News Release

Theratechnologies Announces Financial Results for Fiscal Year 2015

Montreal, Canada – February 24, 2016 – Theratechnologies Inc. (Theratechnologies) (TSX: TH) today announced its financial results for the year ended November 30, 2015.

Fiscal year 2015 financial highlights

- Consolidated revenue reached $30,055,000 in our first full year of sales since regaining the rights to *EGRIFTA*®
- Adjusted EBITDA was $6,439,000 compared to $(10,575,000) in Fiscal 2014[1]
- Net profit for the year was $1,571,000 or $0.03 a share compared to a net loss of $(10,541,000) or $(0.17) a share a year earlier
- Cash amounted to $15,350,000 at the end of Fiscal 2015 compared to $3,178,000 at the end of Fiscal 2014

"Our strategic initiatives and new business model resulted in significant revenue growth, cash flow generation and increased profitability. Building on our successes in the last twelve months, we will continue to focus primarily on the U.S. market. Through new marketing initiatives started in the fourth quarter of Fiscal 2015, we expect to continue to achieve significant growth in 2016," said Luc Tanguay, President and CEO, Theratechnologies Inc.

"Our strategy remains to develop *EGRIFTA*® to its full potential and to maximize the return on our infrastructure. In addition, we are now at a juncture where we want to start looking for opportunities to acquire or in-license products that could fit within our organization. This is another one of our goals this year," added Mr. Tanguay.

Guidance

We believe that our recently launched promotional activities and increased presence within the medical and scientific communities will continue to drive *EGRIFTA*® sales in fiscal 2016. For the twelve months ending November 30, 2016, we anticipate that net sales will be in the range of $46,000,000 to $49,000,000.

We also believe that we have built an efficient commercial platform in the United States, which should enable operating margins to increase at a greater rate than our net sales improvement; and, based on the same method of calculation used in Fiscal 2015, we anticipate that the Adjusted EBITDA[1] in fiscal 2016 will be in the range of $10,000,000 to $12,000,000.

We have used a USD/CAD exchange rate of 1.38 to establish all of these estimates.

Fiscal Year 2015 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

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

statements for the twelve-month period ended November 30, 2015, 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, 2015

Consolidated revenue for the twelve months ended November 30, 2015 was $30,055,000, compared to $6,732,000 in Fiscal 2014. 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. After May 1, 2014, our revenues were essentially net sales of *EGRIFTA*® for our own account to our exclusive distributor, RxCrossroads, which were nil from May 1 to August 31, 2014 due to a prolonged product shortage.

Revenue generated from net sales increased significantly in 2015, due to the first full year of selling *EGRIFTA*® for our own account in the United States. The principal factors contributing to the net sales increase were the different price structure associated with selling *EGRIFTA*® for our own account, success in growing the patient base over the course of the year, and the effect of changes in exchange rates.

Revenue generated from net sales in Fiscal 2014 was adversely affected by a prolonged product shortage and included $2,657,000 of sales for our own account (all of which occurred in the fourth quarter) and $675,000 of sales to EMD Serono.

An upfront payment of $200,000 was received in 2015 in connection with the AOP Agreement. With the closing of the EMD Serono Termination Agreement on May 1, 2014, all of the unamortized balance of the initial payment received under the terms of the EMD Serono Agreement was recognized as revenue in the second quarter of that year.

Royalties in Fiscal 2014 were $630,000, principally attributable to sales of *EGRIFTA*® by EMD Serono prior to May 1, 2014.

For the twelve months ended November 30, 2015, the **cost of sales** was $4,024,000 compared to $2,455,000 in Fiscal 2014. In Fiscal 2015, the cost of sales included $338,000 of unallocated production costs, of which $229,000 was inventory write-downs related to the conversion of raw materials to finished goods and the expiration of goods. In Fiscal 2014, the cost of sales included unallocated production costs of $1,464,000, which were largely inventory write-downs of $1,071,000, as well as unabsorbed fixed costs and costs associated with changing over from the 2 mg/vial to the 1 mg/vial presentation of *EGRIFTA*®*.*

R&D expenses, net of tax credits, amounted to $4,905,000 in the twelve months ended November 30, 2015 compared to $5,617,000 in Fiscal 2014. Approximately half of our Fiscal 2015 R&D expenses were costs associated with our two Phase 4 clinical trials. A second major component results from regaining the US commercialization rights to *EGRIFTA*®, whereby we now have full responsibility for additional R&D functions, notably medical affairs (which includes 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) as well as regulatory affairs and quality assurance. Essentially all of the remaining difference between R&D expenses in Fiscal 2015 and Fiscal 2014 is attributable to these activities.

The first of the two Phase 4 clinical trials is a long-term observational safety study, or Observational Study, and the second trial is to assess whether *EGRIFTA*® increases the incidence or progression of diabetic retinopathy in diabetic HIV-infected patients with lipodystrophy and excess abdominal fat, or Retinopathy Study. Prior to May 1, 2014, we were responsible for only 50% of the cost of the Observational Study. With the closing of the EMD Serono Termination Agreement, we are now responsible for all of the costs associated with both studies. These costs amounted to $2,771,000 in Fiscal 2015 compared to $3,704,000 in the prior year.

Selling and market development expenses amounted to $12,926,000 for the twelve months ended November 30, 2015, our first full year of selling *EGRIFTA*® for our own account in the United States, compared to $6,963,000, and a partial year of selling for our own account in Fiscal 2014. 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 the recently launched promotional campaign aimed at increasing awareness of *EGRIFTA*® and its therapeutic benefits within the HIV community.

Finally, selling and market development expenses include the amortization of the intangible asset value established for the *EGRIFTA*® commercialization rights. This amortization expense amounted to $1,905,000 in Fiscal 2015 compared to $1,009,000 in Fiscal 2014.

General and administrative expenses amounted to $4,055,000 in the twelve months ended November 30, 2015, slightly lower than the $4,566,000 in Fiscal 2014 due to lower professional fees.

The **Adjusted EBITDA**[1] was $6,439,000 in the twelve months ended November 30, 2015 compared to $(10,575,000) in Fiscal 2014. The significant improvement in Adjusted EBITDA is principally due to our strategy of reacquiring the US commercialization rights to *EGRIFTA*® in May 2014 and successfully implementing various business plan initiatives since that time.

Taking into account the revenue and expense variations described above, we recorded a **net profit** of $1,571,000, or $0.03 per share ($0.02 per share on a diluted basis), in the twelve months ended November 30, 2015 compared to a net loss of $10,541,000, or $0.17 per share, in Fiscal 2014.

For the twelve months ended November 30, 2015, cash flow from operating activities was $7,086,000 compared to a use of cash of $8,039,000 in Fiscal 2014. The greatly improved cash flow was largely due to the Company earning a profit of $1,571,000 in Fiscal 2015 compared to a loss of $(10,541,000) in the prior year. Non-cash expenses, particularly amortization of intangible assets and accretion expense, were significantly higher in Fiscal 2015. Changes in operating assets and liabilities, in keeping with the growth in the scale of our business, contributed a further $1,126,000 to cash flow from operating activities in Fiscal 2015. The principal components were an increase in accounts payable and accrued liabilities of $3,635,000, partly offset by an increase in trade and other receivables of $1,665,000.

Fourth Quarter 2015 Financial Results

Consolidated revenue for the three months ended November 30, 2015 amounted to $9,011,000 compared to $2,663,000 for the comparable period of 2014.

Revenue generated from net sales for the three months ended November 30, 2015 was $9,007,000 compared to $2,657,000 in the comparable period in Fiscal 2014, reflecting our success in growing the patient base over the course of the year, and the positive effect of changes in exchange rates.

The **cost of sales** for the three months ended November 30, 2015 was $1,161,000 compared to $604,000 in the comparable period of Fiscal 2014.

R&D expenses, net of tax credits, amounted to $926,000 in the three months ended November 30, 2015 compared to $1,164,000 in the comparable period of Fiscal 2014. Our costs associated with the two Phase 4 clinical trials (the Observational Study and the Retinopathy Study) amounted to $265,000 the three months ended November 30, 2015, compared to $790,000 in the comparable period of Fiscal 2014. Increased activity in medical affairs, regulatory affairs and quality assurance, as well as expenditures on development of our new 2 mg/vial presentation of *EGRIFTA*®, make up essentially all of the remaining difference in R&D expenses between the fourth quarters of Fiscal 2015 and Fiscal 2014.

Selling and market development expenses amounted to $4,348,000 for the three months ended November 30, 2015, compared to $1,716,000 for the comparable period of Fiscal 2014. The significant increase in expenses is due to higher costs associated with growing and maintaining our sales force as well as various marketing services and initiatives, including the recently launched marketing campaign aimed at increasing our US patient base. 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 $499,000 in the three months ended November 30, 2015 compared to $433,000 in the comparable period of Fiscal 2014.

General and administrative expenses amounted to $1,157,000 in the three months ended November 30, 2015 compared to $1,312,000 in the comparable period of Fiscal 2014.

The **Adjusted EBITDA**[1] was $2,185,000 in the three months ended November 30, 2015 compared to $(1,505,000) in the comparable period of Fiscal 2014. The

significant improvement in Adjusted EBITDA is principally due to our strategy of reacquiring the US commercialization rights to *EGRIFTA*® in May 2014 and successfully implementing strategic business plan initiatives since that time.

Taking into account the revenue and expense variations described above, we recorded a **net profit** of $488,000, or $0.01 per share, in the three months ended November 30, 2015 compared to a net loss of $(3,620,000), or $(0.06) per share, in the comparable period of Fiscal 2014.

In the three months ended November 30, 2015, operating activities generated $3,233,000 of cash, compared to a use of cash of $2,416,000 in the comparable period of Fiscal 2014. The principal factors contributing to the improved cash flow in 2015 were the profitable operations and changes in operating assets and liabilities.

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,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Net profit (loss)	**488**	(3,620)	**1,571**	(10,541)
Add (deduct):				
Depreciation and amortization	**502**	524	**1,917**	1,142
Finance costs	**399**	1,519	**2,294**	2,080
Finance income	**(27)**	(35)	**(289)**	(329)
Share-based compensation for stock option plan	**46**	20	**148**	81
Federal investment tax credits	**0**	0	**0**	(4,110)
Income tax expenses	**559**	3	**569**	31
Writedown of inventories	**218**	84	**229**	1,071
Adjusted EBITDA	**2,185**	(1,505)	**6,439**	(10,575)

Conference Call Details

A conference call will be held today at 4:30 p.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/7217. Audio replay of the conference call will be available two hours after the call’s completion until March 16, 2016, by dialling 1-800-585-8367 (North America) or 1-416-621-4642 (International) and by entering the playback code 25534771.

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 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 and Adjusted EBITDA for the fiscal year 2016, the growth regarding our patient base in the United States and the search for product acquisition and in-licensing opportunities.

Forward-looking statements are based upon a number of assumptions and include, but are not limited to, the following: our recently launched promotional activities and increased presence within the medical and scientific communities will increase our patient base in the United States and continue to grow *EGRIFTA*® sales and Adjusted EBITDA in fiscal 2016; we have built an efficient commercial platform in the United States, which will enable operating margins to increase at a greater rate than our net sales improvement; a USD/CAD exchange rate of 1.38 will apply in fiscal 2016; the relationships with our commercial partners and third-party suppliers will be conflict-free, the United States Food and Drug Administration will not issue any order or decision having the effect of suspending the commercialization of *EGRIFTA*® in the United States; and we will have continuous supply of *EGRIFTA*®.

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. We refer potential investors to the "Risks Factors" section of our annual information form dated February 24, 2016 available at www.sedar.com for additional risks regarding the Company and its operation. 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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