is focused on successfully completing a Phase Ib clinical trial for patients afflicted with NMIBC, utilizing its novel next generation light-activated, anti-cancer drug, TLD-1433.

The TLT division is focused on successfully commercializing the next generation TLC-2000 therapeutic medical laser system and its associated recurring revenue model in 2018.

About Theralase Technologies Inc.

Theralase Technologies Inc. ("Theralase®" or the "Company") (TSXV: TLT) (OTCQX: TLTF) in its Therapeutic Laser Technology ("TLT") Division designs, manufactures, markets and distributes patented super-pulsed laser technology indicated for the treatment of chronic knee pain and in off-label use the elimination of pain, reduction of inflammation and dramatic acceleration of tissue healing for numerous nerve, muscle, tendon, ligament, joint and wound conditions. Theralase's Photo Dynamic Therapy ("PDT") Division researches and develops specially designed molecules called Photo Dynamic Compounds ("PDCs"), 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.

This news release contains "forward-looking statements" which reflect the current expectations of management of the Corporation's future growth, results of operations, performance and business prospects and opportunities. Such statements include, but are not limited to, statements regarding the proposed use of proceeds. Wherever possible, words such as "may", "would", "could", "should", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate", "potential for" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements; including, without limitation, those listed in the filings made by the Corporation with the Canadian securities regulatory authorities (which may be viewed at www.sedar.com). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this news release. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in the news release are based upon what management currently believes to be reasonable assumptions, the Corporation cannot assure prospective investors that actual results, performance or achievements will be consistent with these

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forward-looking statements. The Corporation disclaims any intention or obligation to revise forward-looking statements whether as a result of new information, future developments or otherwise except as required by law. All forward-looking statements are expressly qualified in their entirety by this cautionary statement.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchanges) accepts responsibility for the adequacy or accuracy of this release.

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