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

October 8, 2019

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-_____.

THERATECHNOLOGIES INC.

Exhibit	Description
99.1	Unaudited Interim Consolidated Financial Statements for the three and nine-month periods ended August 31, 2019 and 2018 and as at December 1, 2017
99.2	Management's Discussion and Analysis for the three-month and nine-month periods ended August 31, 2019
99.3	Press Release Dated October 8, 2019
99.4	Canadian Form 52-109F2 Certification of Interim Filings – CEO
99.5	Canadian Form 52-109F2 Certification of Interim Filings – CFO

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/ Luc Tanguay
Name: Luc Tanguay
Title: President and Chief Executive Officer

Date: October 8, 2019

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

THERATECHNOLOGIES INC.

Three and nine-month periods ended August 31, 2019
and 2018 and as at December 1, 2017

(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 August 31, 2019, November 30, 2018 and December 1, 2017
(Unaudited)

	Note	August 31, 2019	November 30, 2018	December 1, 2017
Assets				
Current assets:				
Cash		$ 31,034	$ 38,997	$ 1,365
Bonds and money market funds		10,933	9,691	16,524
Trade and other receivables		11,374	10,952	7,553
Inventories	5	12,860	11,084	7,244
Prepaid expenses and deposits		1,812	1,595	785
Derivative financial assets		797	1,287	1,120
Total current assets		68,810	73,606	34,591
Non-current assets:				
Bonds and money market funds		2,168	5,200	7,653
Property and equipment		1,130	101	48
Intangible assets	6	22,537	15,121	16,888
Other asset		13,425	17,088	–
Total non-current assets		39,260	37,510	24,589
Total assets		$ 108,070	$ 111,116	$ 59,180
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities		$ 21,780	$ 25,830	$ 17,997
Provisions	7	2,245	1,014	584
Current portion of long-term obligation	8	3,382	–	3,627
Deferred revenue		33	27	–
Total current liabilities		27,440	26,871	22,208
Non-current liabilities:				
Long-term obligation	8	–	–	3,524
Convertible unsecured senior notes	9	50,349	49,233	–
Other liabilities	10	259	–	–
Total non-current liabilities		50,608	49,233	3,524
Total liabilities		78,048	76,104	25,732
Equity				
Share capital		287,035	286,828	281,743
Equity component of convertible unsecured senior notes		4,457	4,457	–
Contributed surplus		9,525	8,788	12,389
Deficit		(271,007)	(264,966)	(260,604)
Accumulated other comprehensive income (loss)		12	(95)	(80)
Total equity		30,022	35,012	33,448
Commitments	15			
Total liabilities and equity		$ 108,070	$ 111,116	$ 59,180

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)

Periods ended August 31, 2019 and 2018
(Unaudited)

	Note	For the three-month periods ended August 31,		For the nine-month periods ended August 31,	
		2019	2018	2019	2018
		$	$	$	$
Revenues	3	16,111	13,523	46,816	31,234
Operating expenses:					
Cost of sales:					
Cost of goods sold		5,215	3,325	15,371	5,860
Other production related costs		1	91	53	91
Royalties		–	–	–	1,340
Amortization of other asset		1,221	1,221	3,663	1,221
Research and development expenses		2,152	2,130	6,964	5,931
Selling and market development expenses		6,389	5,189	18,809	16,460
General and administrative expenses		1,772	1,482	5,072	3,963
		16,750	13,438	49,932	34,866
(Loss) profit from operating activities		(639)	85	(3,116)	(3,632)
Finance income	4	253	175	880	332
Finance costs	4	(1,253)	(1,247)	(3,805)	(1,686)
		(1,000)	(1,072)	(2,925)	(1,354)
Income tax recovery		–	1,269	–	1,269
Net (loss) profit for the period		(1,639)	282	(6,041)	(3,717)
Other comprehensive income (loss), net of tax:					
Items that may be reclassified to profit (loss) in the future:					
Net change in fair value of FVOCI financial assets, net of tax		11	4	73	(27)
Exchange differences on translation		29	–	34	–
		40	4	107	(27)
Total comprehensive loss for the period		(1,599)	286	(5,934)	(3,744)
Basic and diluted loss per share	11 (c)	(0,02)	–	(0,08)	(0,05)

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)

Nine-month period ended August 31, 2019
(Unaudited)

		For the nine-month period ended August 31, 2019						
		Share capital						
	Note	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		–	–	–	–	(6,041)	–	(6,041)
Other comprehensive income:								
Net change in fair value of financial assets at fair value through other comprehensive income, net of tax		–	–	–	–	–	73	73
Exchange differences in translation		–	–	–	–	–	34	34
Total comprehensive loss for the period		–	–	–	–	(6,041)	107	(5,934)
Transactions with owners, recorded directly in equity								
Issuance of common shares – Katana	6	900	5	–	–	–	–	5
Share-based compensation plan:								
Share-based compensation for stock option plan		–	–	–	829	–	–	829
Exercise of stock options:								
Monetary consideration		74,832	110	–	–	–	–	110
Attributed value		–	92	–	(92)	–	–	–
Total contributions by owners		75,732	207	–	737	–	–	944
Balance as at August 31, 2019		76,953,411	287,035	4,457	9,525	(271,007)	12	30,022

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

THERATECHNOLOGIES INC.

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

Nine-month period ended August 31, 2018
(Unaudited)

		For the nine-month period ended August 31, 2018						
		Share capital						
	Note	Number of shares	Amount	Equity component of convertible notes	Contributed surplus	Deficit	Accumulated other comprehensive income	Total
			$	$	$	$	$	$
Balance as at November 30, 2017		74,962,050	281,743	–	12,389	(260,604)	(80)	33,448
Total comprehensive loss for the period								
Net loss for the period		–	–	–	–	(3,717)	–	(3,717)
Recognition of previously unrecognized tax assets from item originally recorded in equity		–	–	–	–	338	–	338
Other comprehensive income:								
Net change in fair value of available-for-sale financial assets, net of tax		–	–	–	–	–	(27)	(27)
Total comprehensive loss for the period		–	–	–	–	(3,379)	(27)	(3,406)
Transactions with owners, recorded directly in equity								
Equity component of convertible unsecured senior notes, net of income taxes of $1,607		–	–	4,457	–	–	–	4,457
Share-based compensation plan:								
Share-based compensation for stock option plan		–	–	–	678	–	–	678
Exercise of stock options:								
Monetary consideration		193,568	251	–	–	–	–	251
Attributed value		–	203	–	(203)	–	–	–
Exercise of broker option		39,390	121	–	(26)	–	–	95
Issuance of common shares:								
TaiMed		1,463,505	4,000	–	(4,000)	–	–	–
Total contributions by owners		1,696,460	4,575	4,457	(3,551)	–	–	5,481
Balance as at August 31, 2018		76,658,513	286,318	4,457	8,838	(263,983)	(107)	35,523

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)

Periods ended August 31, 2019 and 2018
(Unaudited)

	Note	For the three-month periods ended August 31, 2019	For the three-month periods ended August 31, 2018	For the nine-month periods ended August 31, 2019	For the nine-month periods ended August 31, 2018
		$	$	$	$
Cash provided from (used in):					
Operating					
Net (loss) profit		(1,639)	282	(6,041)	(3,717)
Adjustments for:					
Depreciation of property and equipment		67	7	132	15
Amortization of intangible assets and other asset		1,862	1,708	5,433	2,501
Share-based compensation for stock option plan		271	182	855	678
Write-down of inventories	5	–	110	3	106
Change in fair value of derivative financial assets		243	411	503	(630)
Change in fair value of liability related to deferred stock unit plan		(243)	(406)	(499)	624
Interest income		(253)	(175)	(880)	(332)
Interest received		265	201	953	439
Foreign exchange gain (loss)		(70)	83	54	109
Accretion expense		428	269	1,233	682
Deferred income tax recovery		–	(1,269)	–	(1,269)
Loss on repayment of long-term obligation		–	286	–	286
Lease inducements and amortization		5	–	233	–
		936	1,689	1,979	(508)
Changes in operating assets and liabilities:					
Trade and other receivables		2,042	(3,792)	(427)	(4,028)
Inventories		1	(118)	(1,779)	(1,463)
Prepaid expenses		(160)	(288)	(221)	(396)
Accounts payable and accrued liabilities		1,056	3,610	(3,883)	3,902
Provisions		720	(64)	1,231	402
Deferred revenue		(38)	–	5	–
		3,621	(652)	(5,074)	(1,583)
Cash flows used in operating activities		4,557	1,037	(3,095)	(2,091)
Financing					
Repayment of long-term obligation	8	(3,500)	(3,850)	(3,500)	(7,850)
Proceeds from issue of convertible unsecured senior notes	9	–	57,500	–	57,500
Convertible unsecured senior notes issue costs	9	–	(2,717)	–	(2,717)
Proceeds from exercise of stock options		–	1	110	252
Proceeds from exercise of broker options		–	–	–	95
Cash flows from financing activities		(3,500)	50,934	(3,390)	47,280
Investing					
Acquisition of bonds and money market funds		(41)	(3,466)	(158)	(17,586)
Proceeds from sale of bonds and money market fundsp		–	3,046	1,932	24,918
Acquisition of other asset	6	–	(19,530)	–	(19,530)
Acquisition of intangible assets		(7)	–	(2,031)	(17)
Proceeds from disposal of derivative financial assets		–	–	–	26
Acquisition of derivative financial assets		(15)	(26)	(15)	(26)
Acquisition of property and equipment		(40)	(16)	(1,197)	(20)
Cash flows used in investing activities		(103)	(19,992)	(1,469)	(12,235)
Net change in cash		954	31,979	(7,954)	32,954
Cash, beginning of period		30,089	2,340	38,997	1,365
Effect of foreign exchange on cash		(9)	–	(9)	–
Cash, end of period		31,034	34,319	31,034	34,319

See Note 11 for supplemental cash flow information.

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, 2018 and the notes thereto.

These interim financial statements have been authorized for issue by the Company's Audit Committee on October 7, 2019.

(b) Summary of accounting policies:

Except as described in Note 2(b), the significant accounting policies as disclosed in the Company's annual consolidated financial statements for the year ended November 30, 2018 have been applied consistently in the preparation of these interim financial statements.

1. Basis of preparation (continued):

(c) Basis of measurement:

The Company's interim financial statements have been prepared on a going concern and historical cost bases, except for financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, derivative financial assets and liabilities, related to cash-settled share-based arrangements and derivative financial liabilities, which are measured at fair value. 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.

(d) 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, 2018.

(e) Functional and presentation currency:

The Company's functional currency is the United States dollar ("USD"). Prior to these interim financial statements, beginning on December 1, 2018, the presentation currency was the Canadian dollar ("CAD"). In 2019, management decided to change the presentation currency from the CAD to the USD to better reflect the market the Company operates in. As such, these interim financial statements are now presented in USD, together with the comparative numbers as at November 30, 2018 and for the three and nine-month periods ended August 31, 2018. The Company has also presented an opening consolidated statement of financial position as at December 1, 2017 in USD.

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

2. Recent changes in accounting standards:

(a) Adoption of new accounting policies in the reporting periods:

Amendments to IFRS 3, Business Combinations (Definition of a Business)

On October 22, 2018, the IASB issued amendments to IFRS 3, *Business Combinations*, that seek to clarify whether a transaction results in an asset or a business acquisition. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. Early application is permitted. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.

The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The Company early adopted the amendments with a date of initial application of December 1, 2018 and applied the amendment in connection with the Katana acquisition (Note 6).

IFRS 9, *Financial Instruments*

The Company adopted all of the requirements of IFRS 9, *Financial Instruments* (“IFRS 9”) with a date of initial application of December 1, 2018. IFRS 9 does not require restatement of comparative periods. This standard establishes principles for the financial reporting classification and measurement of financial assets and financial liabilities. This standard also incorporates a new hedging model which increases the scope of hedged items eligible for hedge accounting and aligns hedge accounting more closely with risk management. This standard also amends the impairment model by introducing a new “expected credit loss” model for calculating impairment. This new standard increases required disclosures about an entity’s risk management strategy, cash flows from hedging activities and the impact of hedge accounting on the consolidated financial statements.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39, *Financial Instruments – Recognition and Measurement* (“IAS 39”). The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9.

2. Recent changes in accounting standards (continued):

(a) Adoption of new accounting policies in the reporting periods (continued):

IFRS 9, *Financial Instruments* (continued)

The following summarizes the classification and measurement changes for the Company's non-derivative and derivative financial assets and financial liabilities as a result of the adoption of IFRS 9.

	IAS 39	IFRS 9
Financial assets:		
Cash	Loans and receivables	Amortized cost
Bonds	Available for sale	Fair value through other comprehensive income
Money market funds	Available for sale	Fair value through profit or loss
Trade and other receivables	Loans and receivables	Amortized cost
Non-hedge derivative assets	Fair value through profit or loss	Fair value through profit or loss
Financial liabilities:		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Convertible unsecured senior notes	Other financial liabilities	Amortized cost
Long-term obligation	Other financial liabilities	Amortized cost

The accounting for these instruments and the line item in which they are included in the balance sheet were unaffected by the adoption of IFRS 9, except for money market funds for which fair value was measured through other comprehensive income under IAS 39 and is now measured through profit or loss under IFRS 9.

The new expected credit loss ("ECL") impairment model applies to financial assets measured at amortized cost and debt investments at fair value through other comprehensive income ("FVOCI"). The Company has determined that the application of IFRS 9's impairment requirements as at December 1, 2018 results in no adjustment for the allowance for impairment on trade and other receivables. Over 97% of the Company's revenue is attributable to sales transactions with one customer: RxCrossroads (see Note 16). As at December 1, 2018 and August 31, 2019, none of the trade and other receivables were overdue and the total allowance for impairment of receivables recorded during the period was nil.

2. Recent changes in accounting standards (continued):

(a) Adoption of new accounting policies in the reporting periods (continued):

IFRS 9, *Financial Instruments* (continued)

The Company also holds bonds that are classified and measured at FVOCI. Bonds held are mostly issued by government and municipalities, which have a high credit rating. As per IFRS 9, for the purposes of the impairment test, the credit risk on the bonds held is considered low as the borrowers have a strong capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. As such, as of transition date, management has assumed that the risk on these financial instruments has not increased since initial recognition. The Company assessed the expected credit loss over a 12-month period to be minimal and impairment recorded during the period was nil.

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces IAS 18, *Revenue*, IAS 11, *Construction Contracts* and related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. The Company has adopted IFRS 15 using the modified retrospective method without practical expedients, with the effect of initially applying this standard recognized at the date of initial application of December 1, 2018. Accordingly, the information presented for 2018 has not been restated. The adoption of the standard did not have a material impact on the financial statements.

(b) Update to significant accounting policies:

As a result to the initial adoption of IFRS 9 and IFRS 15, as described above, the Company has updated its significant accounting policies as follows:

Revenue from contracts with customers

Net sales

The Company derives revenue from the sale of finished goods, which include Trogarzo® and *EGRIFTA*®. The Company recognizes revenue at a point in time when it transfers control of the finished goods to a customer, which generally occurs upon delivery of the finished goods to the customer’s premises.

2. Recent changes in accounting standards (continued):

(b) Update to significant accounting policies (continued):

Revenue from contracts with customers (continued)

Net sales (continued)

Some arrangements for the sale of finished goods provide for customer cash discounts for prompt payment, allowances, rights of return, rebates on sales made under governmental and commercial rebate programs, chargebacks on sales made to government agencies and retail pharmacies and distribution fees, which gives rise to variable consideration. At the time of sale, estimates are made for items giving rise to variable consideration based on the terms of the arrangement. The variable consideration is estimated at contract inception using the most likely amount method and revenue is only recognized to the extent that a significant reversal of revenue is not expected to occur. The estimate is based on historical experience, current trends, relevant statutes with respect to governmental pricing programs, contractual sales terms, contractual terms with distributors and other known factors. Sales are recorded net of customer discounts, rebates, chargebacks, distribution fees and estimated sales returns, and exclude sales taxes. A refund liability and a right to recover returned goods asset are recognized for expected returns in relation to sales made before the end of the reporting period. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The Company reviews its estimate of expected returns on a quarterly basis, adjusting for the amounts of the asset and liability accordingly.

Financial instruments

Financial assets

The Company initially recognizes financial assets on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or issue. On initial recognition, the Company classifies its financial assets as measured at amortized cost, FVOCI or fair value through profit or loss ("FVPL"), depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

2. Recent changes in accounting standards (continued):

(b) Update to significant accounting policies (continued):

Financial instruments (continued)

Financial assets (continued)

(i) Financial assets measured at amortized cost

A financial asset is measured at amortized cost, using the effective interest method and net of any impairment loss, if it meets both of the following conditions and is not designated at fair value though profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company currently classifies its cash and trade and other receivables as financial assets measured at amortized cost.

(ii) Financial assets measured at fair value through other comprehensive income

A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated at fair value through profit or loss:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. When an investment is derecognized, gains or losses accumulated in other comprehensive income are reclassified to profit or loss.

2. Recent changes in accounting standards (continued):

(b) Update to significant accounting policies (continued):

Financial instruments (continued)

Financial assets (continued)

(ii) Financial assets measured at fair value through other comprehensive income (continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. These assets are subsequently measured at fair value. Dividends are recognized in profit or loss, unless the dividend clearly represents a repayment of part of the cost of the investment, and other net gains and losses are recognized in other comprehensive income and are never reclassified in profit or loss.

The Company currently classifies its bonds as financial assets measured at fair value through other comprehensive income.

(iii) Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. These assets are subsequently measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss. The Company currently classifies its money market funds as financial assets measured at fair value.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

2. Recent changes in accounting standards (continued):

(b) Update to significant accounting policies (continued):

Financial instruments (continued)

Financial liabilities

Financial liabilities are classified into the following categories:

(i) Financial liabilities at fair value through profit or loss

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value are measured at fair value and net gains and losses, including interest expense, are recognized in profit or loss. The Company currently has no financial liabilities measured at fair value through profit or loss.

(ii) Financial liabilities measured at amortized cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. A financial liability is subsequently measured at amortized cost using the effective interest method. The Company currently classifies accounts payable and accrued liabilities, convertible unsecured senior notes and long-term obligation as financial liabilities measured at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment

Financial assets

At each reporting date, the Company recognizes loss allowances for ECLs on financial assets carried at amortized cost and debt securities at FVOCI. The Company's trade and other receivables are accounts receivable with no financing component and which have maturities of less than 12 months and, as such, the Company has chosen to apply the simplified approach for ECL. As a result, the Company does not track changes in credit risk related to its trade and other receivables, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

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

2. Recent changes in accounting standards (continued):

(b) Update to significant accounting policies (continued):

Impairment (continued)

Financial assets (continued)

For other financial assets subject to impairment, the Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company considers a debt security to have a low credit risk when its credit risk rating is equivalent or above investment grade credit rating such as its bonds classified at FVOCI.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3. Disaggregation of revenue:

Net sales by product were as follows:

	For the three-month periods ended August 31,	
	2019	2018
EGRIFTA® net sales	$ 9,188	$ 9,810
Trogarzo® net sales	6,923	3,713
	$ 16,111	$ 13,523

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

3. Disaggregation of revenue (continued):

	For the nine-month periods ended August 31,	
	2019	2018
EGRIFTA® net sales	$ 26,789	$ 26,597
Trogarzo® net sales	20,027	4,637
	$ 46,816	$ 31,234

4. Finance income and finance costs:

	For the three-month periods ended August 31,	
	2019	**2018**
	$	**$**
Interest income	253	175
Finance income	253	175
Accretion expense	(428)	(269)
Loss on repayment of long-term obligation	–	(286)
Interest on convertible unsecured senior notes	(847)	(661)
Bank charges	(5)	(3)
Net foreign currency loss (gain)	27	(23)
Loss on financial instruments carried at fair value	–	(5)
Finance costs	(1,253)	(1,247)
Net finance cost recognized in net profit or loss	(1,000)	(1,072)

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

4. Finance income and finance costs (continued):

	For the nine-month periods ended August 31,	
	2019	**2018**
	$	**$**
Interest income	880	332
Finance income	880	332
Accretion expense	(1,233)	(682)
Loss on repayment of long-term obligation	–	(286)
Interest on convertible unsecured senior notes	(2,493)	(661)
Bank charges	(19)	(17)
Net foreign currency loss	(56)	(45)
(Gain) loss on financial instruments carried at fair value	(4)	5
Finance costs	(3,805)	(1,686)
Net finance cost recognized in net profit or loss	(2,925)	(1,354)

5. Inventories:

For the nine-month periods, inventories were written down to net realizable value by an amount of $3 in 2019 (2018 – $106), of which nil (2018 – $89) is recorded in cost of sales as other production related costs and $3 (2018 – $17) was recorded in cost of goods sold.

The write-downs in 2019 and 2018 are related to losses incurred during the conversion of raw materials to finished goods and losses associated with expired goods.

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

6. Intangible assets:

	Commercialization rights -Trogarzo® North American Territory	Commercialization rights - Trogarzo® European Territory	Commercialization rights - *EGRIFTA* ®	Oncology Platform	Total
Cost					
Balance as at November 30, 2017 and 2018	$ 5,207	$ 3,055	$ 14,041	$ –	$ 22,303
Additions	6,765	–	–	2,421	8,810
Balance as at August 31, 2019	$ 11,972	$ 3,055	$ 14,041	$ 2,421	$ 31,489
Accumulated amortization					
Balance as at November 30, 2017	$ –	$ –	$ 5,415	$ –	$ 5,415
Amortization	257	–	1,510	–	1,767
Balance as at November 30, 2018	257	–	6,925	–	7,182
Amortization	636	–	1,134	–	1,770
Balance as at August 31, 2019	$ 893	$ –	$ 8,059	$ –	$ 8,952
Carrying amounts					
August 31, 2019	$ 11,079	$ 3,055	$ 5,982	$ 2,421	$ 22,537
November 30, 2018	4,950	3,055	7,116	–	15,121
December 1, 2017	5,207	3,055	8,626	–	16,888

6. Intangible assets (continued):

The amortization expense of $1,770 (2018 – $1,280) is included in selling and market development expenses.

Commercialization rights – Trogarzo® North American Territory

In the three-month period ended February 28, 2019, the Company accrued and recorded the first commercial milestone payment under the terms of its distribution and marketing agreement with TaiMed ("TaiMed Agreement") for an amount of $6,765 (Note 8) as the Company determined that it was probable that the milestone would be paid.

Commercialization rights – Trogarzo® European Territory

On September 26, 2019, Trogarzo was approved for sale in Europe by the European Commission.

Oncology Platform

On February 25, 2019, the Company acquired Katana Biopharma Inc. ("Katana"). On May 21, 2019, Katana was wound up into the Company and then dissolved.

Katana (now the Company) is the worldwide exclusive licensee of a technology platform using peptides as a vehicle to specifically deliver existing cytotoxic agents to sortilin receptors, which are overexpressed on cancer cells. The license was entered into on February 25, 2019 with Transfert Plus, L.P. (Transfert Plus), (an affiliate of Aligo Innovation, a university research company that commercializes the research results of universities and other institutional partners from various areas of innovation, including life sciences) (the "License Agreement").

This acquisition was accounted for as an asset acquisition. The Company recorded additions to intangible assets during 2019 of $2,045, which represented the payment at closing of $1,965 in cash, $5 through the issuance of 900 common shares of the Company and $75 of acquisition costs. The intangible asset is currently not being amortized. Amortization will begin when the asset is available for use.

Under the terms of the acquisition agreement, the purchase price is also subject to two milestone payments. The first milestone payment will occur when the first patient is enrolled in a Phase 1 clinical study. At that time, CAD2 million will be paid through the issuance of common shares of the Company.

The second milestone payment of CAD2.3 million will occur when the proof of concept is demonstrated in human subjects and will be satisfied through the issuance of common shares of the Company.

6. Intangible assets (continued):

Oncology Platform (continued)

In addition, in August 2019, the acquisition agreement was amended to provide for an adjustment to the purchase price of CAD1.08 million in the event the Company could indirectly benefit from a CAD1.2 million subsidy in connection with its research and development activities. The subsidy was granted in October 2019. The adjustment will be payable in two installments. The first installment of CAD500 is payable in October 2019, whereas the second installment of CAD580 will be payable at the same time as the CAD2.3 million milestone referred to above.

Milestone payments are recorded in the cost of the intangible asset when it is probable that they will be paid. Accordingly, as at August 31, 2019, the first installment of $376 (CAD500) was recognized.

Under the License Agreement, Katana (now the Company) obtained the exclusive worldwide rights to develop, make, have made, use, sell, offer to sell, distribute, commercialize and import the technology related to the technology platform that uses peptides as a vehicle to deliver existing cytotoxic agents to sortilin receptors which are overexpressed on cancer cells.

Annual maintenance fees amount to CAD25 thousand for the first 5 years and CAD100 thousand thereafter, until royalties become payable beginning with the first commercial sale of a product developed using the licensed technology.

The royalties payable under the License Agreement vary between 1% to 2.5% on net sales of a product based on the licensed technology. If the Company enters into a sublicense agreement, it must then pay amounts varying between 5% to 15% of revenues received from such sublicense agreement.

The Company must also pay Transfert Plus the following milestone payments upon the occurrence of the following development milestones for the first product developed in the field of oncology:

(i) First Milestone Payment: CAD50 thousand upon the successful enrolment of the first patient in the first Phase 1 human clinical trial;

(ii) Second Milestone Payment: CAD100 thousand upon the successful enrolment of the first patient in the first Phase 2 human clinical trial;

(iii) Third Milestone Payment: CAD200 thousand upon the successful enrolment of the first patient in the first Phase 3 human clinical trial.

Also, the Company must pay CAD200 thousand for each product upon receiving the first approval for such product by a regulatory authority. The approval shall entitle the holder thereof to commercialize the product in the territory in which the approval was obtained.

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

6. Intangible assets (continued):

Oncology Platform (continued)

The Company must also pay Transfert Plus the same milestone payments upon the occurrence of any of those development milestones for the first product developed outside the field of oncology.

7. Provisions:

	Chargebacks and rebates	Returns	Total
Balance as at December 1, 2017	$ 495	$ 89	$ 584
Provisions made	7,144	657	7,801
Provisions used	(6,744)	(627)	(7,371)
Balance as at November 30, 2018	895	119	1,014
Provisions made	7,295	126	7,421
Provisions used	(6,145)	(45)	(6,190)
Balance as at August 31, 2019	$ 2,045	$ 200	$ 2,245

8. Long-term obligation:

First commercial milestone (note 6)	$ 3,382
Current portion	(3,382)
Non-current portion	$ –

Under the terms of the TaiMed Agreement, a commercial milestone of $7,000 is payable in two equal annual installments of $3,500 after achieving aggregate net sales of $20,000 over four consecutive quarters of the Company's financial year. The Company accrued the discounted value of the obligation during the quarter ended February 28, 2019 because it was probable of being achieved. The milestone was achieved during the quarter ended May 31, 2019. The first payment of $3,500 was made in July 2019 and the second payment will be made in June 2020.

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

8. Long-term obligation (continued):

The movement of the long-term obligation for the current period is as follows:

Balance as at November 30, 2018	$	–
First commercial milestone (note 6)		6,765
Accretion expense		117
Payment		(3,500)
Balance as at August 31, 2019	$	3,382

9. Convertible unsecured senior notes:

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

Proceeds allocated to liability component	$51,122
Transaction costs	(2,517)
At date of issuance (June 19, 2018)	48,605
Accretion expense	628
Convertible unsecured senior notes as at November 30, 2018	49,233
Accretion expense	1,116
Convertible unsecured senior notes as at August 31, 2019	$50,349

		August 31, 2019
Interest accrued	$	562
Interest paid		1,653
Interest paid for the nine-month period		3,417

10. Other liabilities:

		August 31, 2019
Deferred lease inducements	$	233
Stock appreciation rights (note 11 (b))		26
	$	259

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

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 August 31, 2019, 1,632,851 options could still be granted by the Company (August 31, 2018 – 1,950,762) under the Plan.

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, 2017	2,335,895	$ 2.21	$ 1.71
Granted	251,544	9.56	7.49
Expired	(2,000)	8.50	6.74
Exercised (share price: CAD9.56 - USD7.50)	(193,568)	1.66	1.30
Options as at August 31, 2018	2,391,871	$ 3.02	$ 2.31
Options as at November 30, 2018	2,172,705	$ 3.15	$ 2.37
Granted	406,400	8.19	6.20
Forfeited	(88,489)	6.07	4.56
Exercised (share price: CAD7.78 - USD5.82)	(74,832)	1.96	1.46
Options outstanding as at August 31, 2019	2,415,784	$ 3.94	$ 2.96

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

11. Share capital (continued):

(a) Stock option plan (continued):

During the nine-month period ended August 31, 2019, $829 (2018 – $678) were recorded as share-based compensation expense for the stock option plan. The fair value of options granted in 2019 was estimated at the grant date using the Black-Scholes model and the following weighted average assumptions:

	For the nine-month periods ended August 31,	
	2019	2018
Risk-free interest rate	2.15%	2.14%
Expected volatility	57%	47%
Average option life	8 years	7 years
Expected dividends	–	–
Grant-date share price	$6.15 (CAD 8.19)	$9.56
Option exercise price	$6.15 (CAD 8.19)	$9.56

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.

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

11. Share capital (continued):

(a) Stock option plan (continued):

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

	For the nine-month periods ended August 31,			
	2019		2018	
	Number of options	Weighted average grant-date fair value	Number of options	Weighted average grant-date fair value
		$		$
Options granted	406,400	3.69 (CAD 4.92)	251,544	3.63 (CAD 4.63)

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 differs 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 receive 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 nine-month period ended August 31, 2019, $26 (2018 – nil) 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 is estimated at each reporting period using the Black-Scholes model and the following weighted average assumptions:

	Measurement date as at August 31, 2019
Risk-free interest rate	1.16%
Expected volatility	57%
Average option life in years	8 years
Grant-date share price	$ 3.74 (CAD4.98)
Option exercise price	$ 3.74 (CAD4.98)

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.

The following table summarizes the grant date weighted average fair value of SARs granted during the period ended:

	For the nine-month period ended August 31	
	Number of SARs	Weighted average grant date fair value
2019	40,000	$ 2.10 (CAD2.80)

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

11. Share capital (continued):

(c) Loss per share:

For the three and nine-month periods ended August 31, 2019, the weighted average number of common shares outstanding was calculated as follows:

	For the three-month periods ended August 31,	
	2019	**2018**
Issued common shares as at June 1	76,953,411	76,658,013
Effect of share options exercised	–	5
Weighted average number of common shares	76,953,411	76,658,018

The calculation of diluted earnings per share was based on a weighted average number of diluted common shares calculated as follows:

	For the three-month periods ended August 31,	
	2019	**2018**
Weighted average number of common shares	76,953,411	76,658,018
Effect of potential dilutive share options	–	1,720,424
Weighted average number of diluted common shares – diluted	76,953,411	78,378,442

	For the nine-month periods ended August 31,	
	2019	**2018**
Issued common shares as at December 1	76,877,679	74,962,050
Effect of share options exercised	41,646	111,727
Effect of issue of common shares – oncology platform (note 6)	618	–
Effect of exercise of broker options	–	20,340
Effect of issue of common shares – TaiMed	–	582,197
Weighted average number of common shares	76,919,943	75,676,314

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

11. Share capital (continued):

(c) Loss per share (continued):

For the three and nine-month periods ended August 31, 2019, 2,455,784 share options (2018 - 215,314 share options and 3,872,053 common shares potentially issuable from conversion of the US$57,500 aggregate principal amount of notes (note 9)) that may potentially dilute earnings 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.

12. Supplemental cash flow disclosures:

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

	For the three-month period ended August 31, 2019
Additions to property and equipment included in accounts payable and accrued liabilities	$ 12
Additions to intangible assets included in accounts payable and accrued liabilities	385

	For the nine-month period ended August 31, 2019
Additions to property and equipment included in accounts payable and accrued liabilities	$ 12
Additions to intangible assets included in accounts payable and accrued liabilities	385
Additions to intangible assets included in long-term obligation	3,265
Issuance of shares in connection with acquisitions of intangible assets	5

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, 2018.

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 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.

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 notes, including the equity portion, as at August 31, 2019 were approximately $51,750 (Level 1) based on market quotes.

The long-term obligation was initially recognized at fair value and is considered Level 3 in the fair value hierarchy for financial instruments. The valuation model considered the present value of expected payments discounted using a risk-adjusted discount rate. The significant unobservable input used is the risk-adjusted discount rate of 4.2%. The Company has determined that the carrying value of the obligation approximates its fair value.

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

14. Determination of fair values (continued):

Share-based payment transactions

The fair value of the employee stock options and SARs 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.

15. Commitments:

On August 15, 2019, the Company entered into a lease agreement for its European headquarter.

As at August 31, 2019, the minimum payments required under the terms of the non-cancellable leases are as follows:

Less than one year	$	553
One to five years		2,412
More than five years		1,194
	$	4,159

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.

		2019		2018
RxCrossroads	$	45,318	$	30,920
Other		1,498		314
	$	46,816	$	31,234

All of the Company's non-current assets are located in Canada as is the Company's head office.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE-MONTH PERIOD ENDED AUGUST 31, 2019

The following Management's Discussion and Analysis, or MD&A, provides Management's comments on the financial position and results of operations of Theratechnologies Inc., on a consolidated basis, for the three- and nine-month periods ended August 31, 2019 as compared to the three- and nine-month periods ended August 31, 2018. 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 October 6, 2019, was approved by our Audit Committee on October 7, 2019, and should be read in conjunction with our unaudited interim consolidated financial statements and the notes thereto as at August 31, 2019, or Interim Financial Statements, as well as the MD&A and audited annual consolidated financial statements, including the notes thereto, as at November 30, 2018.

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

Since the first quarter of 2019, the Company's reporting 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 for reporting purposes. The average and closing exchange rates for the third quarter of fiscal 2019 (USD equivalents of 1 CAD) were 0,7564 and 0,7511 respectively, compared to 0,7634 and 0,7663 for the third quarter of fiscal 2018. References to $ and US$ are to USD and references to CA$ are to CAD.

In this MD&A, the use of *EGRIFTA*® and *EGRIFTA SV*™ refers to tesamorelin for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy and Trogarzo®, in the United States and Europe, refers to ibalizumab for the treatment of multidrug resistant HIV-1 infected patients.

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 business strategy is to grow revenues from our existing and future assets in North America and Europe and to develop our portfolio of complementary products, compatible with our expertise in drug development and our commercialisation know-how.

Our first product, *EGRIFTA*® (tesamorelin for injection), was approved by the United States Food and Drug Administration, or FDA, in November 2010, by Health Canada in March 2015, and by COFEPRIS, Mexico's health agency, in March 2016. It is, to date, the only approved therapy for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy. We have established an integrated commercial platform to market *EGRIFTA*® in the United States and Canada.

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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® is a humanized monoclonal antibody and, in the United States, is indicated 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 approved by the FDA on March 6, 2018 and has been commercially available since April 30, 2018 in the United States.

Trogarzo® was approved in Europe on September 26, 2019. In Europe, Trogarzo® is indicated for the treatment of adults infected with multidrug resistant HIV-1 infection for whom it is otherwise not possible to construct a suppressive antiviral regimen. Trogarzo® will be launched sequentially in markets across Europe as it gains public reimbursement on a country-by-country basis. A number of patients are already being treated with Trogarzo® through early access programs in this territory.

Since the beginning of 2019, the Company has been working on rebuilding its R&D pipeline.

In June 2019, the Company announced that it would pursue the development of tesamorelin, using a new formulation, for the treatment of Non-Alcoholic Steatohepatitis (NASH) in people living with HIV. Preliminary market research indicates that NASH affects over 100,000 people in that patient population. Within the next few weeks, Theratechnologies will request a meeting with the FDA and the European Medicines Agency, or EMA, to ascertain its phase III clinical trial approach.

In early 2019, the Company acquired a unique targeted platform in oncology. In vivo and in vitro models have yielded promising results in various types of cancers where sortilin receptors are overexpressed. Theratechnologies is moving forward with phase I trials to confirm the proof of concept in human subjects for ovarian and triple-negative breast cancers.

Fiscal 2019 Business Plan Update
Consolidated revenue for the three-month period ended August 31, 2019 was $16,111,000 compared to $13,523,000 for the same period ended August 31, 2018, representing an increase of 19.1%.

For the ninth-month period ended August 31, 2019, consolidated revenue was $46,816,000 compared to $31,234,000 for the same period last year, representing an increase of 49.9%.

Both three- and nine-month increases in revenue are mostly attributable to increasing sales of Trogarzo® which reached $6,923,000 in the third quarter of 2019 compared to $3,713,000 for the same quarter last year, representing an 86.5% increase.

During the last quarter, Theratechnologies announced that it would move forward with the development of tesamorelin, the active ingredient in *EGRIFTA*®, for the treatment of NASH

in HIV patients. Within the next few weeks, Theratechnologies will request a meeting with the FDA and the EMA to ascertain its phase III clinical trial approach.

Early market studies show that NASH in HIV patients is a market 10 times larger than that of lipodystrophy. In the future, the Company may consider the feasibility and viability of developing tesamorelin for the treatment of NASH in non-HIV patients.

In view of obtaining this potential label expansion for tesamorelin, we announced on August 8, 2019, that we had regained complete control over the distribution rights to *EGRIFTA*® worldwide.

EGRIFTA SV™, a new single-vial, room temperature formulation of tesamorelin will be launched in the United States before the end of our fiscal year. It is expected that *EGRIFTA SV*™ will help to support sales of tesamorelin for the treatment of HIV-associated lipodystrophy in the United States. On September 19, 2019, it was announced that an agreement had been concluded with the Aids Drug Assistance Program in the United States for the coverage of *EGRIFTA SV*™ for uninsured and underinsured patients.

We received the marketing authorization for Trogarzo® in Europe on September 26, 2019. Pursuant to this announcement, we intend to launch Trogarzo® sequentially on a country-by-country basis as public reimbursement is obtained. Already, a number of patients are being treated with Trogarzo® in Europe through early access programs financed by individual countries.

On June 20, 2019, Theratechnologies launched two pilot direct-to-consumer campaigns in Miami and Houston focusing on Trogarzo® and *EGRIFTA*®. Early results from the social media portion of the campaigns are showing a positive impact. In the coming weeks, the campaigns will be expanded to other large U.S. cities. Other elements of the campaign are still being assessed and a decision will then be made to determine if the campaign helped to generate growth in sales and whether it should be expanded, adapted or folded.

Finally, Theratechnologies filed an application to have its common shares listed on NASDAQ and such application was accepted. The common shares are expected to begin trading on the NASDAQ Capital Market on October 10, 2019 under the trading symbol “THTX”. Theratechnologies also filed its Form 40-F with the U.S. Securities and Exchange Commission. We believe that being listed on NASDAQ will help to foster interest from more potential investors and financial analysts, and that it should result in increased liquidity for shareholders.

Revenue

(in thousands of U.S. dollars)

	Three-month periods ended August 31,		**Nine-month periods ended August 31,**	
	2019	2018	**2019**	2018
EGRIFTA® net sales	**9,188**	9,810	**26,789**	26,597
Trogarzo® net sales	**6,923**	3,713	**20,027**	4,637

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(in thousands of U.S. dollars)	Three-month periods ended August 31,		Nine-month periods ended August 31,	
	2019	2018	**2019**	2018
Revenue	**16,111**	13,523	**46,816**	31,234

Consolidated revenue for the three- and nine-month periods ended August 31, 2019 was $16,111,000 and $46,816,000 compared to $13,523,000 and $31,234,000 for the same periods ended August 31, 2018, an increase of 19.1% and 49.9%, respectively. Revenue growth for the last quarter compared to the same quarter last year reflects the increasing contribution of Trogarzo®.

Cost of Sales
For the three- and nine-month periods ended August 31, 2019, cost of sales was $6,437,000 and $19,087,000 compared to $4,637,000 and $8,512,000 in the comparable periods of fiscal 2018. Cost of goods sold was $5,215,000 and $15,371,000 compared to $3,325,000 and $5,860,000 for the same periods last year. The increase in cost of goods sold is mainly due to the introduction of Trogarzo®.

Prior to the third quarter of 2018, cost of sales included royalties due under the terms of an agreement terminating our collaboration and licensing agreement with EMD Serono Inc., or EMD Serono. In June 2018, we made a full and final payment of $23,850,000 to EMD Serono which enabled Theratechnologies to realize savings from a reduction of future payment obligations including royalty payments.

The payment in connection with the settlement of the future royalty obligation has been accounted as “Other asset” on the consolidated statement of the financial position. Consequently, an amortization of $1,221,000 has been recorded in relation to this transaction in the third quarter of 2019 and $3,663,000 for the nine-month period ended August 31, 2019.

R&D Expenses
R&D expenses in the three- and nine-month periods ended August 31, 2019 amounted to $2,152,000 and $6,964,000 compared to $2,130,000 and $5,931,000 in the comparable periods of fiscal 2018.

The increase in R&D expenses is largely due to regulatory and medical activities in Europe, investments in the oncology platform and *EGRIFTA SV*™. This was partially offset by the decision of the FDA to release Theratechnologies from its last post-approval commitments relating to *EGRIFTA*®.

R&D expenses also included medical affairs initiatives aimed at raising awareness among physicians and nurses who interact with patients living with MDR HIV-1 and lipodystrophy, in addition to regulatory affairs activities, such as handling of the European filing of Trogarzo® and quality assurance.

Selling and Market Development Expenses
Selling and market development expenses in the three- and nine-month periods ended August 31, 2019 amounted to $6,389,000 and $18,809,000 compared to $5,189,000 and $16,460,000 in the comparable periods of fiscal 2018.

The increase in selling and market development expenses is largely associated with preparation work related to the approval of Trogarzo® in Europe and for the launch of *EGRIFTA SV*™ and the direct-to-consumer campaign in the United States.

The amortization of the intangible asset value established for the *EGRIFTA*® and Trogarzo® commercialization rights is also included in selling and market development expenses. As such, we recorded an expense of $641,000 for the third quarter of Fiscal 2019 compared to $487,000 for the same quarter last year and $1,770,000 for the nine-month period ended August 31, 2019 and $1,280,000 for the same period last year.

General and Administrative Expenses
General and administrative expenses in the three- and nine-month periods ended August 31, 2019 amounted to $1,772,000 and $5,072,000 compared to $1,482,000 and $3,963,000 reported in the comparable periods of fiscal 2018.

The increase in general and administrative expenses is mainly associated with business growth, the listing on NASDAQ, additional investor relations initiatives and increased activity in Europe.

Finance Income
Finance income, consisting of interest income, for the three- and nine-month periods ended August 31, 2019 was $253,000 and $880,000 compared to $175,000 and $332,000 in the comparable periods of fiscal 2018.

Higher finance income is mostly associated with a higher average liquidity position.

Finance Costs
Finance costs for the three- and nine-month periods ended August 31, 2019 were $1,253,000 and $3,805,000 compared to $1,247,000 and $1,686,000 in the comparable periods of fiscal 2018. Finance costs in the third quarter of 2019 and for the nine-month period ended August 31, 2019 mostly represent interest of $847,000 and $2,493,000, respectively on the senior convertible notes issued on June 18, 2018, compared to $661,000 for the three- and nine-month periods last year.

Finance costs also included accretion expense, which was $428,000 for the third quarter of 2019 and $1,233,000 for the nine-month period ended August 31, 2019 compared to $269,000 and $682,000 for the same periods last year. In the third quarter of 2019, the accretion expense was mainly associated with the senior convertible notes and the long-term obligation payable to TaiMed (See Note 4 of Interim Financial Statements). Previously, accretion expense related to the long-term obligation with EMD Serono, which was settled during the third quarter of 2018.

Adjusted EBITDA
Adjusted EBITDA for the three- and nine-month periods ended August 31, 2019 was $1,566,000 and $3,540,000 compared to $2,092,000 and $(332,000) in the comparable periods of fiscal 2018. See “Non-IFRS Financial Measures” below.

Net Loss
Taking into account the revenue and expense variations described above, we recorded a net loss of $1,639,000 or $0.02 per share in the third quarter of fiscal 2019 and a net loss of $6,041,000 or $0.08 per share for the nine-month period ended August 31, 2019 compared to a net profit of $282,000 or nil per share in the three months ended August 31, 2018 and a net loss of $3,717,000 or $0.05 per share compared for the nine-month period ended August 31, 2018.

Financial Position
For the three- and nine-month periods ended August 31, 2019, cash flow generated by (used in) operating activities was $4,557,000 and $(3,095,000) compared to $1,037,000 and $(2,091,000) for the same periods last year.

In the third quarter of fiscal 2019, changes in operating assets and liabilities had a positive impact on cash flow of $3,621,000. These changes include a decrease in trade and other receivables of $2,042,000 and an increase in provisions of $720,000, both related to higher sales. The change in operating assets and liabilities was also impacted by an increase in account payable and accrued liabilities of $1,056,000.

In the nine months of fiscal 2019, changes in operating assets and liabilities negatively affected cash flow by $5,074,000 compared to a negative impact of $1,583,000 in the comparable period of fiscal 2018.

As at August 31, 2019, cash and bonds amounted to $44,135,000 compared to $43,062,000 as at May 31, 2019. The increase was primarily due to cash flows generated by operating activities as explained above which was partially offset by a $3,500,000 milestone payment to TaiMed paid in July 2019.

Quarterly Financial Information

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

(In thousands of U.S. dollars, except per share amounts)

			2019			2018		2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	16,111	15,609	15,096	13,983	13,523	9,598	8,113	10,034
Operating expenses								
Cost of sales								
Cost of goods sold	5,215	5,346	4,810	3,516	3,325	1,594	941	1,110
Other production-related costs	1	18	34	14	91	127	(127)	816
Royalties	-	-	-	-	-	450	890	881
Amortization of other asset	1,221	1,221	1,221	1,221	1,221	-	-	-
R&D	2,152	2,285	2,527	2,063	2,130	1,897	1,904	2,465
Selling and market development	6,389	6,972	5,448	5,233	5,189	5,957	5,314	6,361
General and administrative	1,772	1,784	1,516	1,865	1,482	1,279	1,202	1,268
Total operating expenses	16,750	17,626	15,556	13,912	13,438	11,304	10,124	12,901
Finance income	253	292	335	276	175	77	80	75
Finance costs	(1,253)	(1,449)	(1,103)	(1,330)	(1,247)	(283)	(156)	(559)
Net (loss) profit	(1,639)	(3,174)	(1,228)	(983)	282	(1,912)	(2,087)	(3,351)
Basic and diluted (loss) earnings per share	(0.02)	(0.04)	(0.02)	(0.01)	0.00	(0.03)	(0.03)	(0.04)

Factors Affecting the Variability of Quarterly Results

Results for 2019 reflect the increasing contribution of Trogarzo®.

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.

Recent Changes in Accounting Standards

Please refer to Note 2 to the Interim Financial Statements.

Outstanding Share Data

As at October 6, 2019, the number of common shares issued and outstanding was 76,953,411 while outstanding options granted under our stock option plan amounted to 2,415,784. 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 of such debt instrument we closed on June 19, 2018. 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 shares 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 August 31, 2019, other than in the ordinary course of business. As discussed in Note 15 to the Interim Financial Statements, the Company entered into a lease agreement for its European headquarter.

Economic and Industry Factors
Economic and industry factors were substantially unchanged from those reported in our MD&A for the fiscal year ended November 30, 2018.

Internal Control
There was no change in the Company's internal control over financial reporting, or ICFR, that occurred during the period beginning on June 1, 2019 and ending on August 31, 2019 that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

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, lease inducements 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.

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Adjusted EBITDA

(In thousands of U.S. dollars)

	Three-month periods ended August 31,		Nine-month periods ended August 31,	
	2019	2018	**2019**	2018
	$	$	**$**	$
Net (loss) profit	(1,639)	282	(6,041)	(3,717)
Add (deduct):				
Depreciation and amortization	1,929	1,715	5,565	2,516
Lease inducements and amortization	5	-	233	-
Finance costs	1,253	1,247	3,805	1,686
Finance income	(253)	(175)	(880)	(332)
Income tax recovery	-	(1,269)	-	(1,269)
Share-based compensation for stock option plan	271	182	855	678
Write-down of inventories	-	110	3	106
Adjusted EBITDA	1,566	2,092	3,540	(332)

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 our business strategy, our revenue growth, the development of a

portfolio of products, our research and development activities, the launch of *EGRIFTA SV*™ in the United States and of Trogarzo® on the European territory.

Forward-looking statements are based upon a number of assumptions and include, but are not limited to, the following: sales of *EGRIFTA*® and Trogarzo® in the United States will continue to grow over time, *EGRIFTA SV*™ will be launched in the United States before the end of our fiscal year-end and, when launched, will be accepted by the marketplace and reimbursed by third-party payors, no unknown undesired side effects will be reported from the use of our products, no product recall will occur, Trogarzo® will be reimbursed by countries of the European Union, results obtained from our research and development activities will be positive and will allow us to file for new drug applications and obtain approval therefor, and trading on the NASDAQ market will foster interest from investors and financial analysts and results in increased liquidity.

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. These risks and uncertainties include, among others, the risk that sales of *EGRIFTA*® or Trogarzo®, or both, in the United States, decrease, that delays are incurred in connection with the launch in the United States of *EGRIFTA SV*™, that *EGRIFTA SV*™ is not reimbursed to the same extent as *EGRIFTA*®, or even if reimbursed, is not accepted by the marketplace, that a product recall occurs, that Trogarzo® is not reimbursed in countries of the European Union where we intend to commercialize it, that results obtained from our current research and development activities in tesamorelin for NASH or on our oncology platform are not satisfactory leading to delays in conducting additional work or a halt in our research and development programs, and that the listing of our common shares on NASDAQ does foster attention from investors and financial analysts and does not increase liquidity.

We refer potential investors to the “Risk Factors” section of our annual information form dated February 20, 2019 for additional risks regarding the conduct of our business and Theratechnologies. The reader is cautioned to consider these and other risks and uncertainties carefully and not to put undue reliance on forward-looking statements. Forward-looking statements reflect current expectations regarding future events and speak only as of the date of this 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.

News Release

THERATECHNOLOGIES ANNOUNCES FINANCIAL RESULTS

FOR THE THIRD QUARTER OF 2019

Montreal, Canada – October 8, 2019 – Theratechnologies Inc. (Theratechnologies) (TSX: TH) today announced its financial results for the third quarter ended August 31, 2019.

Third quarter 2019 financial highlights

- Third quarter net sales of $16,111,000, up 19.3% from the same quarter last year
  - Trogarzo® sales up 86.5% from the same quarter last year
  - *EGRIFTA*® sales slightly down from the same quarter last year
- Cash position of $44,135,000 at August 31, 2019 up from $43,062,000 at May 31, 2019

“Just in the last quarter, we have made several announcements which will have a lasting positive impact on the Company. The approval of Trogarzo® in Europe certainly is one of the highlights. The coming days and weeks will be no exception with the expected listing of our common shares on NASDAQ and the anticipated commercial launch of *EGRIFTA SV*™ in the United States,” said Luc Tanguay, President and CEO, Theratechnologies Inc.

“Furthermore, Trogarzo® and *EGRIFTA SV*™ sales are expected to grow as we continue to implement initiatives designed to empower patients and to raise awareness of the serious consequences of hard belly and persistent viremia in people living with HIV,” added Mr. Tanguay.

“At the same time, we are actively working on the development of tesamorelin in NASH and on our oncology platform, two programs which could eventually provide mid- to long-term growth in revenues,” concluded Mr. Tanguay.

Upcoming event

Theratechnologies’ common shares have been accepted for listing on the NASDAQ Capital Market and the common shares are expected to begin trading on such market on October 10, 2019 under the trading symbol “THTX”.

Third quarter 2019 financial results

Financial results presented in this press release are taken from the Company’s Management’s Discussion and Analysis, or MD&A, and unaudited consolidated financial statements for the nine-month period ended August 31, 2019, which have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. The MD&A and the unaudited consolidated financial statements can be found at www.sedar.com, at www.theratech.com and at www.sec.gov. Unless specified otherwise, all amounts in this press release are in United States dollars and all capitalized terms have the meaning ascribed thereto in our MD&A. As used herein, *EGRIFTA*® and *EGRIFTA SV*™ *refers* to tesamorelin for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy. Trogarzo® refers to ibalizumab for the treatment of multidrug resistant HIV-1 patients.

Consolidated revenue for the three- and nine-month periods ended August 31, 2019 was $16,111,000 and $46,816,000 compared to $13,523,000 and $31,234,000 for the same periods ended August 31, 2018, an increase of 19.1% and 49.9%, respectively. Revenue growth for the last quarter compared to the same quarter last year reflects the increasing contribution of Trogarzo®.

For the three- and nine-month periods ended August 31, 2019, **cost of sales** was $6,437,000 and $19,087,000 compared to $4,637,000 and $8,512,000 in the comparable periods of fiscal 2018. Cost of goods sold was $5,215,000 and $15,371,000 compared to $3,325,000 and $5,860,000 for the same periods last year. The increase in cost of goods sold is mainly due to the introduction of Trogarzo®.

Prior to the third quarter of 2018, cost of sales included royalties due under the terms of an agreement terminating our collaboration and licensing agreement with EMD Serono Inc., or EMD Serono. In June 2018, we made a full and final payment of $23,850,000 to EMD Serono which enabled Theratechnologies to realize savings from a reduction of future payment obligations including royalty payments.

The payment in connection with the settlement of the future royalty obligation has been accounted as “Other asset” on the consolidated statement of the financial position. Consequently, an amortization of $1,221,000 has been recorded in relation to this transaction in the third quarter of 2019 and $3,663,000 for the nine-month period ending August 31, 2019.

R&D expenses in the three- and nine-month periods ended August 31, 2019 amounted to $2,152,000 and $6,964,000 compared to $2,130,000 and $5,931,000 in the comparable periods of fiscal 2018.

The increase in R&D expenses is largely due to regulatory and medical activities in Europe, investments in the oncology platform and *EGRIFTA SV*™. This was partially offset by the decision of the FDA to release Theratechnologies from its last post-approval commitments relating to *EGRIFTA*®.

R&D expenses also included medical affairs initiatives aimed at raising awareness among physicians and nurses who interact with patients living with MDR HIV-1 and lipodystrophy, in addition to regulatory affairs activities, such as handling of the European filing of Trogarzo® and quality assurance.

Selling and market development expenses in the three- and nine-month periods ended August 31, 2019 amounted to $6,389,000 and $18,809,000 compared to $5,189,000 and $16,460,000 in the comparable periods of fiscal 2018.

The increase in selling and market development expenses is largely associated with preparation work related to the approval of Trogarzo® in Europe and for the launch of *EGRIFTA SV*™ and the direct-to-consumer campaign in the United States.

The amortization of the intangible asset value established for the *EGRIFTA*® and Trogarzo® commercialization rights is also included in selling and market development expenses. As such, we recorded an expense of $641,000 for the third quarter of Fiscal

2019 compared to $487,000 for the same quarter last year and $1,770,000 for the nine-month period ended August 31, 2019 and $1,280,000 for the same period last year.

General and administrative expenses in the three- and nine-month periods ended August 31, 2019 amounted to $1,772,000 and $5,072,000 compared to $1,482,000 and $3,963,000 reported in the comparable periods of fiscal 2018.

The increase in general and administrative expenses is mainly associated with business growth, the listing on NASDAQ, additional investor relations initiatives and increased activity in Europe.

Finance income, consisting of interest income, for the three- and nine-month periods ended August 31, 2019 was $253,000 and $880,000 compared to $175,000 and $332,000 in the comparable periods of fiscal 2018.

Higher finance income is mostly associated with a higher average liquidity position.

Finance costs for the three- and nine-month periods ended August 31, 2019 were $1,253,000 and $3,805,000 compared to $1,247,000 and $1,686,000 in the comparable periods of fiscal 2018. Finance costs in the third quarter of 2019 and for the nine-month period ended August 31, 2019 mostly represent interest of $847,000 and $2,493,000, respectively on the senior convertible notes issued on June 18, 2019, compared to $661,000 for the three- and nine-month periods last year.

Finance costs also included accretion expense, which was $428,000 for the third quarter of 2019 and $1,233,000 for the nine-month period ended August 31, 2019 compared to $269,000 and $682,000 for the same periods last year. In the third quarter of 2019, the accretion expense was mainly associated with the senior convertible notes and the long-term obligation payable to TaiMed (See Note 4 of Interim Financial Statement). Previously, accretion expense related to the long-term obligation with EMD Serono, which was settled during the third quarter of 2018.

Adjusted EBITDA for the three- and nine-month periods ended August 31, 2019 was $1,566,000 and $3,540,000 compared to $2,092,000 and $(332,000) in the comparable periods of fiscal 2018. See “Non-IFRS Financial Measures” below.

Taking into account the revenue and expense variations described above, we recorded a **net loss** of $1,639,000 or $0.02 per share in the third quarter of fiscal 2019 and a net loss of $6,041,000 or $0.08 per share for the nine-month period ended August 31, 2019 compared to a net profit of $282,000 or nil per share in the three months ended August 31, 2018 and a net loss of $3,717,000 or $0.05 per share compared for the nine-month period ended August 31, 2018.

For the three- and nine-month periods ended August 31, 2019, **cash flow** generated by (used in) operating activities was $4,557,000 and $(3,095,000) compared to $1,037,000 and $(2,091,000) for the same periods last year.

In the third quarter of fiscal 2019, changes in operating assets and liabilities had a positive impact on cash flow of $3,621,000. These changes include a decrease in trade and other receivables of $2,042,000 and an increase in provisions of $720,000, both

related to higher sales. The change in operating assets and liabilities was also impacted by an increase in account payable and accrued liabilities of $1,056,000.

In the nine months of fiscal 2019, changes in operating assets and liabilities negatively affected cash flow by $5,074,000 compared to a negative impact of $1,583,000 in the comparable period of fiscal 2018.

As at August 31, 2019, cash and bonds amounted to $44,135,000 compared to $43,062,000 as at May 31, 2019. The increase was primarily due to cash flows generated by operating activities as explained above which was partially offset by a $3,500,000 milestone payment to TaiMed paid in July 2019.

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, lease inducements 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 U.S. dollars)

	Three-month periods ended August 31,		Nine-month periods ended August 31,	
	2019	**2018**	**2019**	**2018**
	$	$	**$**	$
Net loss	**(1,639)**	282	**(6,041)**	(3,717)
Add (deduct):				
Depreciation and amortization	**1,929**	1,715	**5,565**	2,516
Lease inducements and amortization	**5**	-	**233**	-
Finance costs	**1,253**	1,247	**3,805**	1,686
Finance income	**(253)**	(175)	**(880)**	(332)
Income tax recovery	**-**	(1,269)	**-**	(1,269)
Share-based compensation for stock option plan	**271**	182	**855**	678
Write-down of inventories	**-**	110	**3**	106
Adjusted EBITDA	**1,566**	2,092	**3,540**	(332)

Conference Call Details
A conference call will be held today at 8:30 a.m. (ET) to discuss the results. The conference call will be open to questions from financial analysts. Media and other interested individuals are invited to participate in the call on a “listen-only” basis.

The conference call can be accessed by dialling 1-877-223-4471 (North America) or 1-647-788-4922 (International). The conference call will also be accessible via webcast at https://event.on24.com/wcc/r/2105134-1/0223A49BA13F22F8ABD6580BF497FDBC. Audio replay of the conference call will be available on the same day starting at 11:30 a.m. (ET) until October 22, 2019, by dialling 1-800-585-8367 (North America) or 1-416-621-4642 (International) and by entering the playback code 2291839.

About Theratechnologies
Theratechnologies (TSX: TH) 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. Further information about Theratechnologies is available on the Company’s website at www.theratech.com, on SEDAR at www.sedar.com and on EDGAR at www.sec.gov

Forward-Looking Information

This press release contains forward-looking statements and forward-looking information, or, collectively, forward-looking statements, within the meaning of applicable securities laws, that are based on our management's beliefs and assumptions and on information currently available to our management. You can identify forward-looking statements by terms such as "may", "will", "should", "could", "would", "outlook", "believe", "plan", "envisage", "anticipate", "expect" and "estimate", or the negatives of these terms, or variations of them. The forward-looking statements contained in this press release include, but are not limited to, statements regarding the expected trading of our common shares on the NASDAQ Capital Market, the commercial launch of *EGRIFTA SV*™ in the United States, the growth of our sales in relation to Trogarzo® and *EGRIFTA SV*™, and the mid-to long-term growth of our revenues associated with the development of tesamorelin in NASH and our oncology platform.

Forward-looking statements are based upon a number of assumptions and include, but are not limited to, the following: no event will delay the trading of our common shares on the NASDAQ Capital Market, *EGRIFTA SV*™, when launched, will be accepted by the market place and will be reimbursed by third-party payors, sales of Trogarzo® will continue to grow as a result of new promotional initiatives, our development of tesamorelin in NASH and of our oncology platform will yield positive results allowing us to file new drug applications with regulatory authorities and obtain approval therefor.

Forward-looking statements are subject to a variety of risks and uncertainties, many of which are beyond our control that could cause our actual results to differ materially from those that are disclosed in or implied by the forward-looking statements contained in this press release. These risks and uncertainties include, among others, the risk that delays occur in connection with the beginning of the trading of our common shares on the NASDAQ Capital Market, that sales of Trogarzo® decrease, that undesired safety issues with our products are discovered, that product recalls occur, that the launch of *EGRIFTA SV*™ is delayed and, when launched, does not positively impact the sale of this drug, and that results obtained from our research and development activities on our product candidates are not positive enough to seek drug approval for those product candidates.

We refer potential investors to the "Risk Factors" section of our annual information form dated February 20, 2019 for additional risks regarding the conduct of our business and Theratechnologies. The reader is cautioned to consider these and other risks and uncertainties carefully and not to put undue reliance on forward-looking statements. Forward-looking statements reflect current expectations regarding future events and speak only as of the date of this press release and represent our expectations as of that date.

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

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For media inquiries:
Denis Boucher
Vice President, Communications and Corporate Affairs
514-336-7800

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, Luc Tanguay, 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 August 31, 2019.

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 June 1, 2019 and ended on August 31, 2019 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: October 8, 2019

(Signed) Luc Tanguay
Luc Tanguay
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 August 31, 2019.

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 June 1, 2019 and ended on August 31, 2019 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: October 8, 2019

(Signed) Philippe Dubuc
Philippe Dubuc
Senior Vice President and Chief Financial Officer