

## **THERATECHNOLOGIES ACQUIRES TARGETED ONCOLOGY COMPANY KATANA BIOPHARMA INC.**

**Montreal, Canada – February 25, 2019** – Theratechnologies Inc. (Theratechnologies) (TSX: TH) is pleased to announce the acquisition of Katana Biopharma Inc. (Katana) and its targeted oncology technology platform.

Founded in 2016 by a group of renowned scientists led by Dr. Richard Béliveau, Katana developed a proprietary technology platform using peptides as a vehicle to specifically deliver existing cytotoxic agents to sortilin receptors, which are overexpressed on cancer cells.

“Being involved in research and development and building a pipeline are essential to any specialty pharmaceutical company. The acquisition of Katana is part of our long-term growth strategy” said Luc Tanguay, President and Chief Executive Officer, Theratechnologies Inc.

“The fact that this is a platform we can develop and market ourselves is also a key feature of this transaction. This morning’s announcement is completely in line with our vision of where we want to take Theratechnologies,” added Mr. Tanguay.

### **Katana targeted oncology technology platform**

In many cancer types, a cellular mechanism known as endocytosis is more prevalent than in healthy cells. During endocytosis, the cellular membrane folds onto itself, internalizing in the process sortilin receptors present on the membrane. As endocytosis occurs, the novel peptide and the attached cytotoxic agent are internalized, along with sortilin receptors, thereby potentially reducing side effects associated to the chemotherapy.

Pre-clinical results obtained so far by Katana show promise in the targeted treatment of various cancer types. There is still currently a significant unmet need in the treatment of many cancer types where sortilin receptors are overexpressed, such as ovarian cancer and triple-negative breast cancer, due to very serious side-effects associated with currently available agents. Such adverse reactions prevent the administration of optimal treatment regimen in patients. Our goal is to advance programs in these two indications as quickly as possible to enter human clinical trials in late 2020, and obtain proof of concept results approximately twelve months later.

“In vitro and in vivo studies completed so far have shown that this technology could significantly improve the tolerability and effectiveness of existing chemotherapies,” said Dr. Christian Marsolais, Senior Vice President and Chief Medical Officer.

### **Transaction terms**

Theratechnologies will acquire all outstanding shares of Katana for US\$5,300,000 or CA\$6,900,000. Approximately US\$2,000,000, or CA\$2,600,000, was paid in cash at closing. Katana shareholders will have the right to receive two milestone payments. The first milestone payment will occur when the first patient for the proof of concept

trial is enrolled. At that time, approximately US\$1,500,000 will be paid through the issuance of common shares of Theratechnologies.

The second milestone will be met when the proof of concept is demonstrated in human subjects, which should be by the end of 2021. This payment will amount to US\$1,800,000 in common shares of Theratechnologies.

Katana is in advanced discussions regarding a pending research subsidy. If the subsidy is granted, the acquisition cost will be adjusted to reflect the amount of the subsidy. After adjustment, if any, the total amount of the transaction could reach US\$6,200,000 or CA\$8,100,000.

In 2019, we plan to invest approximately US\$1,800,000 in R&D expenses for the first two products being developed in conjunction with the platform. Approximately US\$5,000,000 will be required for each of the two compounds between now and the end of 2021 to complete the proof of concept in humans.

“First and foremost, this transaction gives us a pipeline which holds great potential at a reasonable cost. Moreover, minimal investments will be required to complete the proof of concept for the first two products based on the technology,” said Mr. Philippe Dubuc Senior Vice President and Chief Financial Officer.

#### **Conference Call Details**

A conference call will be held today at 8:30 a.m. (ET) to discuss the transaction. 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/9889>. Audio replay of the conference call will be available on the same day starting at 11:30 a.m. (ET) until March 11, 2019, by dialling 1-800-585-8367 (North America) or 1-416-621-4642 (International) and by entering the playback code 8187655.

#### **About Theratechnologies**

Theratechnologies (TSX: TH) is a specialty pharmaceutical company addressing unmet medical needs by bringing to market specialized therapies for people with orphan medical conditions, including those living with HIV. Further information about Theratechnologies is available on the Company's website at [www.theratech.com](http://www.theratech.com) and on SEDAR at [www.sedar.com](http://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, the following: Theratechnologies' growth, the development of the acquired technology and potential

commercialization thereof, the efficacy of the technology and our planned investments to develop such technology.

Forward-looking statements are based upon a number of assumptions and include, but are not limited to, the following: results obtained in the preclinical studies will repeat themselves in clinical trials, the safety and efficacy of the technology will be well tolerated during clinical trials and we will obtain approval for this technology from regulatory authorities to commercialize same.

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. These risks and uncertainties include, among others, the risk that the results obtained from further research and development work do not warrant the pursuit of additional research and development works, leading to a cessation of such works related to this technology, the risk that the estimated expenses to be incurred to complete the proof of concept in humans are higher than those expressed herein and the risk that the timelines announced to bring the two compounds between now and the end of 2021 to completion of the proof of concept in humans are not met.

We refer potential investors to the "Risk Factors" section of our annual information form dated February 20, 2019 for additional risks regarding the conduct of our business and Theratechnologies. 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.

-30-

For media inquiries:

Denis Boucher

Vice President, Communications and Corporate Affairs

514-336-7800