News Release

Theratechnologies Announces Financial Results for Fiscal Year 2016

Montreal, Canada – February 8, 2017 – Theratechnologies Inc. (Theratechnologies) (TSX: TH) today announced its financial results for the year ended November 30, 2016.

Fiscal year 2016 financial highlights

- Consolidated revenue up 24% to $37.1 million
- Adjusted EBITDA increased to $6.6 million[1]
- Profit from operating activities of $3.9 million
- Net proceeds of $15 million from early December 2016 public offering

"Our last fiscal year proved to be both rewarding and exciting. We ended the year with our best results ever generated from the sales of our product. In fact, *EGRIFTA*® has become a foundation, which we have been able to build on. It made it possible to acquire the commercial rights of ibalizumab which holds tremendous potential and could, if approved by the FDA, bring significant additional revenues to our company," said Luc Tanguay, President and CEO, Theratechnologies Inc.

"The ibalizumab transaction could mark a turning point for the future of our company," concluded Mr. Tanguay.

Guidance

Looking at the *EGRIFTA*® operation on a stand-alone basis for the twelve months ending November 30, 2017, we currently anticipate that net sales revenue will be in the range of $40,000,000 to $42,000,000. We have used a USD/CAD exchange rate of 1.32 to establish this estimate. We are now finalizing our plans for the launch of ibalizumab in the United States, which we believe will occur in 2017, if approved. On March 1, 2017, we will make public our plans along with additional guidance reflecting the impact of these plans on sales and Adjusted EBITDA.

Fiscal Year 2016 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, 2016, 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.

[1] See "Non-IFRS Financial Measures" below

Consolidated revenue for the twelve months ended November 30, 2016 was $37,072,000, compared to $30,055,000 in Fiscal 2015.

Revenue generated from net sales increased by 24% in 2016, due to higher unit volumes, positive exchange rate fluctuations and higher prices.

An upfront payment of $200,000 was received in 2015 in connection with the AOP commercial partnership.

For the twelve months ended November 30, 2016, the **cost of sales** was $6,658,000 compared to $4,024,000 in Fiscal 2015. Cost of sales in Fiscal 2016 includes $2,430,000 of royalties which became payable on sales starting January 1, 2016 under the terms of the EMD Serono Termination Agreement.

In Fiscal 2016, there was a recovery of unallocated production costs in the amount of $86,000 whereas in Fiscal 2015 the cost of sales included $338,000 of unallocated production costs, of which $229,000 was inventory write-downs.

R&D expenses, net of tax credits, amounted to $6,955,000 in the twelve months ended November 30, 2016 compared to $4,905,000 in Fiscal 2015. Most of the year-over-year increase is the result of increased spending on medical affairs in support of our goal of increasing the *EGRIFTA*® patient base. Medical affairs is largely medical education programs involving opinion-leading physicians and nurses who work with the HIV-infected population to build scientific awareness about *EGRIFTA*® and its therapeutic benefits. R&D expenses also include costs associated with our two Phase 4 clinical trials, which amounted to $2,341,000 in the twelve months ended November 30, 2016 compared to $2,771,000 in Fiscal 2015. Other components of R&D expenses are regulatory affairs, quality assurance and the F4 formulation project.

Selling and market development expenses amounted to $14,658,000 for the twelve months ended November 30, 2016, compared to $12,926,000 in Fiscal 2015. Selling and Market Development Expenses now include the costs associated with maintaining our sales team as well as the various elements of our marketing program such as the marketing group itself, our call center, reimbursement services, and promotional campaigns aimed at increasing awareness of *EGRIFTA*® and its therapeutic benefits within the HIV community. In Fiscal 2016, we also began incurring costs related to the anticipated launch of ibalizumab in 2017.

Selling and market development expenses include the amortization of the intangible asset value established for the *EGRIFTA*® commercialization rights. This amortization expense amounted to $2,007,000 in Fiscal 2016 compared to $1,905,000 in Fiscal 2015.

General and administrative expenses amounted to $4,863,000 in the twelve months ended November 30, 2016, compared to $4,055,000 in Fiscal 2015. The increase in Fiscal 2016 expenses is principally due to share-based compensation (a non-cash expense), and the hiring of a chief financial officer.

The **Adjusted EBITDA** was $6,573,000 in the twelve months ended November 30, 2016 compared to $6,439,000 in Fiscal 2015. The modest increase in Adjusted EBITDA in Fiscal 2016 occurred despite the earnings impact of *EGRIFTA*® royalty expense of $2,430,000 and ibalizumab pre-launch expenses of more than $1,000,000, which were not present in Fiscal 2015. See "Non-IFRS Financial Measures" below.

Taking into account the revenue and expense variations described above, we recorded a **net profit** of $410,000 or $0.01 per share ($0.01 per share on a diluted basis) in the twelve months ended November 30, 2016 compared to $1,571,000 or $0.03 per share ($0.02 per share on a diluted basis) in Fiscal 2015.

For the twelve months ended November 30, 2016, cash flow from operating activities was $2,691,000 compared to $7,086,000 in Fiscal 2015. The reduced cash flow was largely due to changes in operating assets and liabilities. The principal components were a decrease in accounts payable and accrued liabilities of $2,158,000 and an increase in trade and other receivables of $2,101,000. The Company made payments totaling $5,196,000 to EMD Serono during Fiscal 2016 2016 (Fiscal 2015 - $5,398,000), in partial settlement of its long-term obligation.

On August 6, 2015, the Company closed a public offering of 4,600,000 units for gross proceeds of $11,040,000. Each unit consisted of one common share and one-half of a common share purchase warrant of the Company, with each whole warrant, or Warrant, exercisable for a period of 24 months from the date of the closing of the offering at an exercise price of $3.00 per share. Under IFRS, the prescribed treatment for Warrants issued with an exercise price denominated in a foreign currency, in this case CAD, is to classify these Warrants as a liability measured at fair value. Share issue costs paid during 2015totaled $1,126,000, resulting in net proceeds of $9,914,000.

Fourth Quarter 2016 Financial Results

Consolidated revenue for the three months ended November 30, 2016 amounted to $10,377,000 compared to $9,011,000 for the comparable period of 2015.

Revenue generated from net sales for the three months ended November 30, 2016 was $10,376,000 compared to $9,007,000 in the comparable period of Fiscal 2015, an increase of 15%, due to higher unit volumes and prices.

The **cost of sales** for the three months ended November 30, 2016 was $1,978,000 compared to $1,161,000 in the comparable period of Fiscal 2015. Cost of sales in the fourth quarter of Fiscal 2016 included $757,000 of royalty expense, which became payable on sales starting January 1, 2016 under the terms of the EMD Serono Termination Agreement.

R&D expenses, net of tax credits, amounted to $1,158,000 in the three months ended November 30, 2016 compared to $926,000 in the comparable period of Fiscal 2015. Our costs associated with the two Phase 4 clinical trials (the Observational Study and the Retinopathy Study) amounted to $310,000 in the three months ended November 30, 2016, compared to $265,000 in the comparable period of Fiscal 2015. Increased activity in medical affairs, regulatory affairs and quality assurance made up essentially

all of the remaining difference in R&D expenses between the fourth quarters of Fiscal 2016 and Fiscal 2015.

Selling and market development expenses amounted to $3,762,000 for the three months ended November 30, 2016, compared to $4,348,000 for the comparable period of Fiscal 2015. The higher expenses in 2015 were largely due to a planned increase in selling and market development activities which began in the fourth quarter of 2015 and carried over into the first part of Fiscal 2016. Selling and market development expenses also include the amortization of the intangible asset value established for the *EGRIFTA*® commercialization rights. This amortization expense amounted to $501,000 in the three months ended November 30, 2016 compared to $499,000 in the comparable period of Fiscal 2015.

General and administrative expenses amounted to $1,385,000 in the three months ended November 30, 2016 compared to $1,157,000 in the comparable period of Fiscal 2015.

The profit from operating activities for the three months ended November 30, 2016 was $1,455,000 compared to $1,419,000 in the comparable period of Fiscal 2015.

The **Adjusted EBITDA** was $2,812,000 in the three months ended November 30, 2016 compared to $2,185,000 in the comparable period of Fiscal 2015. The fourth quarter increase in Adjusted EBITDA in Fiscal 2016 occurred despite the earnings impact of *EGRIFTA*® royalty expense and ibalizumab pre-launch expenses, which were not present in Fiscal 2015. See "Non-IFRS Financial Measures" below.

Taking into account the revenue and expense variations described above, we recorded a **net profit** of $173,000 or $0.00 per share in the three months ended November 30, 2016 compared to $488,000, or $0.01 per share, in the comparable period of Fiscal 2015.

In the three months ended November 30, 2016, operating activities generated $2,688,000 of cash, compared to $3,233,000 in the comparable period of Fiscal 2015. Non-cash expenses were higher in Fiscal 2016, principally due to the increase in finance costs described above. Changes in operating assets and liabilities contributed $446,000 to cash flow in Fiscal 2016 compared to $1,647,000 in the prior year period, reflecting significant variations in the contributions of: Trade and other receivables; Inventories; Accounts payable and accrued liabilities and Provisions. All of these variations occurred in the normal course of our business.

Subsequent events

On December 5, 2016, the Company completed a public offering for the sale and issuance of 5,323,000 common shares for a gross cash consideration of $16,501,000. Share issue costs are estimated at $1,490,000 resulting in net proceeds of $15,011,000. The Company granted the underwriters an over-allotment option for the sale and issue of 798,450 additional common shares at an issue price of $3.10 per share, exercisable for a period of 30 days from the date of closing. The overallotment option was not exercised. The company also issued broker options for the sale and issue of 212,920 common shares at an issue price of $3.10 per share, exercisable for a period of 18 months from the date of closing.

In January 2017, the remaining 124,000 broker warrants, issued in Fiscal 2015, were exercised and 124,000 common shares and 62,000 common share purchase warrants were issued for a cash consideration of $297,600.

Non-IFRS Financial Measures

Adjusted EBITDA is a non-IFRS financial measure. A reconciliation of the Adjusted EBITDA is presented in the table below. We use adjusted financial measures to assess our operating performance. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. We use Adjusted EBITDA to measure operating performance from one period to the next without the variation caused by certain adjustments that could potentially distort the analysis of trends in our business, and because we believe it provides meaningful information on our financial condition and operating results.

We obtain our Adjusted EBITDA measurement by adding to net profit or loss, finance income and costs, depreciation and amortization, income taxes, as well as federal investment CRA credits recorded in 2014. We also exclude the effects of certain non-monetary transactions recorded, such as share-based compensation for stock option plan and write down of inventories, for our Adjusted EBITDA calculation. We believe it is useful to exclude these items as they are either non-cash expenses, items that cannot be influenced by management in the short term, or items that do not impact core operating performance. Excluding these items does not imply they are necessarily nonrecurring. Share-based compensation costs are a component of employee remuneration and can vary significantly with changes in the market price of the company's shares. In addition, other items that do not impact core operating performance of the company may vary significantly from one period to another. As such, Adjusted EBITDA provides improved continuity with respect to the comparison of our operating results over a period of time. Our method for calculating Adjusted EBITDA may differ from that used by other companies.

Adjusted EBITDA
(in thousands of Canadian dollars)

	Three-month periods ended November 30,		Year ended November 30,		
	2016	2015	**2016**	2015	2014
	$	$	**$**	$	$
Net profit (loss)	**173**	488	**410**	1,571	(10,541)
Add (deduct):					
Depreciation and amortization	**587**	502	**2,108**	1,917	1,142
Finance costs	**1,306**	399	**2,993**	2,294	2,080
Finance income	**(24)**	(27)	**(104)**	(289)	(329)
Share-based compensation for stock option plan	**131**	46	**563**	148	81
Federal investment tax credits	**0**	0	**0**	0	(4,110)
Income tax expenses	**639**	559	**639**	569	31
Writedown of inventories	**0**	218	**(36)**	229	1,071
Adjusted EBITDA	**2,812**	2,185	**6,573**	6,439	(10,575)

Conference Call Details

A conference call will be held today at 8:30 a.m. (ET) to discuss the results. 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/8292. Audio replay of the conference call will be available two hours after the call's completion until February 22, 2017, by dialling 1-800-585-8367 (North America) or 1-416-621-4642 (International) and by entering the playback code 49662824.

About Theratechnologies

Theratechnologies (TSX: TH) is a specialty pharmaceutical company addressing unmet medical needs to promote healthy living and an improved quality of life among HIV patients. 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 beliefs 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 our anticipated revenue for *EGRIFTA*® for the 2017 fiscal year, the approval of ibalizumab and the growth of our revenue if ibalizumab is approved and commercialized.

Forward-looking statements are based upon a number of assumptions and include, but are not limited to, the following: sales of *EGRIFTA*® will continue to grow and we will meet our guidance on anticipated revenue of *EGRIFTA*® for the 2017 fiscal year, the USD/CAD exchange rate will not vary during the 2017 fiscal year, the FDA will not issue any order or decision having the effect of negatively affecting the commercialization of *EGRIFTA*® in the United States, ibalizumab will be approved by the FDA in the United States and we will start the commercialization of ibalizumab by the end of 2017 and ibalizumab will be accepted by both patients and physicians, if approved.

Forward-looking statements are subject to a variety of risks and uncertainties, many of which are beyond our control that could cause our actual results to differ materially from those that are disclosed in or implied by the forward-looking statements contained in this press release. Some of those risks include a decrease in sales of *EGRIFTA*® during the 2017 fiscal year, a recall of *EGRIFTA*®, the issuance of an order or decision by the FDA negatively affecting the commercialization of *EGRIFTA*®, the non-filing of a biologic license application with the FDA seeking approval of ibalizumab, the non-approval of ibalizumab by the FDA and, even if approved, our incapacity to launch and commercialize ibalizumab by the end of 2017.

We refer potential investors to the "Risks and Uncertainties" section of our Annual Information Form dated February 7, 2017 for additional risks and uncertainties regarding our business. 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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