News Release

Theratechnologies Announces Financial Results for First Quarter of 2017

Montreal, Canada – April 6, 2017 – Theratechnologies Inc. (Theratechnologies) (TSX: TH) today announced its financial results for the first quarter ended February 28, 2017.

First quarter 2017 financial highlights

- Net sales of $9,034,000
- Net loss of $2,243,000
- Adjusted EBITDA of $725,000[1]
- Liquidities of $29,602,000

"*EGRIFTA*® continues to provide us with the stability and cash flow that we need to move forward with our plans. It gives us the means to build a stronger future as we prepare for the potential launch of ibalizumab in the United States. In this regard, the recently announced major expansion of our U.S. sales organization is well underway", said Luc Tanguay, President and CEO, Theratechnologies Inc.

"In addition, shortly after the end of our first quarter, we announced that we have acquired the commercial rights to ibalizumab in Europe. This represents a significant opportunity for Theratechnologies in terms of future growth and shareholder value. Finally, in the United States, TaiMed Biologics is weeks away from completing the filing of the Biologics License Application for ibalizumab with the FDA. In a few words, we are making good progress towards achieving all of our business plan objectives" concluded Mr. Tanguay.

First Quarter Financial Results

The financial results presented in this press release are taken from the Company's Management's Discussion and Analysis, or MD&A, and unaudited consolidated financial statements for the period ended February 28, 2017, 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 for the first quarter ended February 28, 2017 and the unaudited consolidated financial statements can be found at www.theratech.com and www.sedar.com. Unless specified otherwise, all amounts in this press release are in Canadian dollars and all capitalized terms have the meaning ascribed thereto in our MD&A. As used herein, *EGRIFTA*® refers to tesamorelin for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy. *EGRIFTA*® is our registered trademark.

2017 Revised Guidance

On March 1, 2017, we issued revised guidance for fiscal 2017. Net sales revenue of *EGRIFTA*® for fiscal 2017 is now expected to be in the range of $44,000,000 to $46,000,000 (previously $40,000,000 to $42,000,000). Adjusted EBITDA for fiscal

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

2017 is expected to be in the range of $(2,000,000) to $(3,000,000). See “Non-IFRS Financial Measures” below.

An assumed average exchange rate of USD 1 = CAD 1.32 was used in providing this guidance.

Consolidated revenue for the three-month period ended February 28, 2017 was $9,035,000, compared to $8,743,000 in the three-month period ended February 29, 2016.

Revenue generated from net sales increased by 3% in the first quarter of fiscal 2017 compared to the comparable period in fiscal 2016, due to higher unit volumes and prices, partially offset by higher average rebates and negative exchange rate fluctuations.

For the three months ended February 28, 2017, **cost of sales** was $2,050,000 compared to $1,369,000 in the comparable period of fiscal 2016. Cost of goods sold was $1,086,000 in the first quarter of fiscal 2017 compared to $1,055,000 in the prior-year period. Other production-related costs amounted to $178,000 in the first quarter of fiscal 2017, compared to a recovery of $34,000 in the prior-year period. Most of the change in other production-related costs is attributable to an inventory write-down of $125,000 in the first quarter of fiscal 2017 related to work in progress, due to losses incurred during the conversion of raw materials to finished goods.

Finally, cost of sales in the first quarter of fiscal 2017 included $786,000 of royalties compared to $348,000 of royalties in the comparable period of fiscal 2016. Royalties became payable on *EGRIFTA*® sales starting January 1, 2016 under the terms of the EMD Serono Termination Agreement.

R&D Expenses amounted to $2,020,000 in the three-month period ended February 28, 2017 compared to $1,884,000 in the comparable period of fiscal 2016. Most of the year-over-year increase was due to increased spending on medical affairs in 2017 in support of our goal of increasing awareness about *EGRIFTA*® and about MDR HIV-1 among opinion-leading physicians and nurses who work with the HIV-infected population. These increases were partially offset by lower expenses associated with our two Phase 4 clinical trials, which amounted to $447,000 in the three months ended February 28, 2017 compared to $683,000 in the comparable period of fiscal 2016. Other components of R&D expenses are regulatory affairs, quality assurance and the F4 formulation project.

Selling and Market Development Expenses amounted to $3,767,000 for the three months ended February 28, 2017, compared to $3,903,000 in the comparable period of fiscal 2016. The decrease was largely due to variations in the exchange rate as selling and market development expenses are generally incurred in USD. In addition, the first quarter of fiscal 2016 included start-up costs for promotional campaigns aimed at increasing awareness of *EGRIFTA*® and its therapeutic benefits within the HIV community.

Selling and market development expenses also include the amortization of the intangible asset value established for the *EGRIFTA*® commercialization rights. This

amortization expense amounted to $499,000 in the three months ended February 28, 2017 compared to $525,000 in the comparable period of fiscal 2016.

Finally, beginning in fiscal 2016 and continuing into the first quarter of fiscal 2017, we began incurring costs related to the anticipated launch of ibalizumab in the United States market.

General and Administrative Expenses amounted to $1,234,000 in the three months ended February 28, 2017 compared to $1,083,000 in the comparable period of fiscal 2016. The increase reflects the growth and development of our business.

Finance costs for the three months ended February 28, 2017 were $2,272,000 compared to $685,000 in the comparable period of fiscal 2016. Finance costs in the first quarter of fiscal 2017 included a loss of $1,918,000 related to change in the fair value of the warrant liability. There was no comparable cost in the prior-year period. Accretion expense on the long-term obligation was $418,000 in the first quarter of fiscal 2017 compared to $594,000 in the first quarter of fiscal 2016, reflecting the lower average balance outstanding during the periods.

Adjusted EBITDA was $725,000 in the three months ended February 28, 2017 compared to $1,102,000 in the comparable period of fiscal 2016. See "Non-IFRS Financial Measures" below.

Taking into account the revenue and expense variations described above, most notably the loss of $1,918,000 related to change in the fair value of the warrant liability, we recorded a **net loss** of $2,243,000 or $(0.03) per share in the three months ended February 28, 2017 compared to a net loss of $153,000 or $nil per share in the comparable period of fiscal 2016.

For the three months ended February 28, 2017, **cash flow from operating activities** was $2,560,000 compared to $389,000 in the comparable period of fiscal 2016. The increased cash flow was largely due to positive changes in operating assets and liabilities. The principal components were decreases in inventories of $492,000 and in trade and other receivables of $584,000, as well as an increase in accounts payable and accrued liabilities of $610,000.

As at February 28, 2017, cash, bonds and money market funds amounted to $29,602,000 compared to $11,603,000 at the end of the previous fiscal year on November 30, 2016.

Subsequent Events

Amendment to TaiMed Agreement

On March 6, 2017, the Company amended its agreement with TaiMed to include the acquisition of the commercial rights to ibalizumab in the European Territory, or the Amended Agreement. Under the terms of the Amended Agreement, the Company will assume regulatory responsibilities and associated costs while the clinical trial activity required by the European Medicines Agency, if any, and associated costs will be the responsibility of TaiMed.

TaiMed will manufacture and supply ibalizumab to the Company. The parties have agreed to a transfer price of 52% of the net selling price on annual sales up to USD 50,000,000 in the European Territory. The transfer price will increase to 57% of the net selling price on annual sales above the USD 50,000,000 threshold.

The Amended Agreement also provides for the following development, launch and sales milestones to be paid by the Company to TaiMed:

- An upfront payment of USD 3,000,000 was paid through the issuance to TaiMed of 906,077 of the Company's common shares;
- An approval milestone representing 50% of the cost of the clinical trials and all associated development activities incurred by TaiMed, if any, to obtain approval in the European Territory, payable through a transfer price increase of 5% of the net selling price;
- A launch milestone payment of USD 10,000,000 payable as follows: USD 5,000,000 one year after launch; and USD 5,000,000 one year after reaching sales in the European Territory of USD 50,000,000 over four consecutive quarters;
- A milestone of USD 10,000,000 upon sales in the European Territory reaching USD 150,000,000 over four consecutive quarters;
- A milestone of USD 20,000,000 upon sales in the European Territory reaching USD 500,000,000 over four consecutive quarters; and
- A milestone of USD 50,000,000 upon sales in the European Territory reaching USD 1,000,000,000 over four consecutive quarters;

The term of the Amended Agreement is calculated on a country-by-country basis and it expires 12 years following marketing approval of ibalizumab in each country comprising the European Territory.

Exercise of Broker Options

Since the end of the first quarter of fiscal 2017, 25,000 broker options, issued in December 2016, were exercised and 25,000 common shares were issued for a cash consideration of $78,000. See note 9 (a) of the interim consolidated financial statements.

Exercise of Common Share Purchase Warrants

Since the end of the first quarter of fiscal 2017, 1,018,200 common share purchase warrants, issued in 2015, were exercised and 1,018,200 common shares were issued for a cash consideration of $3,055,000.

Non-IFRS Financial Measures

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

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

could potentially distort the analysis of trends in our business, and because we believe it provides meaningful information on our financial condition and operating results.

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

Adjusted EBITDA
(in thousands of Canadian dollars)

	Three-month periods ended Feb. 28 and 29	
	2017	2016
	$	$
Net loss	**(2,243)**	(153)
Add (deduct):		
Depreciation and amortization	**504**	528
Finance costs	**2,272**	685
Finance income	**(65)**	(28)
Share-based compensation for stock option plan	**132**	70
Write-down of inventories	**125**	--
Adjusted EBITDA	**725**	1,102

Conference Call Details

A conference call will be held today at 8:30 a.m. (ET) to discuss the results. The call will be hosted by Luc Tanguay, President and Chief Executive Officer. The conference call will be open to questions from financial analysts. Media and other interested individuals are invited to participate in the call on a "listen-only" basis.

The conference call can be accessed by dialling 1-877-223-4471 (North America) or 1-647-788-4922 (International). The conference call will also be accessible via webcast

at http://www.gowebcasting.com/8406. Audio replay of the conference call will be available until April 20, 2017, by dialling 1-800-585-8367 (North America) or 1-416-621-4642 (International) and by entering the playback code 84514052.

About Theratechnologies

Theratechnologies (TSX: TH) is a specialty pharmaceutical company addressing unmet medical needs to promote healthy living and an improved quality of life among HIV patients. Further information about Theratechnologies is available on the Company's website at www.theratech.com and on SEDAR at www.sedar.com

Forward-Looking Information

This press release contains forward-looking statements and forward-looking information, or, collectively, forward-looking statements, within the meaning of applicable securities laws, that are based on our management's beliefs and assumptions and on information currently available to our management. You can identify forward-looking statements by terms such as "may", "will", "should", "could", "would", "outlook", "believe", "plan", "envisage", "anticipate", "expect" and "estimate", or the negatives of these terms, or variations of them. The forward-looking statements contained in this press release include, but are not limited to, statements regarding our anticipated revenue for *EGRIFTA*® and adjusted EBITDA for the 2017 fiscal year, the timing of the filing of a biologic licence application with the U.S. FDA regarding ibalizumab, the approval of ibalizumab and the growth of the Company in relation to the acquisition of commercial rights to ibalizumab in Europe.

Forward-looking statements are based upon a number of assumptions and include, but are not limited to, the following: sales of *EGRIFTA*® will continue to grow and we will meet our guidance on anticipated revenue of *EGRIFTA*® and our anticipated adjusted EBITDA for the 2017 fiscal year, the USD/CAD exchange rate will not vary during the 2017 fiscal year, the FDA will not issue any order or decision having the effect of negatively affecting the commercialization of *EGRIFTA*® in the United States, the timing regarding the filing of a biologic licence application for ibalizumab will be met, the U.S. FDA will approve ibalizumab, we will start the commercialization of ibalizumab by the end of 2017 and ibalizumab will be accepted by both patients and physicians, if approved.

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. Some of those risks include a decrease in sales of *EGRIFTA*® during the 2017 fiscal year, a recall of *EGRIFTA*®, the issuance of an order or decision by the U.S. FDA negatively affecting the commercialization of *EGRIFTA*®, the non-filing of a biologic license application with the U.S. FDA seeking approval of ibalizumab, the non-approval of ibalizumab by the U.S. FDA and, even if approved, our incapacity to launch and commercialize ibalizumab by the end of 2017.

We refer potential investors to the "Risk Factors" section of our Annual Information Form dated February 7, 2017 for additional risks and uncertainties regarding our business. 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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