UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

under the Securities Exchange Act of 1934

April 14, 2020

Commission File Number 001-35203

THERATECHNOLOGIES INC.

(Translation of registrant’s name into English)

2015 Peel Street, Suite 1100
Montréal, Québec, Canada
H3A 1T8

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☐ Form 40-F ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ☐ No ☒

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ☐ No ☒

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant’s “home country”), or under the rules of the home country exchange on which the registrant’s securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant’s security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-______________.

Exhibit	Description
99.1	Consolidated Interim Financial Statements for the Three Month Periods Ended February 29, 2020 and February 28, 2019
99.2	Management’s Discussion and Analysis for the Three Month Period Ended February 29, 2020
99.3	Certification of Interim Filings of the President and Chief Executive Officer
99.4	Certification of Interim Filings of the Senior Vice President and Chief Financial Officer

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THERATECHNOLOGIES INC.

By: /s/ Paul Lévesque
Name: Paul Lévesque
Title: President and Chief Executive Officer

Date: April 14, 2020

Interim Consolidated Financial Statements
(In thousands of United States dollars)

THERATECHNOLOGIES INC.

Three-month periods ended February 29, 2020 and February 28, 2019

(Unaudited)

THERATECHNOLOGIES INC.

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(In thousands of United States dollars)
(Unaudited)

THERATECHNOLOGIES INC.

Interim Consolidated Statements of Financial Position
(In thousands of United States dollars)

As at February 29, 2020 and November 30, 2019
(Unaudited)

	Note		February 29, 2020		November 30, 2019
Assets					
Current assets					
Cash		$	23,600	$	28,661
Bonds and money market funds			10,979		11,964
Trade and other receivables			9,886		10,116
Inventories	5		20,670		20,929
Prepaid expenses and deposits			3,174		3,874
Derivative financial assets			486		637
Total current assets			68,795		76,181
Non-current assets					
Bonds and money market funds			191		619
Right-of-use assets	2		2,847		-
Property and equipment			1,011		1,071
Intangible assets			26,840		27,480
Other asset			10,983		12,204
Total non-current assets			41,872		41,374
Total assets		$	110,667	$	117,555
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	24,783	$	31,173
Provisions	6		2,890		2,484
Current portion of long-term obligations	7		3,452		3,417
Current portion of lease liabilities	9		363		-
Deferred revenue			37		70
Total current liabilities			31,525		37,144
Non-current liabilities					
Long-term obligations	7		4,589		4,570
Lease liabilities	9		2,729		-
Convertible unsecured senior notes	8		51,133		50,741
Other liabilities	10		29		266
Total non-current liabilities			58,480		55,577
Total liabilities			90,005		92,721
Equity					
Share capital			287,035		287,035
Equity component of convertible unsecured senior notes			4,457		4,457
Contributed surplus			11,147		10,783
Deficit			(282,006)		(277,462)
Accumulated other comprehensive income	11(d)		29		21
Total equity			20,662		24,834
Total liabilities and equity		$	110,667	$	117,555

The accompanying notes are an integral part of these interim consolidated financial statements.

THERATECHNOLOGIES INC.

Interim Consolidated Statements of Comprehensive Loss
(In thousands of United States dollars, except per share amounts)

Three-month periods ended February 29, 2020 and February 28, 2019
(Unaudited)

	Note	2020	2019
Revenue	3	$ 15,719	$ 15,096
Operating expenses			
Cost of sales			
Cost of goods sold		5,400	4,810
Other production-related costs		140	34
Amortization of other asset		1,221	1,221
Research and development expenses		3,419	2,527
Selling expenses		6,361	5,448
General and administrative expenses		2,570	1,516
Total operating expenses		19,111	15,556
Loss from operating activities		(3,392)	(460)
Finance income	4	166	335
Finance costs	4	(1,318)	(1,103)
		(1,152)	(768)
Net loss for the period		(4,544)	(1,228)
Other comprehensive income (loss), net of tax			
Items that may be reclassified to net profit (loss) in the future:			
Net change in fair value of FVOCI financial assets, net of tax		10	32
Exchange difference on Translation of foreign operations		(2)	-
		8	32
Total comprehensive loss for the period		$ (4,536)	$ (1,196)
Basic and diluted loss per share	11(c)	(0.06)	(0.02)

The accompanying notes are an integral part of these interim consolidated financial statements.

THERATECHNOLOGIES INC.

Interim Consolidated Statements of Changes in Equity
(In thousands of United States dollars, except per share amounts)

Three-month periods ended February 29, 2020 and February 28, 2019
(Unaudited)

For the three-month period ended February 29, 2020

	Share capital						
	Number of shares	Amount	Equity component of convertible notes	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total
Balance as at November 30, 2019	76,953,411	$287,035	$ 4,457	$ 10,783	$(277,462)	$ 21	$ 24,834
Total comprehensive loss for the period							
Net loss for the period	-	-	-	-	(4,544)	-	(4,544)
Other comprehensive income:							
Net change in fair value of FVOCI financial assets, net of tax	-	-	-	-	-	10	10
Exchange differences on translation of foreign operation	-	-	-	-	-	(2)	(2)
Total comprehensive loss for the period	-	-	-	-	(4,544)	8	(4,536)
Transactions with owners, recorded directly in equity							
Share-based compensation plan:							
Share-based compensation for stock option plan	-	-	-	364	-	-	364
Total contributions by owners	-	-	-	364	-	-	364
Balance as at February 29, 2020	76,953,411	$287,035	$ 4,457	$ 11,147	$(282,006)	$ 29	$ 20,662

For the three-month period ended February 28, 2019

	Share capital						
	Number of shares	Amount	Equity component of convertible notes	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total
Balance as at November 30, 2018	76,877,679	$286,828	$ 4,457	$ 8,788	$(264,966)	$ (95)	$ 35,012
Total comprehensive loss for the period							
Net loss for the period	-	-	-	-	(1,228)	-	(1,228)
Other comprehensive income:							
Net change in fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	-	32	32
Total comprehensive loss for the period	-	-	-	-	(1,228)	32	(1,196)
Transactions with owners, recorded directly in equity							
Issuance of common shares – Katana	900	5	-	-	-	-	5
Share-based compensation plan:							
Share-based compensation for stock option plan	-	-	-	263	-	-	263
Exercise of stock options:							
Monetary consideration	23,332	40	-	-	-	-	40
Attributed value	-	32	-	(32)	-	-	-
Total contributions by owners	24,232	77	-	231	-	-	308
Balance as at February 28, 2019	76,901,911	$286,905	$ 4,457	$ 9,019	$(266,194)	$ (63)	$ 34,124

The accompanying notes are an integral part of these interim consolidated financial statements.

THERATECHNOLOGIES INC.

Interim Consolidated Statements of Cash Flows
(In thousands of United States dollars)

Three-month periods ended February 29, 2020 and February 28, 2019
(Unaudited)

	Note	2020	2019
Cash flows from (used in)			
Operating			
Net loss		$ (4,544)	$ (1,228)
Adjustments for			
Depreciation of property and equipment		60	5
Amortization of intangible and other assets		1,861	1,709
Amortization of right-of-use assets		109	-
Share-based compensation for stock option plan and stock appreciation rights		365	264
Write-down of inventories	5	3	3
Change in fair value of derivative financial assets		147	(179)
Change in fair value of liability related to deferred stock unit plan		(145)	177
Interest on convertible unsecured senior notes	4	802	812
Interest income		(166)	(335)
Foreign exchange		13	(79)
Accretion expense		502	357
		(993)	1,506
Change in operating assets and liabilities			
Trade and other receivables		230	2,966
Inventories		256	(421)
Prepaid expenses and deposits		700	98
Accounts payable and accrued liabilities		(5,391)	(1,073)
Provisions		406	641
Deferred revenue		(33)	16
		(3,832)	2,227
		(4,825)	3,733
Financing			
Proceeds from exercise of stock options		-	40
Payments of lease liabilities		(141)	-
Interest paid on convertible unsecured senior notes		(1,653)	(1,764)
		(1,794)	(1,724)
Investing			
Acquisition of bonds and money market funds		(30)	(73)
Proceeds from sale of bonds and money market funds		1,399	1,357
Interest received		191	359
Acquisition of intangible assets		-	(1,979)
Acquisition of property and equipment		(3)	(476)
		1,557	(812)
Net change in cash		(5,062)	1,197
Cash, beginning of period		28,661	38,997
Effect of foreign exchange on cash		1	-
Cash, end of period		$ 23,600	$ 40,194

See Note 12 for supplemental cash flow disclosures.

The accompanying notes are an integral part of these interim consolidated financial statements.

Theratechnologies Inc. is a commercial-stage biopharmaceutical company addressing unmet medical needs by bringing to market specialized therapies for people with orphan medical conditions, including those living with HIV.

The interim consolidated financial statements include the accounts of Theratechnologies Inc. and its wholly owned subsidiaries (together referred to as the "Company" and individually as the "subsidiaries of the Company").

Theratechnologies Inc. is governed by the *Business Corporations Act* (Québec) and is domiciled in Québec, Canada. The Company is located at 2015 Peel Street, Montréal, Québec, H3A 1T8.

1. Basis of preparation

(a) Accounting framework

These unaudited interim consolidated financial statements ("interim financial statements"), including comparative information, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

Certain information, in particular the accompanying notes normally included in the annual consolidated financial statements prepared in accordance with IFRS, has been omitted or condensed. These interim financial statements do not include all disclosures required under IFRS and, accordingly, should be read in conjunction with the annual consolidated financial statements for the year ended November 30, 2019 and the notes thereto.

These interim financial statements have been authorized for issue by the Company's Audit Committee on April 13, 2020.

(b) Basis of measurement

The Company's interim financial statements have been prepared on going concern and historical cost bases, except for bonds and money market funds, derivative financial assets, liabilities related to cash-settled share-based arrangements and derivative financial liabilities, which are measured at fair value. Effective December 1, 2019, lease liabilities are measured at the present value of lease payments not paid at commencement date. See note 2(a) below. Equity-classified shared-based payment arrangements are measured at fair value at grant date pursuant to IFRS 2, *Share-based Payment*.

The methods used to measure fair value are discussed further in Note 14.

1. Basis of preparation (continued)

(c) Use of estimates and judgments

The preparation of the Company's interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements, and the reported amounts of revenues and expenses during the reporting periods.

Information about critical judgments in applying accounting policies and assumptions and estimation uncertainties that have the most significant effect on the amounts recognized in the interim financial statements are disclosed in Note 1 of the annual consolidated financial statements as at November 30, 2019.

(d) Functional and presentation currency

The Company's functional currency is the United States dollar ("USD").

All financial information presented in USD has been rounded to the nearest thousand.

2. Significant accounting policies

The significant accounting policies as disclosed in the Company's annual consolidated financial statements for the year ended November 30, 2019 have been applied consistently in the preparation of these interim financial statements, except as described below.

New standards and interpretations adopted during the period:

(a) Leases

In January 2016, the IASB issued IFRS 16, *Leases*, which replaced IAS 17, *Leases*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, the customer (lessee) and the supplier (lessor). IFRS 16 eliminates the classification of leases as either operating leases or finance leases, introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

2. Significant accounting policies (continued)

(a) Leases (continued)

The Corporation has adopted IFRS 16 using the modified retrospective method of adoption, with the effect of initially applying this standard recognized at the date of initial application, i.e. December 1, 2019. Under this method, the Company elected to measure right-of-use of asset as equal to lease liability, adjusted for amounts previously recorded for deferred lease inducements or prepaid rent as at the date of adoption. Accordingly, the cumulative effect of initially applying IFRS 16 is nil on the opening balance of deficit as at December 1, 2019. The comparative information has not been restated, i.e. it is presented, as previously reported, under IAS 17 and related interpretations.

Transition options and practical expedients

The Company has elected to apply the following transition options and practical expedients available under IFRS 16:

- Lease definition: to grandfather the assessment of which transactions are leases on the date of initial application. Accordingly, the Company applied IFRS 16 only to contracts that were previously identified as leases under IAS 17 and IFRIC 4, *Determining whether an Arrangement contains a Lease*, and applied the definition of leases under IFRS 16 only to contracts entered on or after the date of initial application; and

- Short-term leases and leases of low-value items recognition exemptions: related lease payments are recognized as an expense on a straight-line basis or another basis if that basis is more representative.

Impact of adopting IFRS 16

The most significant impact as a result of adopting IFRS 16 related to the accounting for the Company's operating leases, since the nature of expenses related to most of the Company's leases changed as IFRS 16 replaced the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

(In thousands of United States dollars except for share and per share amounts)

2. Significant accounting policies (continued)

(a) Leases (continued)

Under IAS 17, the Company classified each of its leases at the inception date as either a finance lease or an operating lease, based on the extent to which risks and rewards of ownership were transferred to the Company. The Company's leases were classified as operating leases as they did not transfer substantially all the risks and rewards of ownership to the Company. Lease payments related to the Company's operating leases were recognized as rent expense in the consolidated statements of net loss and comprehensive loss on a straight-line basis over the lease term and presented as part of cash flows from operating activities in the consolidated statements of cash flows. Deferred lease inducements were recognized under Other liabilities, in the consolidated statements of financial position as at November 30, 2019.

Upon adoption of IFRS 16, the Company recognized right-of-use assets for leases previously classified as operating leases. Right-of-use assets were measured for an amount equal to the lease liability adjusted deferred lease inducements. Lease liabilities were measured at the present value of the remaining lease payments on a discounted basis, using the incremental borrowing rate at the date of initial application.

The following table summarizes the impacts of adopting IFRS 16 on the Company's consolidated statement of financial position as at December 1, 2019:

Impact of adopting IFRS 16 as at December 1, 2019	**Note**		**Increase (decrease)**
Assets			
Non-current assets:			
Right-of-use of assets	2(a)(i)	$	2,954
Total assets		$	2,954
Liabilities			
Non-current liabilities:			
Lease liabilities	2(a)(i)	$	3,192
Other liabilities	2(a)(ii) and 10		(238)
Total liabilities and equity		$	2,954

(In thousands of United States dollars except for share and per share amounts)

2. Significant accounting policies (continued)

(a) Leases (continued)

(i) Lease liabilities of $3,192 and related right-of-use assets of $2,954 were recognized and presented separately on the consolidated statement of financial position. There was no adjustment from the adoption of IFRS 16 on the opening deficit as at December 1, 2019 due to the Company's choice of transition method.

(ii) Deferred lease inducements related to previous operating leases were derecognized.

Reconciliation of operating lease commitments to lease liabilities recognized

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate as at December 1, 2019. The weighted average incremental borrowing rate applied as at December 1, 2019 was 7.1%. The lease liabilities as at December 1, 2019 can be reconciled to the operating lease commitments as at November 30, 2019 as follows:

Reconciliation of operating lease commitment liabilities recognized to operating lease commitments		
Operating lease commitments as at November 30, 2019	$	4,035
Effect of discounting		(843)
Discounted lease liabilities as at December 1, 2019	$	3,192

Significant accounting policies

At inception, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease, i.e. the date the underlying asset is available for use.

The details of the new significant accounting policies in relation to the Company's leases are set out below.

2. Significant accounting policies (continued)

(a) Leases (continued)

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for remeasurement of lease liabilities. Cost of right-of-use assets comprises:

- the initial measurement amount of the lease liabilities recognized;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease contract.

Right-of-use assets are depreciated on a straight-line basis over the lesser of i) the estimated useful life of the underlying assets; and ii) the lease term. Right-of-use assets are assessed for impairment whenever there is an indication that the right-of-use assets may be impaired.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date over the lease term. The present value of the lease payments is determined using the lessee’s incremental borrowing rate at the commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is a function of the lessee’s incremental borrowing rate, the nature of the underlying asset, the location of the asset, the length of the lease and the currency of the lease contract. Generally, the Company uses the lessee’s incremental borrowing rate for the present value. At the commencement date, lease payments generally include fixed payments, less any lease incentives receivable, variable lease payments that depend on an index (e.g. based on inflation index) or a specified rate, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising the option to terminate the lease. Lease payments also include amounts expected to be paid under residual value guarantees and the exercise price of a purchase option if the Company is reasonably certain to exercise that option.

Variable lease payments that do not depend on an index or a specified rate are not included in the measurement of lease liabilities but instead are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

2. Significant accounting policies (continued)

(a) Leases (continued)

After the commencement date, the carrying amount of lease liabilities is increased to reflect the accretion of interest and reduced to reflect lease payments made. In addition, the carrying amount of lease liabilities is remeasured when there is a change in future lease payments arising from a change in an index or specified rate, if there is a modification to the lease terms and conditions, a change in the estimate of the amount expected to be payable under residual value guarantee, or if the Company changes its assessment of whether it will exercise a termination, extension or purchase option. The remeasurement amount of the lease liabilities is recognized as an adjustment to the right-of-use asset, or in the consolidated statement of comprehensive loss when the carrying amount of the right-of-use asset is reduced to zero.

Classification and presentation of lease-related expenses

Depreciation charge for right-of-use assets, expenses related to variable lease payments not included in the measurement of lease liabilities and loss (gain) related to lease modifications are allocated in the Company's consolidated statement of comprehensive loss based on their function within the Company, while interest expense on lease liabilities is presented within finance costs.

(In thousands of United States dollars except for share and per share amounts)

3. Revenue

Net sales by product were as follows:

		2020		2019
EGRIFTA® net sales	$	8,515	$	8,962
Trogarzo® net sales		7,204		6,134
	$	15,719	$	15,096

Net sales by geography were as follows:

		2020		2019
Canada	$	109	$	-
United States		15,610		15,096
	$	15,719	$	15,096

4. Finance income and finance costs

		2020		2019
Interest income	$	166	$	335
Finance income		166		335
Accretion expense		(502)		(357)
Interest on convertible unsecured senior notes		(802)		(812)
Net foreign currency gain (loss)		(12)		64
Gain (loss) on financial instruments carried at fair value		(2)		2
Finance costs		(1,318)		(1,103)
Net finance cost recognized in net profit or loss	$	(1,152)	$	(768)

(In thousands of United States dollars except for share and per share amounts)

5. Inventories

Inventories were written down to net realizable value by an amount of $3 in 2020 (2019 - $3), which was recorded in cost of sales.

The write-downs in 2020 and 2019 are related to losses incurred during the conversion of raw materials to finished goods and losses associated with expired goods.

6. Provisions

	Chargebacks and rebates	Returns	Other	Total
Balance as at November 30, 2018	$ 895	$ 119	$ -	$ 1,014
Provisions made	10,818	174	55	11,047
Provisions used	(9,531)	(46)	-	(9,577)
Balance as at November 30, 2019	2,182	247	55	2,484
Provisions made	2,277	30	493	2,800
Provisions used	(2,394)	-	-	(2,394)
Balance as at February 29, 2020	$ 2,065	$ 277	$ 548	$ 2,890

(In thousands of United States dollars except for share and per share amounts)

7. Long-term obligation

The movement in the long-term obligations is as follows.

	Commercialization rights – Trogarzo® North American Territory	Commercialization rights – Trogarzo® European Territory	Total
Balance as at November 30, 2018	$ -	$ -	$ -
Additions	6,765	4,557	11,322
Accretion expense	152	13	165
Payment	(3,500)	-	(3,500)
Balance as at November 30, 2019	3,417	4,570	7,987
Accretion expense	35	19	54
Balance as at February 29, 2020	3,452	4,589	8,041
Current portion	(3,452)	-	(3,452)
Non-current portion	$ -	$ 4,589	$ 4,589

8. Convertible unsecured senior notes

The movement in the carrying value of the convertible unsecured senior notes is as follows:

Convertible unsecured senior notes as at November 30, 2018	$	49,233
Accretion expense		1,508
Convertible unsecured senior notes as at November 30, 2019	$	50,741
Accretion expense		392
Convertible unsecured senior notes as at February 29, 2020	$	51,133

(In thousands of United States dollars except for share and per share amounts)

9. Lease liabilities

	Note		Carrying value
Balance as at December 1, 2019	2	$	3,192
Accretion expense			56
Lease payments			(141)
Effect of change in exchange rates			(15)
Balance as at February 29, 2020			3,092
Current portion			(363)
Non-current portion		$	2,729

10. Other liabilities

	Note		February 29, 2020		November 30, 2019
Deferred lease inducements	2	$	-	$	238
Stock appreciation rights			29		28
		$	29	$	266

11. Share capital

(a) Stock option plan

The Company has established a stock option plan (the “Plan”) under which it can grant its directors, officers, employees, researchers and consultants non-transferable options for the purchase of common shares. The exercise date of an option may not be later than 10 years after the grant date. A maximum number of 6,580,000 options can be granted under the Plan. Generally, the options vest at the grant date or over a period of up to three years. As at February 29, 2020, 1,060,717 options could still be granted by the Company (2019 - 1,639,030) under the Plan.

(In thousands of United States dollars except for share and per share amounts)

11. Share capital (continued)

(a) Stock option plan (continued)

All options are to be settled by the physical delivery of the common shares.

Changes in the number of options outstanding during the past two years were as follows:

	Number of options	Weighted average exercise price per option CAD	USD
Options as at November 30, 2018	2,172,705	$ 3.15	$ 2.37
Granted	318,400	8.76	6.65
Expired	(6,668)	4.21	3.14
Exercised (share price: CAD 8.65 (USD 6.57))	(23,332)	2.28	1.73
Options outstanding as at February 28, 2019	2,461,105	3.88	2.95
Options as at November 30, 2019	2,415,784	3.93	2.96
Granted	577,800	3.22	2.42
Expired	(5,666)	8.85	6.74
Options outstanding as at February 29, 2020	2,987,918	$ 3.78	$ 2.81
Options exercisable as at February 29, 2020	2,013,822	$ 2.96	$ 2.20

During the three-month period ended February 29, 2020, $364 (2019 - $263) was recorded as share-based compensation expense for the stock option plan. The fair value of options granted during the period was estimated at the grant date using the Black-Scholes model and the following weighted average assumptions:

	2020	2019
Risk-free interest rate	1.22%	2.28%
Expected volatility	57%	58%
Average option life in years	8.5 years	8 years
Grant-date share price	$2.40 (CAD3.22)	$6.66 (CAD8.76)
Option exercise price	$2.40 (CAD3.22)	$6.66 (CAD8.76)

(In thousands of United States dollars except for share and per share amounts)

11. Share capital (continued)

(a) Stock option plan (continued)

The risk-free interest rate is based on the implied yield on a Canadian government zero-coupon issue, with a remaining term equal to the expected term of the option. The volatility is based on weighted average historical volatility adjusted for changes expected due to publicly available information. The life of the options is estimated taking into consideration the vesting period at the grant date, the life of the option and the average length of time similar grants have remained outstanding in the past. The dividend yield was excluded from the calculation since it is the present policy of the Company to retain all earnings to finance operations and future growth.

The following table summarizes the measurement date weighted average fair value of stock options granted during the period ended:

	For the three-month periods ended		
	Number of options		Weighted average grant date fair value
February 29, 2020	577,800	$	1.42 (CAD1.91)
February 28, 2019	318,400	$	4.03 (CAD5.31)

The Black-Scholes model used by the Company to calculate option values was developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differ from the Company’s stock option awards. This model also requires four highly subjective assumptions, including future stock price volatility and average option life, which greatly affect the calculated values.

(b) Stock appreciation rights (“SARs”)

On October 4, 2018, the Company’s Board of Directors approved a SARs plan for its consultants that entitles the grantee to a cash payment based on the increase in the stock price of the Company’s common shares from the grant date to the settlement date. The exercise date of an SAR may not be later than 10 years after the grant date. Generally, the SARs vest over a period up to three years.

(In thousands of United States dollars except for share and per share amounts)

11. Share capital (continued)

(b) Stock appreciation rights ("SARs") (continued)

During the three-month period ended February 29, 2020, $1 (2019 - $1) was recorded as share-based compensation expense for the SARs plan. Since these awards will be cash-settled, the fair value of SARs granted in 2019 (2020 – nil) is estimated at each reporting period using the Black-Scholes model and the following weighted average assumptions.

	Measurement date as at February 29, 2020
Risk-free interest rate	1.13%
Expected volatility	57%
Average option life in years	7 years
Period-end share price	$ 2.32 (CAD3.12)
SAR exercise price	$ 6.00 (CAD8.05)

The risk-free interest rate is based on the implied yield on a Canadian government zero-coupon issue, with a remaining term equal to the expected term of the SAR. The volatility is based on weighted average historical volatility adjusted for changes expected due to publicly available information. The life of the SARs is estimated taking into consideration the vesting period at the grant date, the life of the SARs and the average length of time similar grants have remained outstanding in the past. The dividend yield was excluded from the calculation since it is the present policy of the Company to retain all earnings to finance operations and future growth.

(In thousands of United States dollars except for share and per share amounts)

11. Share capital (continued)

(c) Loss per share

The calculation of basic loss per share was based on the net loss attributable to common shareholders of the Company of $4,544 (2019 - $1,228) and a weighted average number of common shares outstanding of 76,953,411 (2019 - 76,878,497), calculated as follows:

		February 29, 2020		February 28, 2019
Issued common shares as at December 1	$	76,953,411	$	76,877,679
Effect of share options exercised		-		778
Effect of issue of common shares		-		40
Weighted average number of common shares, basic and diluted	$	76,953,411	$	76,878,497

For the three-month period ended February 29, 2020, 2,987,918 (2019 - 2,461,105) share options, and 3,872,053 common shares potentially issuable from the conversion of the $57,500 aggregate principal amount of notes, that may potentially dilute loss per share in the future, were excluded from the weighted average number of diluted common shares calculation as their effect would have been anti-dilutive.

The average market value of the Company’s shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

(d) Accumulated other comprehensive income (loss)

		February 29, 2020		November 30, 2019
Unrealized losses on FVOCI financial assets, net of tax	$	(2)	$	(12)
Cumulative exchange difference on translation of foreign operations		31		33
	$	29	$	21

(In thousands of United States dollars except for share and per share amounts)

12. Supplemental cash flow disclosures

The Company entered into the following transactions which had no impact on its cash flows:

	Note	February 29, 2020	February 28, 2019
Additions to property and equipment included in accounts payable and accrued liabilities		$ -	$ 318
Additions to intangible assets included in accounts payable and accrued liabilities		-	61
Additions to intangible assets included in long-term obligations		-	6,765
Issuance of shares in connection with acquisition of intangible assets		-	5
Initial recognition of right-of-use assets and lease liabilities	2	3,192	-
Reclassification of other liabilities to right-of-use assets	2	238	-

13. Financial instruments

The nature and extent of the Company's exposure to risks arising from financial instruments are consistent with the disclosure in the annual consolidated financial statements as at November 30, 2019.

14. Determination of fair values

Certain of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial assets and financial liabilities measured at fair value

In establishing fair value, the Company uses a fair value hierarchy based on levels as defined below:

Level 1: Defined as observable inputs such as quoted prices in active markets.

Level 2: Defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3: Defined as inputs that are based on little or no observable market data, therefore requiring entities to develop their own assumptions.

14. Determination of fair values (continued)

Other financial assets and financial liabilities

The Company has determined that the carrying values of its short-term financial assets and financial liabilities, including cash, trade and other receivables and accounts payable and accrued liabilities, approximate their fair value because of the relatively short period to maturity of the instruments.

Bonds and money market funds and derivative financial assets and liabilities are stated at fair value, determined by inputs that are primarily based on broker quotes at the reporting date (Level 2).

The fair value of the convertible unsecured senior notes, including the equity portion, as at February 29, 2020, was approximately $43,039 (Level 1) based on market quotes.

Share-based payment transactions

The fair value of the employee stock options are measured based on the Black-Scholes valuation model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historical volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions, if any, are not taken into account in determining fair value.

The deferred stock units liability is recognized at fair value and considered Level 2 in the fair value hierarchy for financial instruments. The fair value is determined using the quoted price of the common shares of the Company.

(In thousands of United States dollars except for share and per share amounts)

15. Commitments

On February 4, 2020, the Company entered into an amended and restated licence agreement with the Massachusetts General Hospital ("MGH") in order to benefit from its assistance and knowledge for the development of tesamorelin for the potential treatment of Non-Alcoholic Steatohepatitis ("NASH") in the HIV population. Under the terms of the amended agreement, the MGH, through Dr. Steven Grinspoon, will provide services related to the study design, selection of optimal patient population, dosing, study duration and other safety matters and participate, if need be, in regulatory meetings with the FDA or the EMA. In consideration, we agreed to make certain milestone payments to the MGH related to the development of tesamorelin and a low single-digit royalty payment on all sales of EGRIFTA® above a certain threshold amount. The payment of the royalty will begin upon approval by the FDA or the EMA (the first to occur) of an expanded label of tesamorelin for the treatment of Non-Alcoholic Fatty Liver Disease or NASH in the HIV population.

In addition, on that same date, we entered into a consulting agreement with the MGH, pursuant to which Dr. Grinspoon became one of our scientific advisors. In such a role, Dr. Grinspoon will provide guidance about current developments in the HIV patient population, potential treatments, and the possible development of tesamorelin for treatment of additional diseases.

16. Operating segments

The Company has a single operating segment. Almost all of the Company's revenues are generated from one customer, RxCrossroads, which is domiciled in the United States.

	2020	2019
RxCrossroads	$ 15,136	$ 14,882
Others	583	214
	$ 15,719	$ 15,096

17. Subsequent events

On March 1, 2020, Mr. Luc Tanguay, President and Chief Executive Officer, notified the Board of Directors of his resignation becoming effective on April 5, 2020 (the “Termination Date”). As a result, pursuant to his employment agreement, Mr. Tanguay was paid an amount of $745 (CAD1,000) on the Termination Date. Mr. Tanguay will remain available to provide transitional services to the Company until September 2, 2020, and during this period he will be paid his current remuneration. In addition, the Board of Directors agreed to accelerate the vesting of all unvested stock options that he held on the Termination Date. The Company will also record a charge of $199 in the second quarter of fiscal 2020 relating to these stock options.

Subsequent to February 29, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization, which is causing significant financial market and social dislocation. The Company continues to operate during the current pandemic as it is considered an essential service in Canada. The Company’s supply chain remains unaffected, and research and development activities remain active. The Company will continue to monitor developments of the pandemic and continuously assess its potential further impact on operations including supply chain, customer demand and clinical trials. The situation is dynamic, and the ultimate duration and magnitude of the impact on the economy and the financial effect on the business are not known at this time.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED FEBRUARY 29, 2020

The following Management's Discussion and Analysis, or MD&A, provides Management's point of view on the financial position and results of operations of Theratechnologies Inc., on a consolidated basis, for the three-month period ended February 29, 2020 compared to the three-month period ended February 28, 2019. Unless otherwise indicated or unless the context requires otherwise, all references in this MD&A to "Theratechnologies", the "Company", the "Corporation", "we", "our", "us" or similar terms refer to Theratechnologies Inc. and its subsidiaries on a consolidated basis. This MD&A is dated April 13, 2020, was approved by our Audit Committee on April 13, 2020, and should be read in conjunction with our unaudited interim consolidated financial statements and the notes thereto as at February 29, 2020, or Interim Financial Statements, as well as the MD&A and audited annual consolidated financial statements, including the notes thereto, as at November 30, 2019.

Except as otherwise indicated, the financial information contained in this MD&A and in our Interim Financial Statements has been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB.

The Company's functional and presentation currency is the United States dollar, or USD. All monetary amounts set forth in this MD&A and the Interim Financial Statements are expressed in USD, unless otherwise noted.

In this MD&A, the use of *EGRIFTA*® (tesamorelin for injection) and *EGRIFTA SV*™ refer to tesamorelin for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy and the use of Trogarzo® (ibalizumab-uiyk) injection refers to ibalizumab for the treatment of multidrug resistant HIV-1 infected patients. The use of tesamorelin refers to the use of our tesamorelin compound for the potential treatment of non-alcoholic steatohepatitis, or NASH, in HIV-infected patients and for other diseases.

Forward-Looking Information
This MD&A contains forward-looking statements and forward-looking information, or, collectively, forward-looking statements, within the meaning of applicable securities laws, that are based on our management's beliefs and assumptions and on information currently available to our management. You can identify forward-looking statements by terms such as "may", "will", "should", "could", "would", "outlook", "believe", "plan", "envisage", "anticipate", "expect" and "estimate", or the negatives of these terms, or variations of them. The forward-looking statements contained in this MD&A include, but are not limited to, statements regarding product availability, the progress of our research and development activities, revenue growth from sales of *EGRIFTA*®, *EGRIFTA SV*™ and Trogarzo®, securing an appropriate pricing and widespread reimbursement for Trogarzo® in key European countries, and the launch of Trogarzo® in Europe.

Forward-looking statements are based upon a number of assumptions and include, but are not limited to, the following: (i) the COVID-19 pandemic will not adversely impact or delay (a) our sales efforts and sales initiatives, (b) the capacity of our suppliers to meet their obligations vis-à-vis us, (c) our research and development activities, (d) meetings to be held with regulatory agencies, (e) the health of our employees and our capacity to rely on our resources, and (f) global trades; (ii) patients will switch from *EGRIFTA®* to *EGRIFTA SV*™; (iii) no unfavorable side effects will be discovered from the long term use of our products; (iv) our products will not be subject to a recall; (v) no biosimilar will be approved competing *EGRIFTA®* or *EGRIFTA SV*™; and (vi) we will not be involved in any type of litigation.

Forward-looking statements are subject to a variety of risks and uncertainties, many of which are beyond our control that could cause our actual results to differ materially from those that are disclosed in or implied by the forward-looking statements contained in this MD&A. Some of those risks and uncertainties include, but are not limited to, the following: the effect that the COVID-19 pandemic could have on our sales, research and development activities and our employees, as well as on the capacity of our third party suppliers to perform their obligations under the agreements we have with them, global trades and the various regulatory measures that can be enacted to alleviate such pandemic, the risk that one or more of our products are subject to a recall or a withdrawal from the market, the risk that we are unable to negotiate an economically satisfactory pricing for Trogarzo® and its reimbursement in key European countries, the risk that our intellectual property becomes challenged or that we have to spend time and money on litigation matters and the risk that our research and development activities do not yield positive results.

We refer current and potential investors to the "Risk Factors" section of our Annual Information Form dated February 24, 2020 available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov as an exhibit to our report on Form 40-F dated February 25, 2020 under Theratechnologies' public filings. The reader is cautioned to consider these and other risks and uncertainties carefully and not to put undue reliance on forward-looking statements. Forward-looking statements reflect current expectations regarding future events and speak only as of the date of this MD&A and represent our expectations as of that date.

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

Outlook and 2020 Revenue Guidance

On March 11, 2019, the World Health Organization declared a worldwide pandemic for the coronavirus COVID-19.

Theratechnologies' focus amidst the COVID-19 pandemic has been to ensure that current and future patients have access to our medicines while also looking after the health and safety of its employees worldwide.

Theratechnologies quickly implemented measures to alleviate the impact of the COVID-19 situation on patients and staff. Our contingency plan was ready and the technological infrastructure was in place to rapidly deploy appropriate measures. To minimize the risks of contamination to employees in Canada, the United States and Europe, all but a small number of essential head office staff have been working from home since March 16, 2020, including the company's contractual sales force and medical science liaison personnel.

Our supply chain remains unaffected at this time. Moreover, Theratechnologies has enough inventory of Trogarzo® (ibalizumab-uiyk) for injection, *EGRIFTA SV*™ (tesamorelin for injection) and *EGRIFTA*® to meet market demand, for the next twelve months, in all territories where these products are commercially available.

At present, all research and development activities related to tesamorelin for the potential treatment of Non-alcoholic Steatohepatitis (NASH) in people living with HIV and to our peptide-conjugates derived from our oncology platform are still progressing. Clinical research organizations working with Theratechnologies on these programs are still active.

Given the uncertainty arising from the current COVID-19 situation, the unknown evolution of the pandemic and its duration, Theratechnologies is withdrawing its revenue guidance for 2020 until further notice.

Business Overview

We are a commercial-stage biopharmaceutical company addressing unmet medical needs by bringing to market specialized therapies for people with orphan medical conditions, including those living with HIV.

Our strategy for the current fiscal year, or Fiscal 2020, is to generate revenue growth through increased sales of our products in the United States while working on securing an appropriate pricing and widespread reimbursement for Trogarzo® in key European countries.

The Company has a sales and marketing infrastructure to commercialize its products in the United States, Canada and Europe.

Our Products

Developed in-house, *EGRIFTA*® (tesamorelin for injection) is approved by the United States Food and Drug Administration, or FDA, and by Health Canada for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy.

EGRIFTA SV™ is a new formulation of *EGRIFTA*® approved by the FDA and launched in the United States in November 2019. Unlike *EGRIFTA*®, *EGRIFTA SV*™ can be kept at room temperature, comes in a single vial and has a higher concentration resulting in a smaller volume of administration.

In March 2016, we entered into an agreement with TaiMed Biologics, Inc., or TaiMed, to acquire the commercial rights to Trogarzo® for the United States and Canada, or TaiMed Agreement. In March 2017, the TaiMed Agreement was amended to include the commercial rights to ibalizumab in the European Union countries and in other countries such as Israel, Norway, Russia and Switzerland.

Trogarzo® was approved by the FDA in March 2018 for the treatment of human immunodeficiency virus type 1, or HIV-1, infection in heavily treatment-experienced adults with multidrug resistant, or MDR, HIV-1 infection failing their current antiretroviral regimen.

Trogarzo® was also approved in Europe by the European Medicines Agency, or EMA, in September 2019 for the treatment of adults infected with MDR HIV-1 for whom it is otherwise not possible to construct a suppressive antiviral regimen. Trogarzo® will be launched sequentially on a country-by-country basis across Europe as it gains public reimbursement in each such country. A number of patients are already being treated with Trogarzo® in some European countries through early access programs.

An intravenous slow push formulation of Trogarzo® is currently under study by TaiMed. Under the terms of the TaiMed Agreement, we are entitled to commercialize such new formulation of Trogarzo® if, and when, approved.

Our Pipeline
Since the beginning of 2019, the Company has been working on rebuilding its research and development, or R&D, pipeline.

Our pipeline rests on a variety of research and development activities.

In Fiscal 2019, we announced that we would pursue the development of tesamorelin for the treatment of NAFLD/NASH in people living with HIV. This decision was largely based on positive data from a study conducted by Dr. Steven Grinspoon of Massachusetts General Hospital, or MGH, which were published on October 11, 2019 in *The Lancet HIV Journal.* Preliminary market research indicates that NASH affects over 100,000 people living with HIV in the United States.

On February 4, 2020, we announced that we had signed agreements with MGH and Dr. Steven Grinspoon. MGH, through Dr. Steven Grinspoon, who is chief of the hospital's Metabolism Unit, has agreed to assist us in connection with phase III clinical trial design, selection of optimal patient population, dosing, study duration and other safety matters and to participate, if need be, in regulatory meetings and discussions with the FDA or the EMA.

In 2019, we also acquired a unique targeted oncology platform. This platform is aimed at treating various types of cancers where the sortilin receptor are overexpressed. *In vivo* and *in vitro* models have yielded promising results. Based on the positive feedback received from the FDA, we aim to initiate a phase I clinical trial using one of our peptide-conjugates before the end of 2020. Clinical research organizations working with Theratechnologies on these programs are still active.

Fiscal 2020 Business Plan Update
For the three-month period ended February 29, 2020, consolidated revenue was $15,719,000 compared to $15,096,000 for the same period last year, representing an increase of 4.1%.

EGRIFTA® and EGRIFTA SVTM
For the three-month period ended February 29, 2020, sales of *EGRIFTA*® and *EGRIFTA SV*TM were $8,515,000 compared to $8,962,000 for the same period last year, representing a decrease of 5%.

We are in the process of getting *EGRIFTA SV*TM on reimbursement formularies which creates a longer than usual delay between the time the prescription is filled and the time the patient receives the first treatment, thus impacting combined sales of *EGRIFTA*® and *EGRIFTA SV*TM in the first quarter of 2020.

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EGRIFTA SV™ became available in the United States at the end of November 2019. We expect *EGRIFTA SV*™ will help support growth of tesamorelin sales for the treatment of HIV-associated lipodystrophy in the United States.

Trogarzo®

Net sales of Trogarzo® reached $7,204,000 for the three-month period ended February 29, 2020 compared to $6,134,000 for the same period last year, representing an increase of 17.4%.

In the United States, Trogarzo® sales grew as more efforts were put behind marketing, medical education and patient engagement such as a direct-to-consumer campaigns and increased social media presence.

In Europe, a first product shipment was received in March 2020 from Taimed. We also obtained our wholesale distributor licence. The Company continues to focus its efforts on obtaining reimbursement in key European countries. Trogarzo® will be launched sequentially in European countries as public reimbursement is obtained in individual countries. Some patients, however, are already being treated with Trogarzo® in Europe through early access programs.

Research and Development Activities

The development of tesamorelin for the potential treatment of NASH in people living with HIV and of its peptide conjugates derived from its oncology platform is progressing.

Recently, Theratechnologies received feedback from both the Food and Drug Administration in the United States (FDA) and from the European Medicines Agency (EMA) regarding its proposed clinical development program for tesamorelin for the potential treatment of NASH in people living with HIV.

Based on the comments received from the FDA and the EMA, Theratechnologies will now enter into discussions with these agencies to harmonize both approaches in order to eventually file a common research protocol.

As previously discussed, Theratechnologies intends to use a new formulation of tesamorelin currently under development and described as “F8”. A pilot study to assess the bioequivalence of the F8, compared to the original version of tesamorelin, was recently completed. Based on the pilot study results, a confirmatory bioequivalence study should soon be initiated. Compared to the recently launched *EGRIFTA SV*™, this new formulation of tesamorelin can be reconstituted once a week and remains stable at room temperature after reconstitution. Furthermore, given its much smaller volume of injection, Theratechnologies is assessing a multidose auto-injector for the F8 formulation. The F8 formulation is patent protected until 2033 in the United States and until 2034 in major European countries.

In addition, TH-1902, the first investigational peptide-conjugate originating from Theratechnologies’ oncology platform targeting the sortilin receptor, is currently being studied for the treatment of Triple-Negative Breast Cancer, or TNBC. In late December 2019, new *in vivo* and *in vitro* data, presented at the San Antonio Breast Cancer Symposium, showed greater efficacy and tolerability of TH-1902 over docetaxel used

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alone. Based on positive feedback received from the FDA regarding our clinical trial design, we intend to initiate a phase I clinical trial to evaluate TH-1902 by the end of 2020.

Theratechnologies plans to submit an investigational new drug application, or IND, for TH-1904, the Company's second investigational peptide-conjugate for the treatment of ovarian cancer, once manufacturing scale-up is completed which is expected following the initiation of the phase I clinical trial of TH-1902.

Revenue

(in thousands of US dollars)	**Q1 2020**	Q1 2019
EGRIFTA® net sales	**8,515**	8,962
Trogarzo® net sales	**7,204**	6,134
Revenue	**15,719**	15,096

Consolidated revenue for the three-month period ended February 29, 2020 was $15,719,000 compared to $15,096,000 for the same period ended February 28, 2019.

Revenue generated from net sales increased by 4.1% in the first quarter of 2020 compared to the comparable period in fiscal 2019, due to an increase of Trogarzo® sales of 17.4% which was offset by lower *EGRIFTA®* sales as explained above.

Cost of Sales
For the three months ended February 29, 2020, cost of sales was $6,761,000, compared to $6,065,000 for the same quarter in fiscal 2019, primarily due to the increase in cost of goods sold. Cost of goods sold was $5,400,000 in the first quarter of 2020 compared to $4,810,000 for the same quarter the previous year. The increase in cost of goods sold is mainly due to higher Trogarzo® sales. Cost of sales also includes the amortization of the other asset of $1.2 million in both Q1 2020 and Q1 2019.

R&D Expenses
R&D expenses amounted to $3,419,000 in the three-month period ended February 29, 2020 compared to $2,527,000 for the same period in 2019. The increase is largely due to the development of our oncology platform and other regulatory expenses.

Selling Expenses
Selling expenses amounted to $6,361,000 for the first quarter of 2020 compared to $5,448,000 for the same three-month period last year, reflecting the increase in marketing activities in the United States and the development of our infrastructure in Europe.

The amortization of the intangible asset value for the *EGRIFTA®* and Trogarzo® commercialization rights is also included in selling and market development expenses. As such, we recorded an expense of $642,000 for the first quarter of Fiscal 2020 compared to $488,000 for the same quarter last year.

General and Administrative Expenses

General and administrative expenses amounted to $2,570,000 for the three months ended February 29, 2020 compared to $1,516,000 for the first quarter of 2019. The increase in general and administrative expenses is mainly associated with business growth, increased activity in Europe and the listing on NASDAQ.

Finance Income

Finance income, consisting of interest income, amounted to $166,000 during the first quarter of 2020 compared to $335,000 in the first quarter of last year. Lower finance income is due in large part to a decreased liquidity position.

Finance Costs

Finance costs for the three months ended February 29, 2020 were $1,318,000 compared to $1,103,000 for the comparable period of 2019. Finance costs in the first quarter of 2020 include interest of $802,000 on the senior convertible notes issued in June 2018, compared to $812,000 for the same period of last year.

Finance costs also included accretion expense of $502,000, compared to $357,000 for the comparable period in 2019, principally due to the adoption of IFRS 16, *Leases*, effective December 1, 2019 and additional accretion expense on long-term obligations related to Trogarzo® commercialization rights.

Adjusted EBITDA

For the reasons noted above, Adjusted EBITDA was $(994,000) for the first quarter of 2020 compared to $1,521,000 for the same period of 2019. Adjusted EBITDA for the first quarter of 2020 includes a favorable impact from the adoption of IFRS 16, *Leases*, of $165,000. See “Non-IFRS Financial Measures” below.

Net Loss

Taking into account the revenue and expense variations described above, we recorded a net loss of $4,544,000 or $0.06 per share in the first three months of fiscal 2020 compared to a net loss of $1,228,000 or $0.02 per share for the same period last year.

Financial Position

For the three-month period ended February 29, 2020, use of cash from operating activities was $4,825,000 compared to positive cash flow of $3,733,000 for the first quarter of 2019. The increase in use of cash can be attributed to the reduction in accounts payable of $5,391,000. We also used $1,653,000 towards the payment of interest on the senior convertible notes.

As at February 29, 2020, cash, bonds and money market funds amounted to $34,770,000.

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Quarterly Financial Information

The following table is a summary of our unaudited consolidated operating results for the last eight quarters.

(In thousands of dollars, except per share amounts)

	2020[1]	2019				2018		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	15,719	16,400	16,111	15,609	15,096	13,983	13,523	9,598
Operating expenses								
Cost of sales								
Cost of goods sold	5,400	5,754	5,215	5,346	4,810	3,516	3,325	1,594
Other production-related costs	140	14	1	18	34	14	91	127
Royalties	-	-	-	-	-	-	-	450
Amortization of other asset	1,221	1,221	1,221	1,221	1,221	1,221	1,221	-
R&D	3,419	3,877	2,152	2,285	2,527	2,063	2,130	1,897
Selling	6,361	7,673	6,389	6,972	5,448	5,233	5,189	5,957
General and administrative	2,570	3,258	1,772	1,784	1,516	1,865	1,482	1,279
Total operating expenses	19,111	21,797	16,750	17,626	15,556	13,912	13,438	11,304
Finance income	166	217	253	292	335	276	175	77
Finance costs	(1,318)	(1,275)	(1,253)	(1,449)	(1,103)	(1,330)	(1,247)	(283)
Net (loss) profit	(4,544)	(6,455)	(1,639)	(3,174)	(1,228)	(983)	282	(1,912)
Basic and diluted (loss) earnings per share	(0.06)	(0.08)	(0.02)	(0.04)	(0.02)	(0.01)	0.00	(0.03)

1 The Company adopted IFRS 16 – Leases, using the modified retrospective approach, effective for fiscal 2020, beginning on December 1, 2019. Accordingly, comparative figures for fiscal 2019 and fiscal 2018 have not been restated and continue to be reported under IAS 17–. See note 2(a) in the interim consolidated financial statements for fiscal 2020.

Factors Affecting the Variability of Quarterly Results

There are quarter-over-quarter variations in net sales revenue, principally due to changes in distributor inventory levels with some additional impact from time to time related to average net selling price, which is affected by changes in the mix of private payors versus government drug reimbursement plans. The quarterly results reflect the increasing contribution of Trogarzo® beginning May 2018.

Higher expenses beginning the first quarter of 2019 are associated with business growth and the development of our product pipeline.

Recent Changes in Accounting Standards

Please refer to Note 2 to the Interim Financial Statements.

Outstanding Share Data

As at April 13th, 2020, the number of common shares issued and outstanding was 76,968,411 while outstanding options granted under our stock option plan amounted to 2,916,772. We also had $57,500,000 aggregate principal amount of 5.75% convertible unsecured senior notes due June 30, 2023 issued and outstanding as a result of the Offering. These notes are convertible into common shares at the option of the holder at a conversion price of $14.85, representing a conversion rate of approximately 67.3401 common share per $1,000 principal amount of notes. The conversion of all of the outstanding notes would result in the issuance of 3,872,055 common shares.

Contractual Obligations

There was no material change in contractual obligations during the three-month period ended February 29, 2020, except as disclosed in Note 15 to the Interim Financial Statements.

Economic and Industry Factors

Economic and industry factors for the first quarter of Fiscal 2020 were substantially unchanged from those reported in our MD&A for the fiscal year ended November 30, 2019.

Internal Control

No significant changes have occurred in our internal control over financial reporting during the period beginning on December 1, 2019 and ending on February 29, 2020.

Non-IFRS Financial Measures

Reconciliation of net profit or loss to adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)

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

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

Adjusted EBITDA
(In thousands of US dollars)

	Three-month periods ended February	
	29, 2020[1]	28, 2019
	$	$
Net loss	**(4,544)**	(1,228)
Add (deduct):		
Depreciation and amortization	**2,030**	1,714
Finance costs	**1,318**	1,103
Finance income	**(166)**	(335)
Share-based compensation for stock option plan	**365**	264
Write-down of inventories	**3**	3
Adjusted EBITDA	**(994)**	1,521

1 The Company adopted IFRS 16 – Leases, using the modified retrospective approach, effective for fiscal 2020, beginning on December 1, 2019. Accordingly, comparative figures for fiscal 2019 have not been restated. As a result, adjusted EBITDA includes adjustments for additional depreciation related to the right-of-use asset of $109,000 and accretion expense on lease liabilities included in finance costs of $56,000 for the fiscal period ended February 29, 2020.

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, Paul Lévesque, President and Chief Executive Officer of Theratechnologies Inc., certify the following:

1. ***Review***: I have reviewed the interim financial statements and interim MD&A, (together, the “interim filings”) of Theratechnologies Inc. (the “issuer”) for the interim period ended February 29, 2020.

2. ***No misrepresentations***: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation***: Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility***: The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as those terms are defined in Regulation 52-109 respecting Certification of Disclosure in Issuers’ Annual and Interim Filings, for the issuer.

5. ***Design***: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officers(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

5.1 ***Control framework***: The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is the Internal Control over Financial Reporting – Guidance for Smaller Public Companies (COSO).

5.2 N/A

5.3 N/A

6. ***Reporting changes in ICFR***: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on December 1, 2019 and ended on February 29, 2020 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: April 14, 2020

(Signed) Paul Lévesque

Paul Lévesque
President and Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, Philippe Dubuc, Senior Vice President and Chief Financial Officer of Theratechnologies Inc., certify the following:

1. ***Review***: I have reviewed the interim financial statements and interim MD&A, (together, the “interim filings”) of Theratechnologies Inc. (the “issuer”) for the interim period ended February 29, 2020.

2. ***No misrepresentations***: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation***: Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility***: The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as those terms are defined in Regulation 52-109 respecting Certification of Disclosure in Issuers’ Annual and Interim Filings, for the issuer.

5. ***Design***: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officers(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

5.1 ***Control framework***: The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is the Internal Control over Financial Reporting – Guidance for Smaller Public Companies (COSO).

5.2 N/A

5.3 N/A

6. ***Reporting changes in ICFR***: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on December 1, 2019 and ended on February 29, 2020 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: April 14, 2020

(Signed) Philippe Dubuc

Philippe Dubuc
Senior Vice President and Chief Financial Officer