News Release

Theratechnologies Announces Financial Results for Fiscal Year 2014

Montreal, Canada – February 26, 2015 – Theratechnologies Inc. (Theratechnologies) (TSX: TH) today announced its financial results for the year ended November 30, 2014.

Fiscal year 2014 financial highlights

- Sales resumed in the fourth quarter, reaching $2,657,000 (revenue of $6,732,000 for the full year)
- Manufacturing of *EGRIFTA*™ (tesamorelin for injection) is proceeding normally and the Company is building inventory
- Selling and marketing expenses were $6,963,000 including the amortization of the intangible assets, organization building and marketing initiatives in the United States
- Net loss for the year of $10,541,000

"This past year has been both very rewarding and very challenging for our Company. We were finally in a position to reintroduce *EGRIFTA*™ in the United States in the fourth quarter. This had an immediate impact on sales and our goal is to keep building on this renewed momentum to generate significant growth in this territory. Looking ahead, the primary focus of our 2015 business plan is the successful commercialization of *EGRIFTA*™ in the United States and to thereby build a profitable base of operation for the Company" said Luc Tanguay, President and CEO, Theratechnologies Inc.

Fiscal Year 2014 Financial Results

The financial results presented in this press release are taken from the Company's Management's Discussion and Analysis, or MD&A, and audited consolidated financial statements for the twelve-month period ended November 30, 2014, which have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. The MD&A and the audited consolidated financial statements can be found at www.sedar.com and www.theratech.com. Unless specified otherwise, all amounts in this press release are in Canadian dollars and all capitalized terms have the meaning ascribed thereto in our MD&A. As used herein, *EGRIFTA*™ refers to tesamorelin for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy. *EGRIFTA*™ is our trademark.

For the 12-month period ended November 30, 2014

Consolidated revenue for the twelve months ended November 30, 2014 was $6,732,000 compared to $7,553,000 Fiscal 2013. Prior to the closing of the EMD Serono Termination Agreement on May 1, 2014, our revenues were mainly composed of net sales of *EGRIFTA*™ to EMD Serono for re-sale, royalties received from EMD Serono on U.S. sales to customers, and research services, which included milestone

payments and the amortization of the initial payment received from EMD Serono. From May 1, 2014, our revenues are essentially net sales of *EGRIFTA*™ to our exclusive distributor, RxCrossroads, which were nil from May 1 to August 31, 2014 due to the supply shortage we experienced.

Revenue generated from net sales in Fiscal 2014 included $2,657,000 of sales to RxCrossroads (all of which occurred in the fourth quarter of the fiscal year) and $675,000 of sales to EMD Serono. In Fiscal 2013, net sales amounted to $2,544,000, which were solely sales to EMD Serono.

Amortization of an upfront payment in Fiscal 2014 was $2,770,000 compared to $1,710,000 Fiscal 2013. With the closing of the EMD Serono Termination Agreement on May 1, 2014, all of the unamortized balance of the initial payment was recognized as revenue in the second quarter of 2014.

Royalties in Fiscal 2014 were $630,000 compared to $3,299,000 in Fiscal 2013. Prior to May 1, 2014, royalties from EMD Serono were adversely affected by the previously described *EGRIFTA*™ supply shortage and, with the closing of the EMD Serono Termination Agreement on that date, Rx Crossroads is now our exclusive distributor of *EGRIFTA*™ in the United States and we no longer receive royalties from EMD Serono.

For the twelve months ended November 30, 2014, the **cost of sales** was $2,455,000 compared to $3,711,000 in Fiscal 2013. The cost of sales is made up of cost of goods sold and unallocated production costs. The cost of goods sold component in 2014 amounted to $991,000 compared to $2,262,000 in the prior year, reflecting lower volumes. Unallocated production costs were $1,464,000 in Fiscal 2014 compared to $1,449,000 in the prior year. In Fiscal 2014, unallocated production costs were essentially due to inventory write-downs of $1,071,000, unabsorbed fixed costs and costs associated with changing over from the 2mg/vial to the 1mg/vial presentation of *EGRIFTA*™. In Fiscal 2013, the unallocated manufacturing costs were principally inventory write downs and other costs associated with the manufacturing problems experienced by our third-party manufacturer.

R&D expenses, net of tax credits, amounted to $5,617,000 in the twelve months ended November 30, 2014 compared to $7,371,000 in Fiscal 2013. R&D expenses are principally expenses for the two Phase 4 clinical trials currently being conducted. The first trial is the Observational Study and the second study is the Retinopathy Study. With the closing of the EMD Serono Termination Agreement on May 1, 2014, we assumed responsibility for all of the costs associated with these two studies. Prior to May 1, 2014, we were responsible for 50% of the cost of the Observational Study and all of the direct costs of the Retinopathy Study.

Our costs associated with the Retinopathy Study amounted to $2,686,000 in Fiscal 2014 compared to $3,005,000 in the prior year; while the costs associated with the Observational Study were $1,018,000 in Fiscal 2014 compared to $654,000 in the prior year.

R&D expenses in 2013 also included approximately $1,500,000 of costs related to our efforts to improve the lyophilization cycle used in the manufacture of *EGRIFTA*™. In both Fiscal 2014 and Fiscal 2013, the remaining R&D expenses were essentially staffing, regulatory expenses and patent fees.

Selling and market development expenses amounted to $6,963,000 for the twelve months ended November 30, 2014, compared to $250,000 in Fiscal 2013. The significant increase in expenses in Fiscal 2014 is due to our regaining the commercialization rights for *EGRIFTA*™ in the United States market and the resulting changes to our business model. In addition, selling and market development expenses now include the amortization of the intangible asset value established for the *EGRIFTA*™ commercialization rights. This amortization expense, representing seven months, amounted to $1,009,000 in Fiscal 2014. Initial organization building and marketing initiatives in 2014 amounted to $1,823,000 while ongoing commercialization expenses were $4,131,000.

General and administrative expenses amounted to $4,566,000 in the twelve months ended November 30, 2014 compared to $3,815,000 in Fiscal 2013. The increase in expenses in Fiscal 2014 is largely temporary in nature and is principally due to professional fees.

There were no **restructuring costs** in Fiscal 2014. In Fiscal 2013, we reversed previously accrued restructuring costs resulting in a gain of $3,111,000. This was largely as a result of the lease amendment agreement entered into in April 2013, which eliminated the remaining $3,133,000 of an onerous lease provision.

In the second quarter of Fiscal 2014, the Company settled a dispute with the Canada Revenue Agency in respect of an investment tax credit refund claim related to its 1994 and 1995 taxation years, resulting in a refund of $4,110,000 ($1,650,000 of investment tax credit refund and $2,520,000 in interest less associated fees).This refund was received on July 3, 2014.

Taking into account the revenue and expense variations described above, we recorded a **net loss** of $10,541,000 or $0.17 per share in the twelve months ended November 30, 2014 compared to a net loss of $4,055,000 or $0.07 per share in Fiscal 2013.

As at November 30, 2014, cash and bonds amounted to $3,178,000. For the twelve months ended November 30, 2014, the use of cash in operating activities was $8,039,000 compared to $7,744,000 in Fiscal 2013. The impact of the higher net loss on the use of cash in Fiscal 2014 was largely offset by changes in operating assets and liabilities. Trade and other receivables at November 30, 2014 were $1,870,000 higher than they were at the end of Fiscal 2013; while accounts payable and accrued liabilities in 2014 were $3,842,000 higher than they were in 2013. These working capital fluctuations occurred in the ordinary course of business and reflect the changes in the Company's business model following the closing of the EMD Serono Termination agreement on May 1, 2014.

Fourth Quarter 2014 Financial Results

Consolidated revenue for the three months ended November 30, 2014 amounted to $2,663,000 compared to $1,246,000 for the comparable period of 2013.

Revenue generated from net sales for the three months ended November 30, 2014 was $2,657,000 compared to $311,000 in the comparable period in Fiscal 2013. With

the closing of the EMD Serono Termination Agreement on May 1, 2014, the U.S. commercialization rights for *EGRIFTA*™ reverted to us and the $2,657,000 of net sales in the fourth quarter of Fiscal 2014 represented sales to RxCrossroads, our exclusive distributor in the United States. The $311,000 recorded as sale of goods in the fourth quarter of Fiscal 2013 represented sales to EMD Serono for re-sale.

Revenue related to the amortization of the initial payment received upon the closing of the EMD Serono Agreement was nil for the three-month period ended November 30, 2014, compared to $320,000 in the comparable period of Fiscal 2013. With the closing of the EMD Serono Termination Agreement on May 1, 2014, all of the unamortized balance of the initial payment was recognized as revenue in the second quarter of 2014.

Royalties were $6,000 in the three months ended November 30, 2014, compared to $615,000 in the comparable period of Fiscal 2013, which came largely from EMD Serono. With the closing of the EMD Serono Termination Agreement on May 1, 2014, EMD Serono is no longer selling *EGRIFTA*™ and is therefore no longer obligated to pay royalties to the Company.

The **cost of sales** for the three months ended November 30, 2014 was $604,000 compared to $1,155,000 in the comparable period of Fiscal 2013. The cost of sales is made up of cost of goods sold and unallocated production costs. The cost of goods sold component for the three months ended November 30, 2014 was $391,000 compared to $322,000 in the comparable period of Fiscal 2013. Unallocated production costs were $213,000 in the three months ended November 30, 2014 compared to $833,000 in the comparable period of 2013. The higher unallocated production costs in 2013 were mainly due to inventory write downs and other costs associated with the manufacturing problems experienced at that time.

R&D expenses, net of tax credits, amounted to $1,164,000 in the three months ended November 30, 2014 compared to $1,547,000 in the comparable period of Fiscal 2013. R&D expenses are principally expenses for the two Phase 4 clinical trials currently being conducted. The first trial is the Observational Study and the second study is the Retinopathy Study. With the closing of the EMD Serono Termination Agreement on May 1, 2014, we assumed responsibility for all of the costs associated with these two studies. Prior to May 1, 2014, we were responsible for 50% of the cost of the Observational Study and all of the direct costs of the Retinopathy Study.

Our costs associated with the Retinopathy Study amounted to $480,000 in the three months ended November 30, 2014 compared to $893,000 in the comparable period of Fiscal 2013; while the costs associated with the Observational Study were $310,000 in the three months ended November 30, 2014 compared to $133,000 in the comparable period of Fiscal 2013.

Selling and market development expenses amounted to $1,716,000 for the three months ended November 30, 2014, compared to $60,000 for the comparable period of Fiscal 2013. The significant increase in expenses in 2014 is due to our regaining the commercialization rights for *EGRIFTA*™ in the United States market and the resulting changes to our business model. In addition, selling and market development expenses now include the amortization of the intangible asset value established for the

EGRIFTA™ commercialization rights. This amortization expense amounted to $433,000 in the three months ended November 30, 2014.

General and administrative expenses amounted to $1,312,000 in the three months ended November 30, 2014 compared to $1,201,000 in the comparable period of Fiscal 2013. The increase in expenses in 2014 is largely temporary in nature and is principally due to professional fees.

Taking into account the revenue and expense variations described above, we recorded a net loss of $3,620,000 or $0.06 per share in the three months ended November 30, 2014 compared to a **net loss** of $2,598,000 or $0.04 per share in the comparable period of Fiscal 2013.

In the three months ended November 30, 2014, the use of cash in operating activities amounted to $2,416,000 compared to $1,404,000 in the comparable period of Fiscal 2013.

Conference Call Details

A conference call will be held today at 8:30 a.m. (ET) to discuss the results. The call will be hosted by Luc Tanguay, President and Chief Executive Officer. The conference call will be open to questions from financial analysts. Media and other interested individuals are invited to participate in the call on a "listen-only" basis.

The conference call can be accessed by dialling 1-877-223-4471 (North America) or 1-647-788-4922 (International). The conference call will also be accessible via webcast at http://www.gowebcasting.com/6150. Audio replay of the conference call will be available two hours after the call's completion until March 9, 2015, by dialling 1-800-585-8367 (North America) or 1-416-621-4642 (International) and by entering the playback code 66916269.

About Theratechnologies

Theratechnologies (TSX: TH) is a specialty pharmaceutical company addressing unmet medical needs in metabolic disorders to promote healthy ageing and an improved quality of life. Further information about Theratechnologies is available on the Company's website at www.theratech.com and on SEDAR at www.sedar.com

Forward-Looking Information

This press release contains forward-looking statements and forward-looking information, or, collectively, forward-looking statements, within the meaning of applicable securities laws, that are based on our management's belief and assumptions and on information currently available to our management. You can identify forward-looking statements by terms such as "may", "will", "should", "could", "would", "outlook", "believe", "plan", "envisage", "anticipate", "expect" and "estimate", or the negatives of these terms, or variations of them. The forward-looking statements contained in this press release include, but are not limited to, statements regarding the growth of the Company through the commercialization of *EGRIFTA*™ in the United States, our capacity to successfully commercialize *EGRIFTA*™ in the United States and to become profitable.

Forward-looking statements are based upon a number of assumptions and are subject to a number of risks and uncertainties, many of which are beyond Theratechnologies' control that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These assumptions include but are not limited to, the following: we will have a continuous supply of *EGRIFTA*™, our commercialization efforts in the United States will result in an increase in the patient base for *EGRIFTA*™, the long-term use of *EGRIFTA*™ will not change its known safety profile and no recall or market withdrawal of *EGRIFTA*™ will occur.

These risks and uncertainties include, but are not limited to, the risk that our commercial strategy in the United States is not successful thereby resulting in flat sales or decreases in sales of *EGRIFTA*™, the risk that we are found to be in violation of the Federal Food, Drug and Cosmetics Act, as amended, of the United States regarding off-label, or unapproved, use of *EGRIFTA*™, the risk that our relationships with our third-party service providers deteriorates, the risk that a pharmaceutical company attempts to file an abbreviated new drug application for a generic version of *EGRIFTA*™ with the FDA and the risk that we need to incur unplanned material expenses.

We refer potential investors to the "Risk Factors" section of our Annual Information Form dated February 25, 2015 available on SEDAR at www.sedar.com. The reader is cautioned to consider these and other risks and uncertainties carefully and not to put undue reliance on forward-looking statements. Forward-looking statements reflect current expectations regarding future events and speak only as of the date of this press release and represent our expectations as of that date.

We undertake no obligation to update or revise the information contained in this press release, whether as a result of new information, future events or circumstances or otherwise, except as may be required by applicable law.

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