

ANNUAL INFORMATION FORM
Fiscal year ended November 30, 2003



April 19, 2004

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements, which reflect the Company's current expectations regarding future events. Actual events or future results may differ materially from the Company's expectations and the Company does not undertake to update this forward-looking information. Investors are cautioned against placing undue importance on forward-looking information contained in the present Annual Information Form and should consult the more exhaustive analysis of risks and uncertainties connected to the businesses of the Company, which appears on item 3.10 of this document.

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ITEM 1 CORPORATE STRUCTURE

1.1 NAME, ADDRESS AND INCORPORATION

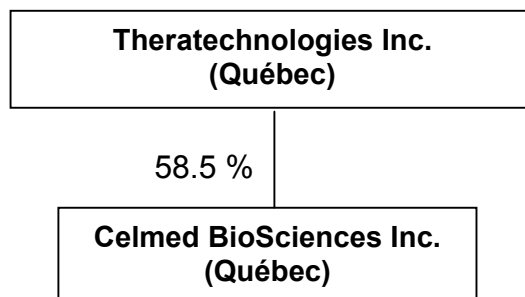
The exact corporate name is Theratechnologies Inc. In this Annual Information Form, the terms “Company” and “Theratechnologies” mean Theratechnologies Inc.

The head office of the Company is located at 2310 Alfred-Nobel Boulevard, in the Saint Laurent Technoparc, Montreal, Québec, H4S 2A4.

The Company was incorporated by Certificate of Incorporation issued under Part IA of the *Companies Act* (Québec) on October 19, 1993. By a certificate of amendment dated October 20, 1993, the Company repealed the restrictions applicable to private companies. On December 6, 1993, the articles were amended to establish the number of directors and to amend its capital stock. Finally, on March 26, 1997, the capital stock was changed once again to become what it is today, namely an unlimited number of common shares and an unlimited number of preferred shares.

1.2 INTERCORPORATE RELATIONSHIP

The following chart shows the Company and its subsidiary, their respective jurisdictions of incorporation and the percentage of voting rights held by the Company.



ITEM 2 GENERAL DEVELOPMENT OF THE BUSINESS

When it began its activities in late 1993, the Company held a widely diversified portfolio of therapeutics in four different fields, with additional activities in dentistry, veterinary medicine, diagnostics and software development.

In 1997, the Company began the process of paring down its activities. Thus, in July of that same year, the Company and the *Société générale de financement du Québec (SGF)*, created Andromed Inc. (“Andromed”), a company dedicated to developing and marketing the medical products and devices that had been developed by the Company until then, being an electronic stethoscope and healthcare evaluation software. On March 26, 2001, Andromed completed an initial public offering by issuing units comprised of common shares and warrants. The Company now holds less than 50% of the shares of Andromed.

Similarly, in January 1998, the Company created Ecopia BioSciences Inc. (“Ecopia”) with genetic researchers and with a group of private investors. Ecopia’s mission is to sequence and analyze the genome of microorganisms in order to identify new antibiotic and anticancer agents. On October 18, 2000, the Company paid a special dividend to its shareholders in the form of some of the common shares it held in the capital stock of Ecopia. As a consequence, Ecopia became public. The Company now holds less than 10% of the shares of Ecopia.

On October 3, 2000, Theratechnologies acquired all of the outstanding shares of Pharma-G Inc., a private company created by La Fondation de l’Hôpital Sainte-Justine, two researchers, Dr. Sylvain Chemtob and Dr. Krishna G. Peri, and a business consultant, Mr. Michel Côté. Pharma-G was the proteomics company that developed ExoPep, the Company’s technology providing for the discovery of new therapeutic peptides that inhibit the activity of GPCRs.

On June 21, 2001, the Company transferred to Celmed BioSciences Inc., a newly created subsidiary, all assets relating to its photodynamic cell therapy program, in exchange for Celmed common shares. Concurrently, Celmed acquired the shares of two California companies that developed a neural cell culture and transplant technique. Additionally, Celmed obtained the financial support of the *Société générale de financement du Québec (SGF)* and of the Solidarity Fund QFL which have both subscribed to common shares. The Company’s interest in Celmed is now just over 50%.

Finally in 2002, the Company, which was by then specialized in therapeutic peptides, finalized its focussing process by applying its expertise to the field of endocrinology and metabolism.

ITEM 3 DESCRIPTION OF THE BUSINESS OF THE COMPANY

3.1 GENERAL ACTIVITIES

The Company is a Canadian biopharmaceutical company engaged in the field of therapeutic peptides targeting endocrine and metabolic disorders. The Company's products are currently at various stages of development, ranging from laboratory discovery to Phase II clinical trials, and target metabolic and endocrine diseases, as well as osteoporosis and diabetes. In developing its products, the Company relies on its expertise with peptides, recognized for their efficacy and their reduced risk of side-effects due to their specificity.

The Company's strategy consists of focusing and capitalizing on its discovery and development capabilities. The strength of the Company resides in its ability to identify and optimize peptides for the future development into drugs. This development is initiated and assumed by Theratechnologies up to the point which it considers optimal to maximize the value.

Peptides are the basis of new classes of drugs that are contributors to the development of more and more efficacious therapeutic treatments. Nature, in fact, provides the best possible source of bioactive peptides offering therapeutic potential. Peptides are highly specific molecules that are efficacious at low doses, which reduces the risk of toxicity and side-effects. Theratechnologies' peptide approach is consistent with its philosophy that privileges the safety of its products and a mode of action that respects physiology to the greatest extent possible. Theratechnologies' management considers that this more natural approach will increase the chances of success in clinical development. The Company selects the peptides for development drawing from those existing in nature, discovered by ExoPep or available through scientific networking. The Company's mission targets endocrinology and metabolism, a vast therapeutic field that includes metabolic and catabolic disorders, diabetes, osteoporosis and other disorders for which peptides seem particularly appropriate.

ExoPep is a technology allowing for the discovery of peptides that are antagonists of GPCRs. Approximately 60% of all currently available prescription drugs interact with these receptors. Peptides derived from ExoPep comprise five to twelve amino acids and modify GPCRs by blocking signal transduction. The Company intends to use this platform to discover new therapeutic peptides that will broaden its endocrine product pipeline. The value of this technology was confirmed through proof-of-concept studies that have generated products for the treatment of acute renal failure (anti-EP4), glaucoma (anti-R14) and preterm labor (anti-FP).

Although peptides may have significant therapeutic potential, there are many challenges to be met when developing them into drugs: they are highly complex, fragile and unstable in serum. Theratechnologies seeks to stabilize peptides using its proprietary LAP technology while preserving the natural amino acid sequence. This platform increases the resistance of peptides to enzymatic degradation by coupling them with a protective molecule, for example a fatty acid, while preserving the natural amino acid sequence. More specifically, the stabilization strategy is divided in three successive steps: 1) identification of the enzymatic cleavage sites of the molecule, using stability tests validated in the Company's laboratories; 2) proof of principle by anchoring conformationally rigid hydrophobic moieties on the sensitive region of the peptide,

and testing in animal models; 3) optimization of the length and chemical composition of the hydrophobic residue for optimal stability and biological potency. The result is a much more stable and patentable new chemical entity that offers clinical efficacy and presents excellent specificity and safety profiles.

Peptides are normally administered by subcutaneous injection and this mode of administration is typical of first generation products. However, for certain indications or other products, a more efficient and user-friendly drug delivery system is preferable. In this regard, the Company looks to partnerships that allow it to benefit from the experience of third parties for different drug delivery options.

Over the years, the Company's acquired experience has centered not only on drug discovery but also the development of therapeutic peptides, both at the preclinical and clinical (up to Phase II) levels. It, therefore, intends to apply this expertise to develop its products. With respect to Phase III clinical trials, the Company can either share the responsibilities with industry partners or continue the development of its products on its own.

The Company has a production laboratory where it can synthesize small quantities of peptides for its preclinical programs. This laboratory applies the GLP standards that are applicable. The Company intends, eventually, to have facilities that meet GMP requirements for the purposes of manufacturing peptides in sufficient quantities to meet its clinical and, ultimately, commercial needs.

The Company's products may be marketed in Canada by the Company through co-promotion agreements. For other markets, Theratechnologies believes international and regional partners that already have established sales infrastructures would be an advantage for the commercialization of its products. Biopharmaceutical companies are increasingly forming strategic and commercial alliances with large pharmaceutical companies in order to reduce the risks associated with funding marketing and distribution activities, and thus freeing themselves to concentrate on their research and development activities.

Theratechnologies' Research & Development work is either done internally or sub-contracted. The pre-formulation and synthesis work is initiated in Theratechnologies' laboratories and completed by specialized firms. All animal toxicology trials are realized by sub-contractors because the Company is not equipped to do so. The Company's clinical trials are designed internally by employees with some external support, as needed, but are mostly conducted by contractual research organizations. The entry and management of clinical data, as well as statistical analysis, are done by expert consultants specialized in this field. When work is sub-contracted, experienced personnel of the Company supervise such work in accordance with standards established and documented operating procedures. These employees are responsible for the preparation of experimental protocols, monitoring the trials and interpretation of the results.

3.2 PRODUCTS OF THE COMPANY

ThGRF, a growth hormone-releasing factor analog, is Theratechnologies' most clinically advanced product. It is well-suited for the treatment of metabolic and catabolic disorders and presents a very good safety profile. The Company is also developing a product to treat osteoporosis, based on a transdermal formulation of PTH, a molecule known for its bone-forming effects. Finally, the Company is building a portfolio of products addressing type II diabetes. Its lead compound is a GLP-1 analog presenting a mechanism of action that could prevent hypoglycemic complications observed with the use of insuline. The Company is concurrently working on several other peptides in this therapeutic field.

The following table gives an overview of the Company's products and their stages of development.

| Product | ThGRF | ThPTH | ThGLP-1 |
|-----------------------------|---|---|--|
| Description | Analog of growth hormone-releasing factor | Synthetic human parathyroid hormone | Analog of glucagon-like peptide-1 |
| Indications | <ul style="list-style-type: none"> ▪ Wasting associated with chronic disease ▪ Metabolic syndrome ▪ Growth hormone deficiency (GHD) | Osteoporosis | Type II diabetes |
| Clinical stage | Phase II | Phase I | Preclinical |
| Anticipated 2004 milestones | <ul style="list-style-type: none"> ▪ Completion of Phase II program ▪ Launch of late-stage development | Phase I safety/calibration | <ul style="list-style-type: none"> ▪ CTA/IND filing ▪ Phase I program |
| Clinical attributes | <ul style="list-style-type: none"> ▪ Safe ▪ Builds muscle ▪ Reduces fat ▪ Lower cholesterol ▪ Improves vigilance ▪ Bolsters immune system | Natural PTH has the ability to promote bone formation | Other GLP-1 analogs have demonstrated impressive efficacy |
| Competitive features | Stable compound with full amino acid sequence of natural peptide | Patient-friendly Macroflux™ patch delivery system | <ul style="list-style-type: none"> ▪ Stable compound with full amino acid sequence of natural peptide ▪ Patient-friendly Macroflux™ patch delivery system |
| Business opportunities | <ul style="list-style-type: none"> ▪ First-in-class (large unmet medical needs) ▪ Existing GHD market estimated at US \$1.7 B | <ul style="list-style-type: none"> ▪ Low clinical risk ▪ Potential for accelerated development ▪ Osteoporosis market estimated at US \$8.7 B | <ul style="list-style-type: none"> ▪ Second-generation compound with potential safety and delivery advantages ▪ Type II diabetes market estimated at US \$11.5 B |

ThGRF

Metabolism is the sum of two opposing forces: anabolism, which is a process involving the building, maintenance and renewal of bodily functions, and catabolism, which is the opposite process of destruction and breakdown of these functions. Many situations, such as aging, disease and genetic disorders, trauma and medications, trigger catabolism. In many cases, these situations have significant impact on the life expectancy and autonomy of those affected. Catabolism is present in particular in the elderly population and thus, constitutes a major issue today because of the medical and social needs that it is creating.

Growth hormone (GH), secreted by the pituitary gland, plays a key role in maintaining a balanced metabolism. Its secretion is stimulated by GRF. GH controls fundamental activities in the body. Through its effect on IGF-1, it influences anabolism, the immune system and cognitive functions. It also has an important direct effect on lipolysis by reducing fat accumulation in adipose cells. GH secretion decreases as early as age 20 and drops to 60% at approximately 65 years of age. This deficiency in GH can lead to a catabolic state, which is characterized by a loss of muscle mass, accumulation of adipose tissue, bone demineralization and reduced capacity to regenerate tissue.

Recombinant human growth hormone (rhGH) produced by genetic engineering induces positive effects in certain clinical indications, such as pituitary dwarfism, growth hormone deficiency, and wasting in patients infected by HIV. However, due to side-effects observed in adults, notably in the elderly and in diabetic patients, rhGH can not easily be developed and marketed for treatments related to aging. The Company believes this will not be the case with GRF and its analogs.

GRF is a master hormone, secreted by the hypothalamus, that naturally and physiologically stimulates the secretion of growth hormone and, consequently, is responsible for its positive action. GRF can thus play a key role against catabolic manifestations, particularly at an advanced age, since it stimulates both the secretion and the synthesis of growth hormone. It may become the second-generation product that will replace, to great advantage, the use of rhGH and maybe used in many other indications as well. Unlike rhGH, GRF induces optimal growth hormone secretion activity enabling it to be secreted in its natural, rhythmic pattern. Despite these advantages, GRF is not used at present because it requires frequent injections due to its short duration of action.

Theratechnologies has focused on the mechanisms of action of GH and GRF for several years and has sought to develop analogs of GRF which would be very specific, would have a prolonged effect and could be manufactured at a relatively low cost. It has, therefore, synthesized several GRF analogs using the LAP technology, including ThGRF. This product has the characteristic of inducing growth hormone secretion in a natural and pulsatile fashion.

Clinical Development

Preclinical

Based on animal tests, ThGRF has been shown to have a lasting and effective action on the secretion of GH and, as a result, on the secretion of IGF-1. These effects are obtained with much smaller quantities when compared with natural GRF.

Phase I

A Phase Ib clinical trial was designed to establish the safety of multiple doses, as well as to measure the production of IGF-1, the growth factor linked to anabolic function. The results of Phase Ib were very conclusive. Indeed, in only a few days, ThGRF doubled IGF-1 levels in treated subjects, an optimal level corresponding to that found in a young adult. In addition, the side-effect profile of ThGRF was comparable to that of the placebo. It was also found that the

drug was highly specific and did not affect the secretion of other hormones regulating body functions.

Phase II

Following these promising results, the Company initiated a Phase II clinical development program centered on anabolism, the immune system and cognitive functions. In recent years, the Company advanced this clinical development program and obtained important data on the activity and safety of its product in various populations, namely elderly subjects and diabetic patients.

Safety in Diabetic Patients. A growing number of studies indicate that GH-based products frequently induce insulin resistance and are contraindicated for diabetic patients. In contrast, GRF has been shown in previous publications not to adversely affect glucose metabolism in older patients. With this in mind, Theratechnologies conducted a clinical trial in 2002 in the United States to assess the safety of ThGRF in patients suffering from controlled-type II diabetes. This Study was necessary in order to allow for the inclusion of diabetic and glucose-intolerant patients in future Phase III clinical trials involving ThGRF. The trial evaluated the safety of two doses of ThGRF (1 mg and 2 mg) administered over twelve weeks by daily subcutaneous injections in approximately 53 patients of both genders. It was a randomized, double-blind, placebo-controlled, parallel-group multicentre study. The results of this study show that ThGRF has a very good safety profile, is well-tolerated and does not interfere with glycemic control in patients with type II diabetes, a population at risk. The study revealed an increase in IGF-1 levels and a decrease in non-HDL cholesterol (atherogenic or bad cholesterol) levels. Given these results, Theratechnologies believes it will be able to develop ThGRF across a broader clinical population, having demonstrated that its product, unlike GH-based products, can be administered to glucose-intolerant patients and diabetics without risk.

During the financial year 2003, Theratechnologies completed two Phase IIb clinical trials targeting catabolic disorders.

Wasting associated with COPD. The first of the two clinical trials involved 109 patients, 50 years of age and over, who suffer from a catabolic state associated with chronic obstructive pulmonary disease (COPD), a respiratory disease that is often accompanied by muscle wasting. The objective of this multicentre, double-blind, randomized and placebo-controlled study was to assess the safety and efficacy of ThGRF (1 mg or 2 mg daily, or placebo for twelve weeks) on body composition, physical capacity and functional status in treated patients. The results of this trial, disclosed publicly in October 2003, have demonstrated i) a 50% increase in IGF-1 levels at 1 mg and 92% increase at 2 mg, as compared with a 6% decrease on placebo; ii) a significant increase in muscle mass (lean body mass), with a net average gain of 1.3 kg muscle mass in the 1 mg group and 0.9 kg in the 2 mg group, as compared to an average loss of 0.1 kg in the placebo group; iii) a significant loss in fat mass, with a net average loss of 0.7 kg fat at 1 mg and 0.5 kg at 2 mg, as compared to an average gain of 0.4 kg in the placebo group; and iv) there were no differences observed between the treatment groups in terms of safety assessments, and no sign of immunogenicity (antibody formation) was detected in any of the patients. Taken

together, the Company considers that the results suggest an improvement in clinical condition and provide a rationale for moving ThGRF into late-stage development in COPD wasting.

Recovery Following Hip-Fracture Surgery. The other clinical trial related to functional recovery following hip-fracture surgery. This trial was multicentre and involved the participation of 127 patients 80 years of age and over, undergoing rehabilitation following hip-fracture surgery. It was double-blind and placebo-controlled. The clinical phase served to assess the safety and efficacy of an eight-week treatment of a 2 mg dose of ThGRF administered once daily. The primary objectives of this study consisted of observing functional recovery in patients following hip-fracture surgery. However, the results did not demonstrate improvement in functional recovery. On average, IGF-1 levels were 28% higher than placebo, whereas in the COPD wasting study, the same two-milligram dose level yielded an average increase of 100% compared to placebo. The lack of improvement in functional recovery is likely attributable to the weak effect that the drug had on IGF-1 levels in these patients. This leads us to conclude that the intense and acute metabolic distress immediately following hip fracture surgery calls for a different approach.

HIV-related Lipodystrophy. In addition to catabolic disorders, the Company started a Phase II clinical trial for ThGRF in HIV-associated lipodystrophy in 2003. This double-blind and placebo controlled study was conducted in seven centers in Canada and in the United States. In total, 61 patients were enrolled in parallel groups who received a daily subcutaneous injection of 1 mg, 2 mg or placebo, over a period of 12 weeks. The study population consisted of 89% of male patients with a mean age of 45 years. All patients were on stable antiretroviral therapy. Their average BMI was 28 kg/m², their mean waist circumference 101 cm and their mean waist/hip ratio 1.0. Preliminary results were announced in April 2004. Highlights included a good safety profile, a clear positive effect on body composition and a clinically relevant reduction in visceral fat while subcutaneous fat was preserved. While this selectivity of action on fat distribution appears to have prevented the study from meeting one of its primary endpoints, it likely would be an advantage in treating HIV- associated lipodystrophy patients who generally experience an accumulation of visceral fat (lipohypertrophy), associated with higher risk of cardiovascular disease, coupled with a loss of subcutaneous fat (lipoatrophy). Of particular importance in this study was good glycemic control, including in glucose-intolerant and diabetic patients, who represented 28% of the subjects enrolled. It is estimated that approximately 40% of all HIV-associated lipodystrophy patients are either glucose intolerant or diabetic. Based on these positive results, the Company and its clinical experts consider that ThGRF is well-suited for Phase III testing as a novel approach to treat HIV lipodystrophic patients with excessive visceral fat, an unmet clinical need.

The Company had also identified for ThGRF a potential in treating certain immune and cognitive disorders. It has, therefore, conducted two exploratory Phase II clinical trials to establish the effect of ThGRF on these functions.

Immune Functions. The Company believed that ThGRF, through its action on GH and IGF-1, could boost the immune function, particularly the T cell functions. It, therefore, undertook a Phase IIa clinical trial which demonstrated that ThGRF induces a stimulation of T cells in elderly patients and that it has an important positive action on cell-mediated immune response.

Cognitive Functions. Results obtained by the Company in 2001 suggested that ThGRF's unique mechanism of action had an effect on sleep resulting in improved daytime vigilance. Based on these results, Theratechnologies began a Phase IIa clinical trial which demonstrated a statistically significant and marked improvement of daytime vigilance.

Outlook

The clinical studies conducted up to now on ThGRF were necessary to define the indications which would be the most appropriate for this first-in-class molecule. The results obtained lead the Company to conclude that the product is a good candidate to advance to late-stage development and the Company is presently starting the necessary steps in that regards. Two indications are presently the focus of such analysis, severe COPD wasting and HIV-related Lipodystrophy. A third potential indication for ThGRF is growth hormone deficiency.

The plans of the Company to reach this objective is, therefore, to finish the analysis and integration of phase I and phase II results in order to request meetings with the regulatory authorities in the United States and/or Canada and/or the European Community (End of Phase II Meeting). Following the recommendations received by the authorities and their approval, the Company will complete its development plan to support its application and start a first phase III study. If required, other preclinical (i.e. toxicology), clinical (i.e. pharmacokinetics) or chemistry studies could be realized to support the registration.

In the long term, the Company could start other phase III studies in other potential indications and will have to complete its phase III studies before submitting a NDA or a NDS. Roughly, the regulatory approval for the first indication is expected between 2007 and 2008 and the approximate additional costs that could be required up to the approval for the market introduction are estimated to be from \$20 to \$30 million.

ThPTH

Osteoporosis is characterized by progressive bone loss, which reduces bone density and thickness, and leads to an increased susceptibility to fractures, generally to the hip, spine and wrist. Such fractures cause acute and chronic pain, respiratory and digestive difficulties and a marked change in height resulting from spine deformation. This progressive bone loss, which begins between the ages of 30 and 40, generally remains asymptomatic until there is a fracture and results in a high level of morbidity and mortality.

An innovative solution lies in the use of PTH, a hormone secreted by the parathyroid glands that regulates the metabolism of calcium and phosphate in the body. PTH is of great interest in the treatment of osteoporosis because it has the capability to stimulate the formation of new bone cells. Recently-published data based on large-scale clinical trials conducted by other pharmaceutical companies have shown that PTH, administered by injection, effectively and safely reduces the percentage of vertebral and non-vertebral fractures in women with osteoporosis. However, these studies were conducted with PTH administered sub-cutaneously.

Theratechnologies has started the development of a more user-friendly drug delivery system for PTH, which would have increased clinical potential. The Company has teamed with ALZA Corporation, a leading drug delivery system company, to develop a transdermal formulation for PTH. Using ALZA's Macroflux™ technology, Theratechnologies has demonstrated that PTH can be administered in animals with a pharmacokinetic profile similar to subcutaneous injection.

Clinical Development

The Company is presently conducting a Phase I study in healthy volunteers. Preliminary information will be obtained on safety and the feasibility of transdermal delivery.

Outlook

During 2004, the Company expects to complete the phase I program and start other calibration studies. The ThPTH will follow the development steps required by the regulatory authorities and roughly, the Company expects to receive the regulatory approval before 2008. In view of the early-development stage of this product, it is difficult to evaluate the additional costs before market but they should be in line with industry standards.

ThGLP-1

Type II diabetes affects 90% to 95% of people with diabetes and generally begins after age 40. These patients suffer insulin resistance or insufficient production of insulin, a hormone that allows glucose (sugar) to enter cells and be converted into energy. This disorder leads to severe complications ranging from heart disease (2 to 4 times more frequent than in non-diabetics), to blindness, kidney disease, amputation, nerve damage and erectile dysfunction.

GLP-1 represents a promising diabetes therapy. This peptide, produced by the intestine, induces insulin secretion in a glucose-dependent manner, controls gastric emptying and inhibits food intake as well as glucagon and somatostatin secretion. Because natural GLP-1 rapidly degrades in the blood, Theratechnologies has developed several stabilized analogs using its LAP (Long-Acting Peptides) technology. One of these analogs was selected to enter into development in 2003. Based on recently published data, clinical studies confirmed the therapeutic potential of GLP-1 analogs administered by subcutaneous injection. In order to offer a more patient-friendly product, Theratechnologies has entered into an agreement and intends to develop a transdermal formulation of this product using the Macroflux™ patch developed by ALZA Corporation.

Clinical Development

The research and development program regarding ThGLP-1 is presently at the preclinical phase. This work was started during the fourth quarter of 2003 and targets manufacture of GMP materials and animal toxicology. The data collected will support the CTA.

Outlook

The Company expects to start the first phase I clinical study in the second half of 2004. ThGLP-1 will then follow the development steps required by the regulatory authorities and in accordance with industry norms, the Company estimates that it could receive regulatory approval around 2010. In view of the early-development stage of this molecule, it is difficult to evaluate the additional costs leading to marketing approval but this should be in line with those normally incurred for development of a drug.

3.3 MARKETS AND COMPETITION

The Company is focusing its peptide-based product development in the area of endocrine and metabolic disorders. The competition in these highly specialized therapeutic sectors comes mainly from university research centres and emerging biotechnology companies within these areas, as well as from large pharmaceutical companies stemming from their acquisitions or alliances in this field.

MUSCLE WASTING ASSOCIATED TO COPD – ThGRF

It is estimated that more than 24 million people suffer from COPD in the United States although only 10 million have been officially diagnosed. COPD constitutes the fourth principal cause of mortality in this country. Severe muscle wasting associated with COPD is prevalent in 35% of cases which represents more than 3 million people in the US, Europe (France, Italy, Germany, Spain, UK) and Japan. There is currently no product for the specific treatment of this condition.

HIV-ASSOCIATED LIPODYSTROPHY – ThGRF

HIV-associated lipodystrophy is a metabolic syndrome that afflicts a significant percentage of HIV patients undergoing HAART (highly active antiretroviral treatment) therapy to control their HIV infection. Although the exact cause of this syndrome is unknown, it is suspected to be partly due to the HIV treatment itself. It is characterized by changes in distribution of adipose tissue (fat-containing tissue), dyslipidemia and glucose intolerance. The changes in fat distribution include: lipohypertrophy, which is the accumulation of visceral adipose tissue, a risk factor for cardiovascular disease and type II diabetes; and lipoatrophy, which is the loss of subcutaneous fat tissue, generally in the limbs and facial area. In addition, the direct health risks, the resulting body abnormalities can stigmatize patients and discourage compliance with their HIV regimens. There is currently no approved treatment for this condition and although the new HIV treatments tend to minimize the dyslipidemia and the lipoatrophy component, the lipohypertrophy component remains an important unmet medical need. It is estimated that, among the 1.4 million HIV positive patients in North America and Europe, approximately 250,000 suffer from HIV-associated lipodystrophy with excess visceral fat. Another product (rhGH) is currently under development for this condition.

OSTEOPOROSIS – ThPTH

Osteoporosis ranks second as a leading health care problem. In 2002, it was estimated that osteoporosis affected approximately 36 million people in the United States, Europe and Japan.

Eighty percent (80%) of those affected by osteoporosis are women and, during the six years following the onset of menopause, women can lose one third of their bone mass. By the year 2010, it is estimated that, in the United States alone, more than 50 million women and men aged 50 and older will be affected by osteoporosis and lower bone mass.

In the United States alone, 1.5 million fractures are related to osteoporosis annually and direct expenditures (hospital and nursing homes), including osteoporosis fractures, reached CAN\$17 billion in 2001 (CAN\$47 million each day). The worldwide osteoporosis market has been estimated at up to US\$8.7 billion.

Presently, different alternatives are available for the treatment of osteoporosis. Biphosphonates are the major class which include alendronate and risedronate and a peptide, calcitonin. These products are known to prevent further degradation of bone loss. Calcium and vitamin D as well as exercise and a good diet are indicated for the prevention of osteoporosis.

Numerous studies have demonstrated that estrogen therapy could retard post-menopausal bone loss. However, the Women Health Initiative (WHI) recently published a study that has created a lot of controversy about the safe use of hormonal therapy. This study demonstrated that a combination of estrogen and progesterone hormone-replacement therapy for 5 years or more could increase the risk of breast cancer and cardiac events. Numerous associations are now stating that the relative preventive advantage of hormonal therapy in osteoporosis is overshadowed by the possible risks and suggest non-hormonal alternatives.

To date, PTH is the only approved therapy capable of promoting bone formation. This characteristic offers PTH a marked advantage over other currently available therapies. Injectable PTH formulations are already approved or are in advanced stages of clinical development. However, this drug delivery system requires patient handling and can be unpleasant. Within the framework of an exclusive partnership agreement with ALZA Corporation, the Company has developed a formulation of PTH, which is combined to the Macroflux™ transdermal patch to offer an advantage over currently available products.

TYPE II DIABETES – THGLP-1

According to the CDC (Center for Disease Control) in the United States, the breadth and spread of diabetes on the North American continent during the past ten years are gaining epidemic proportions. Indeed, the FDA has decided to alert Americans to the growing problem of obesity where 64% are considered overweight and of those, more than 30% are obese. The number of diagnosed adults increased 49% from 1990 to 2000 and similar increases are expected in the next decade due to an aging population and a greater prevalence of obesity and sedentary lifestyles, factors most often linked to type II diabetes. In the United States alone, 12 million people have diabetes, and over 5 million Americans are undiagnosed.

In 2002, the direct and indirect costs of diabetes were nearly CAN\$185 billion a year in the United States. The world market has been estimated at US\$11.5 billion. Metformin and sulfonylureas are the most commonly used medications for type II diabetes treatment. Recently, new treatments have been introduced to the market in order to attain a better

glycemic control in diabetic patients, an essential factor to prevent complications related to diabetes. Retinopathy is the leading cause of new cases of blindness in adults, peripheral neuropathy accounts for up to 80,000 amputations and nephropathy is responsible for ESRD (end-stage renal disease) leading to dialysis.

Clinical studies conducted on diabetic patients by other pharmaceutical companies, confirmed the therapeutic potential of GLP-1 analogs administered by subcutaneous injection. GLP-1 analogs exhibit multiple physiological effects, including inducing insulin secretion in the presence of elevated glucose, delaying gastric emptying, reducing hepatic glucose output and increasing the satiety. Usually, several different classes of drugs are required to achieve all these physiological effects. Thus, GLP-1 analogs are a promising antidiabetic class that offers a novel mechanism of action. Even though none are on the market as yet, many pharmaceutical and biotechnology companies have started to develop subcutaneous GLP-1 analogs. The first GLP-1 analog is expected to be launched in 2005. The Company intends to develop a GLP-1 analog with a user-friendly and efficient drug delivery system, which would have the same therapeutic advantages as those listed above but which would present a chemical structure very close to that of the natural GLP-1, limiting the risks of side-effects.

3.4 REGULATORY FRAMEWORK

The research, development, manufacture and marketing of pharmaceutical products are governed by various governmental authorities throughout the world to ensure efficacy and safety. In Canada, these activities are governed by the provisions of the *Food and Drugs Act* and its regulations, the enforcement of which is ensured by the TPD. In the United States, it is the FDA that has jurisdiction. In order to obtain approval for the marketing of new drugs in Canada and the United States, the Company must satisfy many regulatory conditions. The Company must complete preclinical studies in order to file a CTA in Canada and an IND in the United States. It then receives different clearance authorizations to proceed with Phase I, II and III clinical trials. Once these trials are completed, the Company may file a NDS in Canada and a NDA in the United States. If all goes well, the regulatory authority issues a notice of compliance, which allows the Company to market the product.

3.5 INTELLECTUAL PROPERTY

The Company believes that intellectual property is an important asset for a biopharmaceutical company and is crucial to the value of its business. The principal intellectual property elements held by the Company consist of patents and license agreements.

With respect to patents, the Company generally proceeds by first filing a provisional application with the US Patent and Trademark Office (USPTO). Afterwards, the Company files, at the same time, a formal application in the United States together with an international application under the Patent Cooperation Treaty («PCT»). The PCT gives the option to file a patent application with all contracting states. Countries where an application will ultimately be filed are chosen based on a cost to protection analysis regarding such country. The patents, once issued, generally grant protection for a 20-year period as of the date of filing. The Company's earliest

applications were filed in 1995 and will not expire before 2015. The Company's patent portfolio is comprised of several families of patents each covering a product or a technology. Eight families cover therapeutic peptides under development (approximately 60 patents issued or pending) and three families cover technological platforms (a dozen patents issued or pending).

Initially, the Company protected two growth hormone-releasing factor analogs, ThGRF 1-29 and ThGRF 1-44. Each analog has a distinct aliphatic chain that was shown to increase organic activity. This protection was later extended to several other GRF analogs with different chains that also help to increase organic activity. Up to now, 26 patents were issued to the Company, and 15 applications are presently pending with reference to these GRF analogs.

PTH is a natural molecule, no longer protected by patent. The product under development which combines PTH and Macroflux™, is the subject of on-going patent applications filed by ALZA. Other PTH analogs recently discovered, which could also be developed, also are the object of pending patent applications. A patent application is pending regarding these PTH analogs.

The Company developed several GLP-1 analogs, which are protected by patents in the same way ThGRF is. A patent application regarding a first family of analogs is presently on-going with the USPTO and with the PCT. Other newly-discovered analogs have recently been the object of a new patent application filed with the USPTO.

The Company also holds various exclusive worldwide licenses, which are valid for time periods expiring between 2013 and 2019 or for as long as the products relating to these licenses are marketed. These products are also patent-protected or are the object of pending applications.

3.6 STRATEGIC ALLIANCES

ALZA CORPORATION

Theratechnologies' foremost objective is to develop peptide-based products and to integrate them into effective and patient-compliant delivery systems. In keeping with this objective, the Company signed in April 2001 a first agreement with ALZA Corporation, an American company specialized in drug delivery technologies, to incorporate ThGRF in ALZA's transdermal patch, Macroflux™. This drug delivery system features an adhesive patch fitted with a titanium micro-projection array (microscopic engineered projections) coated with ThGRF. The array is designed to create superficial pathways through the skin barrier layer and allows for the easy, effective and painless administration of ThGRF as compared with the delivery through subcutaneous injection.

Since then, the Company entered into two other agreements with ALZA regarding the development of transdermal patches incorporating two other peptides, namely PTH in November 2001 and GLP-1 in September 2002.

BACHEM AG.

In November 2001, the Company entered into an agreement with Bachem AG of Switzerland, a global leader in the manufacturing of peptides, for the scale-up and manufacture of ThGRF. Bachem will ensure the manufacturing process meets GMP regulatory requirements, and will gradually transfer to the Company the technology and know-how relating to the large-scale manufacturing process. In addition, Bachem will manufacture part of the Company's annual requirements for this peptide.

SAKAI CHEMICAL INDUSTRY CO., LTD.

On February 5, 2002, the Company signed a license agreement regarding the development and commercialization of ThGRF in Japan with Sakai Chemical Industry Co., Ltd., a Japanese chemical company also active in the field of biotechnology and other pharmaceutical research and development. The agreement covers the indications currently targeted by the Company, as well as any other future indication developed by the Company. Sakai has undertaken to make upfront payments, regulatory milestone payments and royalty payments on product sales in Japan.

JOHNSON & JOHNSON PHARMACEUTICAL RESEARCH & DEVELOPMENT, L.L.C.

On September 4, 2003, the Company signed a research collaboration and licensing agreement with Johnson & Johnson Pharmaceutical Research & Development, L.L.C. involving its ExoPep platform for the development of a therapeutic peptide in the field of diabetes. Under the terms of the agreement, which provides for research and regulatory milestone payments as well as royalties, the companies will collaborate to discover a lead compound for an undisclosed target. All development and marketing activities will be conducted by Johnson & Johnson Pharmaceutical Research & Development.

3.7 HUMAN RESOURCES

EMPLOYEES

As at November 30, 2003, the Company had 66 employees, of whom 41 were direct members of the research and development team and 26 held post-graduate diplomas (M.Sc., Ph.D. and M.D.).

SCIENTIFIC ADVISORY BOARD

The Company created a specialized committee to guide it in the preclinical and clinical development of its various products. The members of this board are listed below:

- Roger Guillemin, M.D., Ph.D.
Nobel Prize for Medicine, distinguished Professor, Salk Institute,
Endocrinologist and co-discoverer with Dr. Paul Brazeau

of somatocrinin (GRF) and somatostatin

- David Clemmons, M.D.
Professor of Medicine, Head, Endocrinology Division,
University of North Carolina, Chapel Hill, United States

- Ezio Ghigo, M.D., Ph.D.
Head, Department of Endocrinology, University of Torino, Torino, Italy
- George R. Merriam, M.D., Ph.D.
Professor of Medicine, Division of Metabolism, Endocrinology and Nutrition,
University of Washington School of Medicine,
Seattle, United States
- A. J. van der Lely, M.D., Ph.D.
Head, Endocrinology Division, Academic Hospital of Erasmus University,
Rotterdam, Netherlands

ADVISORS AND RESEARCH COLLABORATORS

The Company also benefits from the services of specialized scientists which support various projects.

- Alcide Chapdelaine, M.D., M.Sc., C.S.P.Q., F.R.C.P.
Endocrinologist and Researcher, Formal Assistant Dean,
Faculty of Medicine, University of Montreal
- Paul Brazeau, Ph.D.
Full Professor, Faculty of Medicine, University of Montreal
- Sylvain Chemtob, M.D., Ph.D., F.R.C.P.
Professor of Pediatrics, Ophthalmology and Pharmacology,
University of Montreal, and researcher at Sainte Justine Hospital
- Pascal Dubreuil, D.M.V., Ph.D.
Full professor, Faculty of Veterinary Medicine, University of Montreal
- Denis Gravel, Ph.D., F.C.I.C.
Emeritus professor, Chemistry Department, University of Montreal

3.8 FACILITIES

The Company carries out its activities at 2310 Alfred-Nobel Boulevard in the Saint Laurent Technoparc. It occupies a 24,195 square-foot area of the building, which houses offices and laboratories, specifically suited to its needs. The lease is for a 10-year term and expires in 2010. Theratechnologies benefits from different options allowing it to expand to meet future needs.

The Company has a laboratory for the synthesis, purification and lyophilization of peptides as well as the equipment necessary for commonly-conducted analysis. Three chemical hoods (one of which is of a “walk-in” type) permit safe handling of chemical products during the normal course of activities. Reactors of different sizes act as synthesizers while HPLC (*High-Purity Liquid Chromatography*), preparative or analytic, allows for the completion of peptide production. Lastly, the lyophilizer transforms the product into a solid and stable form, also known as “freeze-drying”.

Theratechnologies also has a discovery laboratory equipped with a chemical hood and a HPLC. This laboratory uses also an automatic synthesizer “*Symphony*”, which quickly synthesizes small quantities of peptides. Other equipment, namely a scintillation counter, sorts the different compounds or conducts the immunological or biochemical assays required. In addition, the laboratory contains a cell culture room (light waves hood, incubator, etc.) which allows *in vivo* testing.

3.9 ENVIRONMENT

At its current development stage, environmental-protection requirements have not, to the knowledge of the Company, had a significant financial or operational impact on the capital expenditures, income or competitive position of the Company within the normal course of its operating activities.

3.10 RISKS AND UNCERTAINTIES

CAPITAL RESOURCES

In order to achieve its long-term development and commercialization strategy, the Company may need to raise additional capital through share issues, grants, collaboration or partnership agreements that would allow the Company to finance its activities, in whole or in part. Nothing guarantees that additional funds will be available or that they may be acquired according to acceptable terms and conditions, allowing the Company to successfully market its products. If adequate funding is not available, the Company may be required to delay, reduce, or eliminate one or more of its research programs.

VOLATILITY OF SHARE PRICE

The market price of the Company’s shares is subject to volatility. General market conditions as well as differences between the Company’s financial, scientific and clinical results and the expectations of investors as well as securities analysts can have a significant impact on the trading price of the Company’s shares. In recent years, the stocks of many biopharmaceutical companies have experienced extreme price fluctuations, which have been unrelated to the operating performance of the affected companies. There can be no assurance that the market price of the common shares will not continue to experience significant fluctuations in the future, including fluctuations that are unrelated to the Company’s performance.

PRECLINICAL AND CLINICAL STUDIES

The Company is presently conducting various preclinical and clinical studies for its products. These studies may take several years to complete and, thus, require considerable resources from the Company. Obtaining positive, timely and conclusive results from these studies is an essential condition of regulatory approval and, therefore, product commercialization. There can be no assurance of satisfactory results and the lack thereof may considerably hinder the development, approval and commercialization of the Company’s products.

REGULATORY APPROVALS

In order to commercialize its products and, hence, generate revenues, the Company must first obtain the approval of regulatory agencies in each of the countries where it wishes to sell its products. The Company's products may not meet the safety and effectiveness criteria established by the various agencies and, consequently, may not obtain required approvals for commercialization for any or all targeted indications.

COMMERCIALIZATION

Once commercialized, the Company's products may potentially compete with existing products on the market. Various intermediaries in the healthcare sector, such as those who may prescribe or dispense the new drugs commercialized by the Company and the parties responsible for drug reimbursement, may select other treatments than those offered by the Company. Furthermore, the prices of medical products are increasingly being regulated. Therefore, there can be no assurance that the Company will be able to maintain price levels sufficient for the realization of an appropriate return on the Company's investment in product development.

PATENTS

Patents provide to their owners the exclusive right to use and commercialize the claimed inventions in the given territories. The Company's success will depend in part on its ability to obtain patents, maintain their registration and defend their validity. However, there is no guarantee that any patent granted to the Company will bring it any competitive advantage that will not be contested by third parties, or that the patents of competitors will not be detrimental to the Company's commercial activities. Furthermore, competitors may independently develop products similar to the Company's or copy the Company's products by circumventing the Company's patents.

COMPETITION

The Company is subject to competition from pharmaceutical companies, biotechnology companies, academic and research institutions as well as government agencies which specialize in the same fields as the Company. Some have greater capital resources, research and development staffs and facilities superior to the Company's and may be able to develop and commercialize more rapidly alternative forms of medical treatment which would potentially compete with the products of the Company.

RESEARCH

The Company conducts research activities in order to feed its therapeutic peptide pipeline. Although the Company considers that it possesses adequate resources in this regard, research may prove unsuccessful, and therefore, may not lead to the advancement of new molecules to a further development stage.

HUMAN RESOURCES

Members of management and scientists are highly qualified individuals who are essential to operations and the successful research and development of the Company's products. Loss of services from a large part of this group or the inability of the Company to attract highly qualified personnel could compromise the Company's growth.

PRODUCT LIABILITY

A risk of product liability claims is inherent in the development of human therapeutic products. Product liability insurance is expensive and its coverage is limited. A product liability claim against the Company could potentially be greater than the coverage offered and, therefore, have a material adverse effect upon the Company and its financial position.

ITEM 4 BUSINESS DESCRIPTION OF CELMED BIOSCIENCES INC.

4.1 GENERAL ACTIVITIES

Celmed was created in June 2001 following a strategic planning process involving Theratechnologies, its financial partners and experts in the field of biotechnology. This exercise exposed structural changes necessary to insure optimal development of the cell therapy activities. In March 2003, a management reorganization occurred which led to a new prioritization of Celmed's activities. Clinical activities and activities which support the clinical efforts were clearly defined as Celmed's priorities. Management, preclinical activities and clinical efforts underwent a reorganization. Most discovery activities ceased and human resources were rationalized accordingly. The Board of Directors also asked the new management team to thoroughly review Celmed's business plan. A new business plan was presented and approved by Celmed's Board of Directors in October 2003. Essentially, the new business plan's important elements confirm Celmed's will to: (1) promote the Theralux™ platform in targeting clinical trials relating to purging, Graft-versus-Host Disease (GvHD) prevention (graft reaction) and treatment of chronic GvHD (graft reaction after 100 days), (2) examine strategies to transfer the activities in neurology to a new entity, and finally (3) proceed with acquisitions of biotechnology enterprises specialized in oncology.

4.2 PRODUCTS

THERALUX™

Theralux™ is a photodynamic treatment system comprised of a light source and a photosensitive agent. Its ease of use, interchangeable light source and treatment surface equipped with an agitation system make it both sophisticated and user-friendly.

This photodynamic treatment method was primarily developed for bone marrow cancers. Initially developed for Chronic Myeloid Leukemia (CML), this technology also applies to other cancers that invade the bone marrow, such as Non-Hodgkin's Lymphoma (NHL).

The technology behind Theralux™ consists of taking a blood sample from the patient, saturating the cancer cells with a photosensitive molecule, TH 9402, and destroying the cancer cells by exposing them to a light source of specific wavelength and intensity. This procedure allows for the selective eradication of malignant or alloreactive cancer cells, while preserving an adequate proportion of healthy cells. These normal cells, which remain unaffected by TH 9402, are then reinfused into the patient in order to restore the bone marrow's normal functions, which have been destroyed by the intensive chemotherapy and radiotherapy. Celmed has also succeeded in optimizing a method of stem cell extraction using peripheral blood of leukemia patients. Having purged cancer cells using the photodynamic process, healthy cells are multiplied, if necessary, using growth factors and are then reinfused into the patient. These cells enable the return of the bone marrow's normal functions.

Clinical Development

Preclinical

Previously, Theratechnologies had obtained the following preclinical results:

- Over 99% purification of photosensitive molecules and identification of their respective properties.
- Proof of efficacy of molecule TH 9402 in leukemic bone marrow.
- Determination of optimal parameters for eradication of cancer cells and preservation of normal progenitors.
- Selective eradication of cancerous cells.
- Preservation of normal progenitors in sufficient number for autologous graft.
- Characterization of decomposition products and proof of lack of toxicity.
- Optimization of irradiating apparatus: (i) uniform light output; (ii) constant integration of applied irradiation; (iii) programming parameters; (iv) automatic reports; (v) cost reduction; (vi) variable luminous intensity; and (vii) user-friendliness.

Clinical

Chronic Myeloid Leukemia. CML was chosen as a first indication for Theralux™ because of the presence of the Philadelphia chromosome (Ph+) in leukemia cells. This major chromosomal abnormality is an effective marker for the detection of cancer cells. The primary objective of this study was to determine the maximum tolerated purging intensity (MTPI). Secondary objectives were to evaluate possible toxicity of administering peripheral blood stem cells purged with Theralux™ (safety), as well as the efficacy of Theralux™ to eliminate CML cells (Ph+) in the graft. The study established that at the MTPI, Theralux™ significantly reduced the absolute number of cancer cells (Ph+) in the graft, while preserving an adequate number of progenitor cells for sustained engraftment. The study also demonstrated that the Theralux™-treated graft can be administered safely to the patient. Five levels of intensity have been studied in 15 CML patients who were unresponsive to currently available treatments and lacked a compatible donor. To date, 11 patients are still being monitored for an average of 30 months after Theralux™ treatment.

The FDA has granted orphan drug designation for Theralux™ when used to treat patients with CML. Orphan drug designation is granted to products that have the potential to treat life threatening diseases that affect fewer than 200,000 patients in the United States. It gives the designated drug or biological product seven years of market exclusivity in the United States and also provides access to potential grant funding for clinical research and other cost savings.

Non-Hodgkin's Lymphoma. Preclinical studies on cell lines showed the efficacy of Theralux™ on NHL. Consequently, a Phase I/II trial was started to determine the safety and efficacy of Theralux™ in this indication and should be completed in 2004.

Graft-versus-Host Disease. Celmed has broadened the application of Theralux™ to the purging of alloreactive immune cells that cause GvHD. Theralux™ was designed to selectively eliminate GvHD-causing immune cells while sparing the majority of normal immune cells, providing a new means of preventing GvHD in patients requiring allogeneic transplantation. Exciting preclinical results have been published by Drs. Denis Claude Roy of Maisonneuve-Rosemont Hospital and Nelson J. Chao of Duke University. Celmed recently signed a collaboration agreement with the National Heart, Lung and Blood Institute (NHLBI) and the National Institutes of Health (NIH) Clinical Center in Bethesda, MD regarding further preclinical research in human cells using Theralux™ for the treatment of GvHD. The objective of the collaboration is to develop, evaluate and optimize a clinical-scale method for *ex vivo* selective photodepletion of host-reactive donor T lymphocytes and to test the safety and efficacy of selectively depleted (SD) allografts in a Phase I/II clinical trial of allogeneic peripheral blood stem cell transplantation (SCT).

The extracorporeal photochemotherapy (ECP) usually named photosphere is a therapy developed by Therakos during the 1980's. This therapy received FDA approval for the cutaneous T cell lymphoma treatment using a psoralene and a UVA irradiation. This technique is actually used off-label for the transplant disease treatment and for some autoimmune diseases.

Recently, Celmed conducted preclinical studies together with Maisonneuve-Rosemont Hospital. Researchers discovered that a mouse, who had a chronic or acute GvHD, could be treated with Theralux™/ECP. In addition, *in-vitro* studies on mononuclear cells, realized in Celmed's laboratories, showed that Theralux™/ECP could eliminate a part of the T cells by preserving the natural killer cells and dendritic cells. These cells are known to play a central role in the immune responses initiation. Theralux™/ECP due to its immunomodulator action, could be a good substitute to GvHD treatments resistant to immunosuppressors and also for other immune diseases. These encouraging preliminary results have led to an important collaboration with Dr Foss (Tufts-New England Medical Center) who will, in the very near future, test this new technology with chronic GvHD patients. The first two clinical studies will then be initiated in parallel: in Montreal (Maisonneuve-Rosemont Hospital) and in Boston (Tufts) to treat chronic GvHD patients.

4.3 MARKET AND COMPETITION

CHRONIC MYELOID LEUKEMIA

For CML cases, a haematopoietic form of cancer, the most often used treatment is a combination of intensive chemotherapy and radiotherapy, followed by a bone marrow transplant taken from a compatible donor. Roferon-A® and Intron-A® (Interferon α -2b) represent other treatment options often used alone or in combination with chemotherapeutic agents before or after a bone marrow transplant. Gleevec® (imatinib mesylate) was introduced on the North-American market in May 2001 by Novartis. This product is now the first line treatment of CML and has shown some success in certain cases.

Unfortunately, clinical remission following the use of one or several medically acceptable therapeutic approaches lasts 3 to 4 years on average, and the principal cause of failure is the

development, by leukemic tumour cells, of various resistance mechanisms over a more or less short period of time. This is true of all drugs recommended for the treatment of CML, including Gleevec. Furthermore, approximately 50% of patients are not eligible for allogenic bone marrow transplant.

NON-HODGKIN'S LYMPHOMA

NHL is another form of haematopoietic cancer that targets B- and T cells of the immune system. In adults, this results in the appearance of malignant lymphomas made up principally of B-cells (approximately 85% of lymphatic tumours). The therapeutic approach most often used in the treatment of NHL is the combination of intensive chemotherapy and radiotherapy, followed by a bone marrow transplant. Another treatment, Rituxan® (rituximab), was recently introduced on the market and consists of the use of monoclonal antibodies against the CD20 antigen, which is found in approximately 90% of Type-B NHL cases.

The Theralux™ treatment is based on an autogenous transplant, being the transplant of peripheral blood taken from the patients themselves, previously treated to eliminate cancer cells (*ex vivo* approach). This treatment is, therefore, well suited for patients who relapsed after receiving more conventional therapeutic treatments. Theralux™, addresses patients suffering from CML and NHL who require a bone marrow transplant, a population estimated at 20,000 people.

GRAFT-VERSUS-HOST DISEASE

Presently, there is no efficient treatment against chronic and acute transplant disease against the host. Immunosuppressors or corticosteroids are regularly used to reduce the effect of these diseases. However, toxicity and resistance to these drugs are often observed.

The company called Therakos, which uses a process similar to Theralux™, has started clinical studies in order to obtain approvals regarding these indications. Their system uses an intercalating agent of DNA and UVA light.

4.4 REGULATORY FRAMEWORK

MEDICAL DEVICES

In 1998, a new Canadian regulation governing the sale, importation and advertisement of medical devices was adopted to assure for their safety and efficacy. The regulation requirements were harmonized with those of the international commercial partners of Canada. Under this regulation, medical devices are classified into Classes I to IV according to their degree of intrusiveness and the risks associated with their use, Classes III and IV having the highest degree of risks.

PHOTODYNAMIC TREATMENT WITH THERALUX™

In Canada, the TPD classifies Theralux™ as a Class IV medical device. This classification requires an ISO 13485/13488 certification and a clinical trial to assess the safety and efficacy of photodynamic treatment with Theralux™. Celmed has obtained the renewal of this certification, which was granted initially last year. The approval of the TPD for this class of products can be obtained relatively quickly.

In the United States, the FDA considers photodynamic treatment first as a drug. Its classification as a medical device is secondary, although it is also a requirement. Thus, in the United States, Theralux is considered a drug/medical device combination.

In Europe, Theralux™ has also been classified as a combination product. This classification is somewhat similar to that of the United States. Celmed must also obtain an ISO 13485 certification.

4.5 INTELLECTUAL PROPERTY

Celmed's policy with respect to its patent portfolio is similar to that adopted by Theratechnologies. To date, Celmed has ten patents issued and 24 patent applications pending.

Theralux™ is comprised of two elements, the photodynamic device and the photosensitive molecule TH 9402, both protected by patents. Celmed holds three patents on the device, and several patent applications are pending. Celmed holds an exclusive license from the *Université de Montréal* with respect to the photosensitive molecule, for which three patents have been issued and other patent applications are pending.

As for the Theralux™ trademark, Celmed has filed applications for its registration in the major markets.

4.6 HUMAN RESOURCES

As at November 30, 2003, Celmed had 49 employees, of whom 33 were part of the research and development team and 19 hold post-graduate diplomas (M.Sc., Ph.D. and M.D.).

Celmed also benefits from the services of renowned scientists who work contractually on various products, depending on corporate needs.

4.7 FACILITIES

Celmed carries out its activities at 2310 Alfred-Nobel Boulevard in the Saint Laurent Technoparc, where its head office is situated, and which it subleases from Theratechnologies. These facilities are comprised of offices and laboratories, built specifically for its needs.

In October 2002, Celmed entered into a lease regarding facilities at 2525 Marie-Curie Boulevard, also located in the Saint Laurent Technoparc. These facilities house additional offices and laboratories, also built specifically for its needs.

4.8 ENVIRONMENT

Environmental protection requirements have not, to the knowledge of Celmed, had a significant financial or operational impact on the capital expenditures, income or competitive position of Celmed over the normal course of its operating activities.

ITEM 5 DIRECTORS AND EXECUTIVE OFFICERS

5.1 DIRECTORS

The following table lists the names of all directors, their province or state and country of residence, their principal occupation, the office held in the Company (if any), the year in which they first became a director of the Company and the number of Shares beneficially owned, directly or indirectly, by each of them or over which they exercise control or direction.

DIRECTORS

| Name, Province or State and Country of Residence | Principal Occupation | Director Since | Number of Common Shares of the Company over which Control or Direction is Exercised |
|---|---|-----------------------|--|
| A. Jean de Grandpré ^{†§} Quebec, Canada | Chairman of the Board of the Company | 1993 | 35,100 |
| André de Villers Quebec, Canada | Vice Chairman of the Board of the Company President and Chief Executive Officer of Celmed BioSciences Inc. (subsidiary of the Company) | 1993 | 1,834,050 ¹⁾ |
| Gilles Cloutier [§] North Carolina, United States | Director of various companies | 2003 | -- |
| André Delambre ^{*§} Quebec, Canada | Executive Vice President, Finance and Administration Les Productions Feeling inc. (Production Company) | 2000 | 4,200 |
| Monique Lefebvre ^{†§} Quebec, Canada | Director of various companies | 2002 | 2,000 |
| Paul Pommier ^{*†§} Quebec, Canada | Director of various companies | 1997 | 40,100 |
| Henri A. Roy Quebec, Canada | Chairman of the Board and President and General Manager Société générale de financement du Québec (venture capital company) | 2004 | -- |
| Jean-Denis Talon ^{*§} Quebec, Canada | Chairman of the Board AXA Canada (Insurance Company) | 2001 | 5,400 |
| Luc Tanguay Quebec, Canada | President and Chief Executive Officer of the Company | 1993 | 25,000 |

- 1) Of this number, 1,407,125 shares are held by CEMA – Consultant en médecine appliquée Inc., a company controlled by André de Villers, 319,792 shares are held by 9032-3445 Québec Inc., a company controlled by CEMA – Consultant en médecine appliquée Inc., 83,333 shares are held by 2971020 Canada Inc., a company controlled by André de Villers, and 23,800 shares are held directly by André de Villers.

* Member of the Audit Committee.

† Member of the Compensation Committee.

§ Member of the Nominating Committee.

BIOGRAPHICAL NOTES OF THE DIRECTORS

A. Jean de Grandpré

Chairman of the Board of the Company

In September 1996, A. Jean de Grandpré was appointed Chairman of the Board of Directors, of which he had been a director since 1993. Mr. de Grandpré was Chairman of the Board and Chief Executive Officer of Bell Canada and Chairman of the Board and Chief Executive Officer of BCE. He also served as a member of the boards of Canadian and US corporations, such as Northern Telecom Limited and Chrysler Corporation.

André de Villers

Vice Chairman of the Board of the Company

President and Chief Executive Officer of Celmed BioSciences Inc.

Since 1993, Dr. de Villers successively held the positions of President and Director of Research & Development, President and General Manager, and President and Chief Executive Officer of the Company. Since May 2002, he has held the position of Vice Chairman of the Board. Since March 2003, he is President and Chief Executive Officer of Celmed BioSciences Inc., a subsidiary of the Company. Dr. de Villers sits on the boards of TSO3 and H3 Pharma.

Gilles Cloutier

Director of various companies

Dr. Cloutier has over thirty years of experience in the pharmaceutical industry, including five years with contract research organizations providing strategic support to biotechnology and pharmaceutical industries. Dr. Cloutier was Chairman and Chief Business Officer for MoliChem Medecines Inc. from 2001 to 2003. He was President and Chief Executive Officer of Northern Therapeutics Inc. from 2000 to 2002 and was Vice President, Founder and Director of United Therapeutics Corporation from 1997 to 2002. Dr. Cloutier sits on the boards of directors of BioSyntech, Vital States, Dacha Capital and Formated.

André Delambre

Executive Vice President, Finance and Administration, Les Productions Feeling inc.

Mr. Delambre has been Executive Vice President of Les Productions Feeling since September 1998. Previously, he was a partner at the accounting firm Samson, Belair, Deloitte and Touche.

Monique Lefebvre

Director of various companies

Ms. Monique Lefebvre is a member of the boards of Transcontinental, ART Advanced Research Technologies and Desjardins Financial Security. She also sits on the boards of the Centre d'accès à l'Information Juridique du Québec and of the Trustees of the Canada Foundation for Innovation. Ms. Lefebvre served as President of the Montreal Transition Committee and as President and General Manager of the Computer Research Institute of Montreal. She has also held key positions in large companies, notably President of Quebecor Multimedia Inc. and Vice President, Quebec and Atlantic Canada, Ericsson Canada. Holder of a Ph.D. in cognitive psychology, Ms. Lefebvre was also Dean and Vice Rector, Teaching and Research at a Montreal University from 1983 to 1991.

Paul Pommier

Director of various companies

Mr. Paul Pommier worked for more than 25 years at National Bank Financial where he held until 1997, various positions, including Senior Executive Vice President, Corporate and Government Financing. During his career, he managed operations in public and private financing, mergers and acquisitions, as well as the marketing of new issues.

Henri A. Roy

Chairman of the Board and President and General Manager, Société générale de financement du Québec

Before joining Société Générale de financement du Québec in May 2003, Mr. Roy held the position of Chairman of the Board and Chief Executive Officer of HDR Capital. From 1986 to 2000, Mr. Roy was Director Founder and Executive Vice President of Cambior (international gold producer). Mr. Roy sat on the board of directors of many companies, notably Domtar, Quebecor, Laurentian Bank, BCE Mobil, Memotech, Teleglobe, BCE Development, Cambior and Provigo.

Jean-Denis Talon

Chairman of the Board, AXA Canada

Mr. Jean-Denis Talon has worked for AXA Insurance for more than 20 years. During his career, he has held the positions of President and Chief Executive Officer, AXA Insurance, and Chairman of the Board and President, AXA Canada as well as Chairman of the Board and Chief Executive Officer, AXA Canada. Mr. Talon currently holds the position of Chairman of the Board, AXA Canada He is also President of the Financial Affairs Committee of the Insurance Bureau of Canada and is a director of various companies in the AXA Group.

Luc Tanguay

President and Chief Executive Officer of the Company

With the Company since 1996, Mr. Luc Tanguay held successively the positions of Senior Vice President and Chief Financial Officer and President, Chief Operating and Financial Officer. Since May 2002, he is President and Chief Executive Officer of the Company. Before joining the Company, Mr. Tanguay worked in investment banking at National Bank Financial. Mr. Tanguay is a member of the board of directors of Celmed BioSciences, Andromed, Ecopia BioSciences and Genome Quebec.

DECLARATION OF DIRECTORS' ANTECEDENTS

Pursuant to a new regulation regarding reporting issuers' continuous disclosure obligations, the Company must declare if a nominee has been a director or executive officer of a company which was the subject of a cease trade order under securities legislation or had to seek protection under legislation relating to bankruptcy or insolvency. Only one nominee has occupied a position which has to be declared. Paul Pommier was a member of the board of directors of Royal Aviation Inc. until March 2001, date of its acquisition by Canada 3000 Inc. Subsequently, at the end of 2001, Canada 3000 and its subsidiaries, including Royal Aviation,

made assignments in bankruptcy under Section 49 of the *Bankruptcy and Insolvency Act (R.S. 1985, c. B-3)*.

5.2 EXECUTIVE OFFICERS

The following table lists the names of all executive officers, their province or state and country of residence, their office and the number of Shares beneficially owned, directly or indirectly, by each of them or over which they exercise control or direction.

| EXECUTIVE OFFICERS | | |
|---|---|--|
| Name, Province or State and Country of Residence | Office | Number of Common Shares of the Company over which Control or Direction is Exercised |
| A. Jean de Grandpré Québec, Canada | Chairman of the Board | 35,100 |
| André de Villers Québec, Canada | Vice Chairman of the Board | 1,834,050 ¹⁾ |
| Luc Tanguay Québec, Canada | President and Chief Executive Officer | 25,000 |
| Thierry Aribat Québec, Canada | Vice President and Chief Scientific Officer | 5,691 |
| Gérald André Québec, Canada | Vice President, Corporate Development | 4,000 |
| Marie-Noël Colussi Québec, Canada | Vice President, Finance | 5,075 |
| Eckhardt S. Ferdinandi Québec, Canada | Vice President, Preclinical Research | 2,000 |
| Peter McBride Québec, Canada | Vice President, Investors Relations and Public Affairs | 14,798 |
| Pierre Perazzelli Québec, Canada | Vice President, Corporate Services and Information Technology | 2,170 |
| Luc Vachon Québec, Canada | Vice President, Drug Development | 3,844 |

1) Of this number, 1,407,125 shares are held by CEMA – Consultant en médecine appliquée Inc., a company controlled by André de Villers, 319,792 shares are held by 9032-3445 Québec Inc., a company controlled by CEMA – Consultant en médecine appliquée Inc., 83,333 shares are held by 2971020 Canada Inc., a company controlled by André de Villers, and 23,800 shares are held directly by André de Villers.

BIOGRAPHICAL NOTES OF THE EXECUTIVE OFFICERS

For the biographical notes of A. Jean de Grandpré, André de Villers and Luc Tanguay, please refer to sub-item 5.1 titled “Directors” of the present document.

Thierry Atribat

Vice President and Chief Scientific Officer

Co-inventor of ThGRF, Dr. Thierry Atribat holds a Ph.D. in the field of endocrinology from the Institut National Polytechnique of Toulouse, France, and a medical degree in veterinary medicine from the Université Paul Sabatier of Toulouse. He worked for several years in the pharmaceutical industry, namely with Sanofi (France), and was also a consultant in the field of growth hormone, growth factors and wound healing. From 1991 to 1997, he worked as a researcher at the Faculté de médecine of the University of Montreal. Dr. Atribat is a recipient of the silver medal of the Académie vétérinaire de France and a fellow of the Université Paul Sabatier. He has authored and coauthored a large number of publications and has made presentations at several international conferences. Dr. Atribat joined Theratechnologies in 2000. Prior to his appointment as Vice President and Chief Scientific Officer in February 2002, he successively held the positions of Director, Scientific and Commercial Development, Senior Scientific Advisor and Vice President, Peptides.

Gérald André

Vice President, Corporate Development

Mr. Gérald André has acquired over twenty years of experience in the fields of applied research, technological innovation and business financing in the biotechnology sector. Before joining Theratechnologies, Mr. André worked for the *Société générale de financement du Québec* where he built the health sector portfolio. He obtained his chemical engineering degree from the École Polytechnique de Montréal. After completing a Ph.D. at the University of Waterloo, he entered National Research Council Canada and joined the original research team that launched the Institut de recherche en biotechnologie (IRB) in Montreal. He also played an active role in setting up the IRB pilot plant. Mr. André joined Theratechnologies in June 2002.

Marie-Noël Colussi

Vice President, Finance

Ms. Marie-Noël Colussi is a graduate of Université du Québec à Montréal in business administration. Prior to joining Theratechnologies, Ms. Colussi worked for eight years with KPMG, a major accounting firm. Ms. Colussi has acquired sound experience in accounting, auditing, control and taxation, particularly in R&D. She joined Theratechnologies in March 1997, and prior to her appointment as Vice President, Finance in February 2002, she successively held the positions of Director, Accounting and Internal Control as well as Controller.

Eckhardt S. Ferdinandi

Vice President, Preclinical Research

Prior to his appointment as Vice President, Preclinical Research on December 11, 2000, Dr. Ferdinandi was Director of Preclinical Development at Lorus Therapeutics. He has extensive experience in the area of drug research and development both in innovative pharmaceutical companies and at contract research organizations. After obtaining a Ph.D. in organic chemistry

from McGill University and completing a post-doctoral fellowship at Colorado University, he joined Wyeth-Ayerst to conduct research in medicinal chemistry. Subsequently, shifting to the area of drug metabolism, he supervised, as Senior Research Associate, preclinical and clinical investigations on the pharmacokinetics and disposition of a variety of drug entities in support of CTA and NDA submissions. He acquired further experience in preclinical drug development with Berlex Laboratories as Head of Drug Metabolism and at CTBR (ClinTrials BioResearch) as Scientific Director of Metabolism.

Peter McBride

Vice President, Investors Relations and Public Affairs

Mr. McBride has over thirty years of experience with various industries in the fields of communications, investor relations, general management and finance. Prior to joining Theratechnologies in July 2003, Mr. McBride held senior positions at Imasco Limited, Biochem Pharma and Ecopia BioSciences. Mr. McBride earned a BA in economics at Carleton University, Ottawa.

Pierre Perazzelli

Vice President, Corporate Services and Information Technology

A graduate of Université Laval, Mr. Perazzelli has been working in the pharmaceutical manufacturing industry for over twenty years. Throughout his career, he has held various positions in large pharmaceutical companies, such as Bristol Myers Squibb and Abbott Laboratories. He was Director of the LAB Laboratory, a research centre specializing in pharmaceutical formulation. He is also experienced in the production of generic drugs. Mr. Perazzelli joined Theratechnologies in May 2000.

Luc Vachon

Vice President, Drug Development

Dr. Vachon holds a Ph.D. in biochemistry from Université Laval (Faculty of Medicine) and has sound expertise in the field of drug development. He has held several key positions in large pharmaceutical companies such as Sandoz Canada (now Novartis) and Nordic Merrell Dow Research (now Aventis). Prior to joining Theratechnologies, Dr. Vachon was Senior Vice President at Cato Research and Managing Director at Cato Research Canada, a leading contract research organization. He is also an Associate Professor at the Faculty of Medicine of the University of Montreal.

ITEM 6 EXPERTS

KPMG, chartered accountants act as auditors of the Company since October 19,1993. During the financial year ended November 30, 2003, they have completed the audit of the financial statements of the Company and issued an auditors report to the shareholders.

ITEM 7 SECURITIES OF THE COMPANY

7.1 AUTHORIZED SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares issuable in series.

Subject to the priority rights of holders of preferred shares, holders of common shares are entitled to any dividend declared by the Board of Directors, to one vote per share at meetings of shareholders of the Company and, in the event of liquidation, dissolution or winding-up of the Company to participate in the distribution of the assets.

Preferred shares carry no voting rights. Preferred shares may be issued at any time in one or more series. The Company's articles of incorporation give its Board of Directors the power to fix the number of preferred shares and the consideration per share, as well as to determine the provisions attached to the preferred shares of each series (including dividends, redemption rights and conversion rights, if any). The shares of every series of preferred shares will have priority over all other shares of the Company, including common shares, with respect to the payment of dividends and return of capital in the event of the liquidation, dissolution or winding up of the Company.

7.2 DIVIDEND POLICY

The Company's general policy on dividends is not to pay any in cash to keep funds available to finance the Company's growth. However, the Board of Directors may, from time to time, choose to declare a dividend in assets if warranted by circumstances.

In 2000, the Company distributed a special dividend to its shareholders in the form of Ecopia common shares. For each seven shares of Theratechnologies they held at the record date, October 12, 2000, the shareholders received one common share of Ecopia. Apart from this special dividend, the Company has not paid any dividends since its inception.

7.3 TRANSFER AGENT

The transfer agent responsible of the Company's registries is Trust National Bank who holds these registries at its Montreal office.

7.4 MARKET FOR THE SECURITIES

The common shares of the Company are listed and traded on the Toronto Stock Exchange under the symbol "TH".

7.5 PRICE RANGE AND TRADING VOLUME

The following table sets forth the price of shares of the Company and the volume of shares traded on the Toronto Stock Exchange.

| Period | Price | | Volume |
|----------------|---------|---------|---------|
| | High | Low | |
| December 2002 | \$ 4.90 | \$4.78 | 18,700 |
| January 2003 | \$ 4.90 | \$ 4.65 | 66,000 |
| February 2003 | \$ 4.29 | \$4.15 | 31,900 |
| March 2003 | \$ 3.90 | \$3.82 | 16,700 |
| April 2003 | \$ 4.80 | \$4.80 | 103,300 |
| May 2003 | \$ 6.29 | \$6.20 | 14,300 |
| June 2003 | \$ 6.05 | \$5.90 | 32,800 |
| July 2003 | \$ 6.10 | \$5.90 | 14,000 |
| August 2003 | \$ 5.74 | \$ 5.55 | 11,600 |
| September 2003 | \$ 5.59 | \$5.51 | 15,000 |
| October 2003 | \$ 5.34 | \$5.12 | 94,400 |
| November 2003 | \$ 5.19 | \$4.85 | 32,500 |

ITEM 8 ADDITIONAL INFORMATION

Additional information, including compensation of senior executives, stock options and interests of management in material transactions, where applicable, is contained in the Management Proxy Circular dated March 25, 2004 (the "Circular") accompanying the Notice of Annual General Meeting of Shareholders of the Company. The financial information of the Company is provided in the Company's comparative financial statements and Management Discussion & Analysis for its financial year ended November 30, 2003, which are included in the Company's 2003 Annual Report.

Additional information regarding the Company is available on the web site SEDAR at the address www.sedar.com or upon request addressed to Geneviève Dubuc, the Corporate Secretary, at 2310 Alfred-Nobel Boulevard, Saint Laurent, Québec, H4S 2A4. Except when the securities of the Company are in the course of a distribution pursuant to a prospectus, the Company may charge reasonable fees if the request is from a person who is not a securities holder of the Company.

GLOSSARY

The following glossary provides the meaning of certain terms used in the North American biopharmaceutical industry. However, certain generalizations were made for convenience of reference, and these definitions are not necessarily accepted for all purposes in the industry.

| | |
|---------------------------|---|
| Analogs: | Molecules that resemble the original molecules but are modified, notably to increase the level of activity or duration of action. |
| Biopharmaceutical: | This industry regroups companies which primarily study the biological mechanisms and reactions in view of developing specific scientific, industrial and commercial applications. |
| CTA: | <i>Clinical Trial Application</i> – All data collected during preclinical testing presented to the Canadian regulatory authorities in order to obtain a formal authorization to conduct clinical trials. |
| Clinical trials: | Clinical trials in humans, including various phases. |
| • Phase I: | Testing in a small number of healthy volunteers to determine safety, dose tolerance and pharmacokinetic properties of a product. When certain conditions are met, Phase I trials may be conducted on patients (cancer, for example). |
| • Phase II: | With respect to a particular indication, testing of a product in a small number of volunteer patients to evaluate the effectiveness of a product and to identify its side-effects. |
| • Phase III: | With respect to a particular indication, testing of a product in an expanded voluntary patient population to establish efficiency and to monitor its side-effects in order to complete the clinical aspects of the regulatory filing. |
| CML: | <i>Chronic Myeloid Leukemia.</i> |
| COPD: | <i>Chronic Obstructive Pulmonary Disease.</i> |
| FDA: | <i>Food and Drug Administration</i> – American regulatory body responsible for the regulation of therapeutic products available in the United States. |
| GH: | <i>Growth Hormone</i> or somatotropin. |
| GLP: | <i>Good Laboratory Practices.</i> |

| | |
|-------------------------|---|
| GLP-1: | <i>Glucagon-like peptide-1</i> – Peptide hormone synthesized by the intestinal endocrine in response to food ingestion. GLP-1 induces the satiety and stimulates glucose absorption by the cells as a result of an increased insulin secretion. |
| GMP: | <i>Good Manufacturing Practices.</i> |
| GPCR: | <i>G-Protein Coupled Receptor.</i> |
| GRF: | <i>Growth Hormone-Releasing Factor</i> or somatocrinin. |
| Growth Factor: | Factor stimulating cellular division and/or function. |
| IGF-1: | <i>Insulin-Like Growth Factor</i> – Growth factor linked to anabolic function or somatomedin. |
| IND: | <i>Investigational New Drug Application</i> – An IND regroups the data collected during preclinical studies. It is submitted to the American regulatory authorities to obtain formal approval to perform clinical studies - American CTA equivalent. |
| NDA: | <i>New Drug Application</i> – Collection of results of preclinical and clinical trials, as well as relevant information on the product with a view to obtaining authorization to market same in the United States - American NDS equivalent. |
| NDS: | <i>New Drug Submission</i> – Collection of results of preclinical and clinical trials, as well as relevant information on the product with a view to obtaining authorization to market same in Canada. |
| NHL: | <i>Non-Hodgkin's Lymphoma.</i> |
| Peptides: | Peptides are molecules composed of linear chains of amino acids. They are highly specific and are efficacious at low doses. Many are naturally involved in the cell and tissue regeneration process and are involved in numerous endocrine functions. |
| Pituitary gland: | Master gland that controls most endocrine functions. |
| Placebo: | Non-medicinal substance used in clinical trials to obtain the simple or double blind characteristic. |
| PTH: | <i>Parathyroid Hormone</i> – Natural hormone secreted by the parathyroid glands, which controls calcium and phosphorus metabolism in the body. |

| | |
|-----------------------------|--|
| Preclinical studies: | Animal Studies to evaluate the pharmacological properties, efficacy and toxicology of a drug, as well as <i>in vivo</i> testing of formulations, to support clinical trials. |
| Somatocrinin: | Hypothalamus peptide that stimulates secretion of growth hormone or GRF. |
| Somatomedin: | Growth factor or IGF-1. |
| Somatostatin: | Hypothalamus peptide that inhibits secretion of growth hormone. |
| Somatotropin: | Growth Hormone or GH. |
| T cells: | Small lymphocytes whose maturation is regulated by the thymus and that are responsible for cellular immunity. T cells are essential to the general regulation of immune response, Graft-versus-Host Disease and the proliferation of macrophage cells. They attack and destroy a large number of pathogens introduced into the organism, such as bacteria and viruses, as well as cells already present in the organism that have undergone transformations, such as cancerous cells. There are two types of lymphocytes: helper or inducer lymphocytes and cytotoxic lymphocytes. |
| ThGRF: | GRF analog developed by the Company. |
| TPD: | <i>Therapeutic Products Directorate of the Health Products and Food Branch of Health Canada</i> – Canadian governmental body responsible for the regulation of pharmaceutical drugs, medical devices and other therapeutic products available in Canada. This includes evaluating and monitoring their safety, effectiveness and quality. |