MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED FEBRUARY 28, 2015

The following Management's Discussion and Analysis, or MD&A, provides Management's point of view on the financial position and results of operations of Theratechnologies Inc., on a consolidated basis, for the three-month period ended February 28, 2015 as compared to the three-month period ended February 28, 2014. Unless otherwise indicated or unless the context requires otherwise, all references in this MD&A to "Theratechnologies", the "Company", the "Corporation", "we", "our", "us" or similar terms refer to Theratechnologies Inc. and its subsidiaries on a consolidated basis. This MD&A is dated April 13, 2015, was approved by our Audit Committee, and should be read in conjunction with our unaudited interim consolidated financial statements and the notes thereto as at February 28, 2015, as well as the MD&A and audited consolidated financial statements including the notes thereto as at November 30, 2014. The interim consolidated financial statements for the three-month period ended February 28, 2015 have not been reviewed by our auditors.

The financial information contained in this MD&A and in our unaudited interim consolidated financial statements and 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. IFRIC refers to International Financial Reporting Interpretation Committee. All monetary amounts are expressed in Canadian dollars, except where otherwise indicated. References to $ and C$ are to Canadian dollars and references to US$ are to U.S. dollars.

In this MD&A, the use of *EGRIFTA*™ refers to tesamorelin for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy regardless of the trade name used for such product in any particular territory. Tesamorelin refers to the use of tesamorelin for the potential treatment of other diseases. *EGRIFTA*® is our registered trademark in the United States and it is used in that country to commercialize tesamorelin for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy.

This MD&A contains information that we believe may affect our prospective financial condition, cash flows and results of operations. Readers are cautioned to consult the section, "Forward-Looking Information", below.

Business Overview
We are a specialty pharmaceutical company addressing unmet medical needs in metabolic disorders to promote healthy ageing and improved quality of life.

Our first product, *EGRIFTA*™ (tesamorelin for injection), was approved by the United States Food and Drug Administration, or FDA, in November 2010 and is, to date, the only approved therapy for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy.

The primary focus of the business plan that we established for 2015 was the successful commercialization of *EGRIFTA*™ in the United States in order to build a profitable base of operations for the Company. Other objectives included launching *EGRIFTA*™ in the Canadian market, securing a commercial partner to distribute *EGRIFTA*™ in Europe and the receipt of a regulatory decision concerning the approval of *EGRIFTA*™ in Mexico. Good progress has already been made towards achieving these objectives, including encouraging sales growth in the U.S., marketing approval from Health Canada and an agreement for the distribution and commercialization of *EGRIFTA*™ in Europe. The following paragraphs describe these recent developments in more detail.

United States Market
EGRIFTA™ manufacturing operations continued to function well in the first quarter. With approximately six months' supply as of the date of this MD&A, we are producing sufficient quantities to both meet market demand and maintain adequate inventory levels.

Our exclusive distributor in the United States is RxC Acquisition Company, or RxCrossroads. Rx Crossroads, which is licensed to distribute drug products in all of the American states, re-sells *EGRIFTA*™ to our authorized wholesalers and ships the product directly to specialty pharmacies throughout the United States. In addition to filling orders, RxCrossroads provides warehousing and logistical support services including inventory control, account management, customer support and product return management.

In marketing, our partner is Ventiv Commercial Services, LLC, or inVentiv Health, a recognized provider of commercial, clinical and consulting services around the globe. The services provided by inVentiv Health include provision of a sales force fully dedicated to *EGRIFTA*™*,* as well as other staff solely assigned to our business in reimbursement and communications with patients and health-care professionals. The communications aspect includes a call center, *EGRIFTA Assist*™, which guides physicians and patients through the process of initiating treatment under reimbursement. This process, which can be complex and time-consuming, begins with a statement of medical necessity and concludes with the final reimbursement decision. inVentiv Health also assists us with pharmacovigilance activities and with other regulatory matters that may arise.

Following the re-launch in September 2014, the $2,657,000 of *EGRIFTA*™ sales achieved in the fourth quarter of fiscal 2014 were driven by a high recapture rate of previous patients and broad acceptance by third-party payors. These positive trends continued to drive sales in the first quarter of fiscal 2015 when sales reached $4,567,000, a 72 percent increase over the previous quarter. As of early February 2015, we have ten sales representatives in the field, up from two representatives prior to that, which is expected to help us grow the *EGRIFTA*™ patient base over the balance of 2015 and beyond. As of the date of this MD&A, significant sales growth has continued and we are firmly on track to achieve positive earnings before interest, taxes and amortization in the second quarter.

Overall, we are satisfied with the year-to-date results, which demonstrate strong progress on building a profitable base of operations for Theratechnologies in the United States.

European Market
On February 27, 2015, we announced an agreement with AOP Orphan Pharmaceuticals AG, or AOP, for the distribution and commercialization of *EGRIFTA*™ in Europe. AOP is a privately-owned company based in Vienna, Austria, that specializes in rare diseases through the development, distribution and commercialization of innovative therapies. It currently markets 15 drugs in various European countries.

Under the terms of the agreement, AOP is responsible for all regulatory activities to obtain marketing authorizations for *EGRIFTA*™ on a country-by-country basis in its territory. Prior to receiving such marketing authorizations, AOP intends to distribute *EGRIFTA*™ in certain European countries through Named Patient Sales Programs and expects these activities to begin in the second half of 2015.

Canadian Market
On March 30, 2015 we announced Health Canada approval for our Supplemental New Drug Submission seeking approval to commercialize *EGRIFTA*™ in its 1 mg/vial presentation. We had previously been working diligently to prepare for the Canadian launch and we now expect that *EGRIFTA*™ will be available to Canadian patients by early June.

Latin America and Middle East
Our commercial partner, sanofi, continues to expect a regulatory decision concerning its application to market *EGRIFTA*™ in Mexico around mid-year. However, the Mexican application is based on

the 2 mg/vial presentation of *EGRIFTA™,* which is no longer being supplied. In the event that an approval is granted in Mexico, sanofi will need to take the necessary steps to seek approval of the then-current presentation of the product, as was the case with our Canadian application.

Revenues
Regaining the US commercialization rights to *EGRIFTA™* in 2014 has had a significant impact on our operations and key aspects of our financial reporting, rendering year-over-year performance comparisons less useful as a means of assessing the Company. As described below, revenues and selling and market development expenses are the accounting measures most affected by this change.

Revenues in fiscal 2015 are essentially net sales of *EGRIFTA™* to RxCrossroads, our exclusive distributor in the United States. These net sales are at a significantly higher price than were the sales of *EGRIFTA™* to EMD Serono for re-sale in 2014. In addition, revenues in 2014 had two additional components that are no longer included i.e. research services, which included the amortization of the initial payment received from EMD Serono and royalties on *EGRIFTA™* sales.

Consolidated revenue for the three months ended February 28, 2015 was $4,571,000 compared to $1,672,000 in the comparable period of 2014.

(in Canadian dollars)	**2015**	**2014**
Net sales	$4,567,000	$675,000
Upfront and milestone payments	--	$320,000
Royalties and license fees	4,000	$677,000
Revenue	**$4,571,000**	**$1,672,000**

Revenue generated by net sales amounted to $4,567,000 in the three-month period ended February 28, 2015 compared to $675,000 in the comparable period of fiscal 2014. The significant increase is principally due to the changes in the Company's business model as explained above.

In the three months ended February 28, 2015, revenue related to amortization of the initial payment received upon the closing of the EMD Serono Agreement was nil compared to $320,000 in the comparable period of 2014. With the closing of the EMD Serono Termination Agreement on May 1, 2014, all of the unamortized balance of the initial payment was recognized as revenue in the second quarter of 2014.

Royalties were $677,000 in three-month period ended February 28, 2014 and were almost entirely derived from the sales of *EGRIFTA™* by EMD Serono.

Cost of Sales
For the three-month period ended February 28, 2015, the cost of sales was $641,000 compared to $1,625,000 in the comparable period of fiscal 2014. The cost of sales is made up of cost of goods sold and unallocated production costs. The cost of goods sold component in 2014 amounted to $600,000 and unallocated production costs were $1,025,000, due largely to inventory write downs related to manufacturing issues. There were no unallocated production costs in 2015.

R&D Expenses
R&D expenses amounted to $1,120,000 in the three-month period ended February 28, 2015 compared to $1,296,000 in the comparable period of fiscal 2014. R&D expenses are principally

expenses for the two Phase 4 clinical trials currently being conducted as required by the U.S. Food and Drug Administration in connection with its approval of *EGRIFTA*™. The first trial is a long-term observational safety study, or Observational Study, and the second study is to assess whether *EGRIFTA*™ increases the incidence or progression of diabetic retinopathy in diabetic HIV-infected patients with lipodystrophy and excess abdominal fat, or Retinopathy Study. Our costs associated with the Observational Study amounted to $309,000 in the three months ended February 28, 2015 compared to $200,000 in the comparable period of 2014 when 50% of the study costs were paid by EMD Serono. The costs associated with the Retinopathy Study were $357,000 in the three months ended February 28, 2015 compared to $670,000 in the comparable period of 2014.

Selling and Market Development Expenses
Selling and market development expenses amounted to $2,516,000 for the three-month period ended February 28, 2015, compared to $1,379,000 in the comparable period of fiscal 2014. There has been a significant increase in selling and market development activity related to our regaining the commercialization rights for *EGRIFTA*™ in the United States market. In addition, selling and market development expenses now include the amortization of the intangible asset value established for the *EGRIFTA*™ commercialization rights. This amortization expense amounted to $455,000 in the three month period ended February 28, 2015. In the prior-year period, selling and market development expenses were largely organization building and marketing initiatives in preparation for the repatriation of the *EGRIFTA*™ commercialization rights.

General and Administrative Expenses
General and administrative expenses amounted to $1,020,000 in the three-month period ended February 28, 2015, up slightly from $970,000 in the comparable period of fiscal 2014.

Net Financial Income
Finance income for the three-month period ended February 28, 2015 was $258,000 compared to $105,000 in the comparable period of fiscal 2014. Interest revenue has decreased due to a gradual decline in the portfolio size as investments are liquidated to fund operations. Finance income in the three months ended February 28, 2015 includes a gain of $188,000 on the renegotiation of the long-term obligation owed to EMD Serono under the terms of the EMD Serono Termination Agreement (see “Financial Position” below).

Finance costs for the three-month period ended February 28, 2015 were $436,000 compared to $33,000 in the comparable period of fiscal 2014. Finance costs in the three months ended February 28, 2015 include $574,000 of accretion expense on the long-term obligation owed to EMD Serono under the terms of the EMD Serono Termination Agreement.

Net Loss
Taking into account the revenue and expense variations described above, we recorded a net loss of $914,000 or $0.01 per share in the three months ended February 28, 2015 compared to a net loss of $3,534,000 or $0.06 per share in the comparable period of fiscal 2014.

Financial Position
On December 13, 2013, the Company entered into the EMD Serono Termination Agreement in order to regain commercialization rights for *EGRIFTA*™ in the United States. The closing of the transaction occurred on May 1, 2014. Operations of the Company have significantly changed upon the completion of this transaction which may impact the risk profile of its cash flows and its contractual obligations, notably the long-term obligation with respect to the early termination fee.

In the first quarter of fiscal 2015, the Company restructured the amount and payment terms of the initial long-term obligation payment, which was due May 1, 2015. Under the new terms, the first payment will total US $4,167,808 (previously US $4,000,000) and will be paid in three unequal installments as follows: US $500,000 on May 1, 2015; US $1,550,548 on August 31, 2015; and US $2,117,260 on November 30, 2015. The remaining annual payments are unchanged and are due on May 1 of each year beginning on May 1, 2016 up to May 1, 2019, bringing the total early

termination fee to US$20,168,000 (see "Contractual Obligations" below and note 8 of our interim consolidated financial statements).

Since the repatriation of *EGRIFTA*™ on May 1, 2014, the Company's ability to generate revenue is solely based on the commercialization of *EGRIFTA*™ in the United States. The Company believes that it will be able to adequately fund its operations and meet its cash flow requirements for the next twelve months. However, in the future this determination could be impacted if it encounters a significant shortfall in expected revenues.

In the three-month period ended February 28, 2015, operating activities generated positive cash flow of $720,000, a significant improvement over the comparable period of 2014 when cash flow from operating activities was negative $2,305,000. As at February 28, 2015, liquidities, which includes cash and bonds, amounted to $3,965,000, up from $3,178,000 at November 30, 2014.

Quarterly Financial Information

The following table is a summary of our unaudited consolidated operating results presented in accordance with IFRS for the last eight quarters.

(In thousands of dollars, except per share amounts)

	2015				2014			2013
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2
Net sales	**$4,567**	**$2,657**	**$--**	**$--**	**$675**	$311	$786	$996
Upfront and milestone payments	**$--**	**$--**	**$--**	**$2,450**	**$320**	$320	$463	$463
Royalties and license fees	**$4**	**$6**	**$4**	**$(57)**	**$677**	$615	$928	$872
Revenue	**$4,571**	**$2,663**	**$4**	**$2,393**	**$1,672**	$1,246	$2,177	$2,331
Net (loss) profit	**$(914)**	**$(3,620)**	**$(4,394)**	**$1,007**	**$(3,534)**	$(2,598)	$(1,935)	$(1,382)
Basic and diluted (loss) profit per share	**$(0.01)**	**$(0.06)**	**$(0.07)**	**$0.02**	**$(0.06)**	$(0.04)	$(0.03)	$(0.02)

The 72% increase in net sales in the first quarter of 2015 is attributable to a high recapture rate of previous patients and broad acceptance by third-party payors, continuing trends established in the fourth quarter of 2014 when *EGRIFTA*™ was re-introduced to the market.

Revenue from net sales in the second and third quarters of 2014 was nil due to a lack of inventory following the suspension of *EGRIFTA*™ manufacturing on February 14, 2014. With the closing of the EMD Serono Termination Agreement on May 1, 2014, the U.S. commercialization rights for *EGRIFTA*™ reverted to us and the $2,657,000 of net sales in the fourth quarter of fiscal 2014 and $4,567,000 of net sales in the first quarter of 2015 represented sales to our distributer, RxCrossroads. Net sales in the prior quarters represented lower margin sales to EMD Serono for re-sale.

Revenue generated from net sales declined in fiscal 2013, reflecting lower shipments to EMD Serono and a lower selling price. The lower level of shipments was largely due to reductions in EMD Serono's inventory as well as to a supply shortage, which occurred in the fourth quarter as a result of the manufacturing problems encountered earlier in the year. The lower selling price in

2013 was the result of the introduction of the 2 mg/vial presentation of *EGRIFTA*™ in October 2012.

With the closing of the EMD Serono Termination Agreement on May 1, 2014, all of the $2,238,000 unamortized balance of the initial payment was recognized as revenue in the second quarter of 2014.

The lack of *EGRIFTA*™ shipments in the second quarter of 2014 had a direct impact on royalties, which were almost entirely derived from the sales of *EGRIFTA*™ by EMD Serono.

The net profit reported in the second quarter of 2014 took into account $4,110,000 received in settlement of a dispute over an investment tax credit refund claim related to our 1994 and 1995 taxation years.

Recent changes in accounting standards

New or revised standards and interpretations issued but not yet adopted

The following revised standards and interpretations have been issued but are not yet effective for the Company:

a) IFRS 9, Financial Instruments

On July 24, 2014, the IASB issued the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39. The final version of IFRS 9 supersedes all previous versions of IFRS 9 and is effective for periods beginning on or after January 1, 2018.

b) IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 which establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers.

IFRS 15 supersedes the following standards: IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

IFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

This standard is effective for annual periods beginning on or after January 1, 2017 with earlier adoption permitted, the Company has not yet assessed the impact of the adoption of this standard on its consolidated financial statements.

Outstanding Share Data
On April 12, 2015, the number of common shares issued and outstanding was 61,010,603 while outstanding options granted under our stock option plan were 1,816,835.

Internal Control
No significant changes have occurred in our internal control over financial reporting during the period beginning on December 1, 2014 and ending on February 28, 2015.

Contractual Obligations
Except for the restructured amount and payment terms of the initial long-term obligation payment described above under Financial Position, there were no material changes in contractual obligations during the three-month period ended February 28, 2015, other than in the ordinary course of business.

Economic and Industry Factors
Economic and industry factors were substantially unchanged from those reported in our 2014 MD&A.

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 belief 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 the successful commercialization of *EGRIFTA*™ in the United States, the launch of *EGRIFTA*™ in Canada and in Europe and the issuance of a decision by the Mexican regulatory authority regarding *EGRIFTA*™*.*

Forward-looking statements are based upon a number of assumptions and include, but are not limited to, the following: our marketing campaign in the United States will allow us to increase the patient base for *EGRIFTA*™ and to thereby build a profitable base of operations and achieve positive earnings, we will have continuous supply of *EGRIFTA*™, the United States Food and Drug Administration will not issue any order or decision having the effect of suspending the commercialization of *EGRIFTA*™ in the United States, all of our structure will be in place to launch *EGRIFTA*™ in Canada by early June, no material adverse event will occur in Mexico slowing down the decision process of *EGRIFTA*™ in this country, no additional clinical studies will be required by regulatory authorities outside of the United States to obtain regulatory approvals of *EGRIFTA*™, *EGRIFTA*™ will be accepted by the marketplace in territories outside of the United States and will be on the list of reimbursed drugs by third-party payors in these territories and the relationships with our commercial partners and third-party suppliers will be conflict-free, .

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, but are not limited to, the risk that sales of *EGRIFTA*™ in the United States decrease, the risk that we are unable to supply *EGRIFTA*™ in the United States and in Canada because of increasing sales or because of manufacturing issues which would deplete our current inventory, the risk that *EGRIFTA*™ is subject to a recall, the risk that delays occur in setting up the structure to commercialize *EGRIFTA*™ in Canada or that delays in the decision process in Mexico occurs and the risk that our operating expenses are materially adversely affected by unforeseen events. We refer potential investors to the "Risks Factors" section of our Annual Information Form dated February 25, 2015 available at www.sedar.com. 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.