ANNUAL INFORMATION FORM

Financial Year Ended November 30, 2005

February 24, 2006

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements to provide investors with guidance as to the Company's future. These forward-looking statements include, among others, statements about the clinical development of TH9507 and THG213.29 and their future commercialization. More specifically, paragraphs relating to the Company's perspectives, notably Sections 2.2, 3.1B, 3.2B.iii and the third paragraph of 3.2C are forward-looking by nature and are required by regulation. Furthermore, the words "may", "could", "should", "outlook", "believe", "plan", "envisage", "anticipate" and "estimate", and the use of the conditional tense as well as similar expressions denote forward-looking statements. By their very nature, these involve uncertainties and inherent risks, both general and specific, which give rise to the possibility that predictions will not materialize. We therefore caution investors against placing undue reliance on these statements. The risks and uncertainties include the success and timely completion of clinical trials and the granting of necessary approvals, and we refer you to Item 3.10 of this Annual Information Form, which contains a more exhaustive analysis of the risks and uncertainties connected to the business of the Company. We have no obligation to update any forward-looking statement and we do not undertake to do so.

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ITEM 1 CORPORATE STRUCTURE

1.1 NAME

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

1.2 ADDRESS

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

1.3 INCORPORATION

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 By a certificate of amendment dated October 20, 1993, the Company repealed the restrictions applicable to private companies.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

ITEM 2 GENERAL DEVELOPMENT OF THE BUSINESS

The Company began its activities in December 1993 with a widely diversified portfolio of research and development projects mostly originating from the Université de Montréal. In this portfolio were therapeutic products as well as projects in dentistry, veterinary medicine, medical apparatus and software development. The Company proceeded to focus its activities, with the result that it is now specializing in the development of novel therapeutic products that target unmet medical needs in commercially attractive speciality markets.

During this process, the Company withdrew from its non-core activities by the creation of subsidiaries or the granting of licenses to third parties. From this exercise emerged Ecopia BioSciences, Andromed and Celmed BioSciences. Also as part of the focusing of its activities, the Company acquired Pharma-G, an early-stage company which had developed a discovery platform for therapeutic peptides, ExoPep. This technology was added to the discovery tool developed internally by the Company, the LAP method.

2.1 HISTORICAL NOTES ON THE COMPANY FOR THE LAST THREE FINANCIAL YEARS

A. PRODUCT DEVELOPMENT

During the last three financial years, the Company advanced the development of TH9507 by carrying out and completing an extensive Phase 2 clinical program. The Company studied the effects of TH9507 in seven clinical studies, which resulted in a better understanding of its mode of action. In June 2004, the Company selected the medical condition it believed to be the best entry point for the commercialization of TH9507, namely HIV-associated lipodystrophy. This medical condition was chosen for the following reasons: unmet medical need (no other product has been approved to treat it), potential clinical advantages, manageable clinical and regulatory program (costs and size of the Phase 3 studies), and an accessible market (restricted number of specialists). In March 2005, the Food and Drug Administration of the United States (hereafter the “FDA”) gave its assent to the Phase 3 protocol for TH9507 in HIV-associated lipodystrophy. Thus, in the United States, a first patient was recruited in June 2005. In August 2005, the approval for the Canadian arm of the study was received. As of the beginning of February 2006, more than 200 patients had been recruited for this study.

During the last three financial years, the Company established a portfolio of products for the treatment of diabetes by way of internal development, a research collaboration and a product acquisition. However, following a comprehensive strategic analysis in the third quarter of 2005, the Company decided not to pursue its activities in diabetes and in December 2005, it announced its intention to license-out the diabetes products.

B. PARTNERSHIPS

In April 2001, the Company signed a partnership agreement with ALZA Corporation of California, to combine TH9507 with the transdermal drug delivery technology developed by ALZA, known as Macroflux®. The Company subsequently signed two other agreements with a view to developing transdermal formulations for two other peptides, i.e. PTH, in November 2001 and GLP-1, in September 2002. In December 2004, the Company and ALZA jointly terminated their collaboration and Theratechnologies received a lump sum payment of US$12 million (CAN$15 million) as compensation for its interests in these three projects. The Company retains the rights to develop its therapeutic peptides, TH9507 and GLP-1 analogues, with other means of delivery.

C. EXECUTIVE MANAGEMENT

In June 2004, the Company proceeded to reorganize its executive management with a view to better positioning itself for the late-stage development and commercialization of TH9507. Consequently, it recruited directors and executive officers with experience in late-stage product development and commercialization. In June 2004, Yves Rosconi joined the Company as President and Chief Executive Officer. In 2005, Robert Goyer and Bernard Reculeau joined the Board of Directors and Chantal Desrochers and Koenraad Blot joined the management team.

D. FINANCING ACTIVITIES

During the last three financial years, the Company carried out one public financing, i.e. a common share issue for a total amount of $15,671,625 in February 2004.

E. INVESTMENTS IN OTHER COMPANIES

During the last three financial years, the Company reduced its holdings in subsidiaries it had previously created, with the result that it now holds 21% of Andromed and less than 10% of Ecopia BioSciences. In addition, in June 2005, the Company completed the sale of its 37.3% interest in Celmed BioSciences Inc. for total proceeds of up to $8.4 million, including an upfront payment of $2.8 million, and milestone payments totalling $5.6 million, tied to the success of Celmed's more advanced products.

2.2 EXPECTATIONS FOR THE PRESENT FINANCIAL YEAR

With respect to product development, the Company plans to complete patient recruitment towards the end of March 2006 for the first of the clinical studies of its Phase 3 program for TH9507 in HIV-associated lipodistrophy, which should allow the efficacy and safety results to be disclosed during the last quarter of the present financial year.

TH9507 also has the potential to treat other conditions, and the Company has studied the possibility to expand its clinical development. Consequently, during the last financial year, the Company has identified two new potential indications for TH9507, i.e. wasting or cachexia related to cystic fibrosis, and adult growth hormone deficiency. The Company plans further analysis of these two candidate indications during the present financial year, aiming at choosing one as the target indication for the next TH9507 clinical program in 2007.

The Company also assessed its product portfolio in 2005, and the molecule THG213.29 was identified as candidate for clinical development in acute renal failure (ARF). In 2006, the Company will therefore analyze this compound further as a possible addition to its product portfolio for clinical development in 2007.

Finally, following the adoption of the Company's new corporate strategy in December 2005, the therapeutic products aimed at type-2 diabetes, glaucoma and preterm labour were designated for out-licensing.

ITEM 3 DESCRIPTION OF THE BUSINESS OF THE COMPANY

3.1 STRATEGIC APPROACH

A. MISSION

Theratechnologies is a Canadian biopharmaceutical company that discovers or acquires novel therapeutic products for development and commercialization. The Company targets unmet medical needs in commercially attractive speciality markets where the whole or a part of the commercial rights can be retained.

B. STRATEGY

In 2005, through a rigorous strategic review process, the Company established a set of criteria to guide its choice of development projects. In order to be considered for future development, drug candidates must:

- Have a competitive edge over products currently marketed or in development;
- Have a regulatory path and a manageable clinical program;
- Be aimed at a specialty market where commercial rights can be retained; and
- Have the potential for attractive profit margins and a rapid payback on investment.

The Company's product portfolio contains promising molecules at different stages of development which meet these criteria. The priority is to concentrate its resources on the development of TH9507 in HIV-associated lipodystrophy. Additionally, the Company aims to pursue other interesting projects, such as:

- Use TH9507's therapeutic potential to develop other innovative indications: adult growth hormone deficiency and wasting or cachexia associated to cystic fibrosis are among the choices the Company is analyzing;
- Advance its early-stage products: THG213.29 in acute renal failure being the most advanced; and
- Develop and/or acquire other products in clinical development.

Finally, the Company has therapeutic products which were evaluated and do not meet the established criteria for project selection. It is, therefore, looking to form strategic alliances which could maximize their value. The products so identified are: type-2 diabetes, glaucoma and preterm labor.

C. BUSINESS PLAN

i. Discovery

Theratechnologies has developed specific expertise in the field of therapeutic peptides.

Although peptides may have significant therapeutic potential, they are unstable in serum in their natural form, which makes them incompatible with clinical use. Theratechnologies' Long Acting Peptides method (hereafter "LAP") is a peptide stabilization technology that increases their resistance to enzymatic degradation, while maintaining the natural specificity. The result is a more stable and efficient compound. The Company's TH9507 was developed using this technology.

Theratechnologies owns another proprietary technology named ExoPep. This technology allows for the rapid discovery of peptides that are antagonists of G Protein-Coupled Receptors (GPCRs). A large number of currently available prescription drugs interact with these receptors. The Company's THG213.29 was developed using this technology.

ii. Development

The Company proceeds with preclinical and clinical development of the molecules in its portfolio. Theratechnologies's research and development work is conducted internally or is subcontracted. Animal toxicology studies are conducted by contract research organizations. The Company's clinical studies are designed internally by employees with, as required, certain external support, but are carried out, for the most part, by contract research organizations. The entry and management of clinical data, as well as the statistical analyses, are principally carried out by external expert consultants in this field. In all cases where work is subcontracted, the Company's specialized personnel is responsible for monitoring the work, using established and documented standard operating procedures. These employees are responsible for preparing the experimental protocols, following-up on the studies and interpreting the results.

iii. Manufacturing

The pre-formulation and manufacturing work starts in the Company's laboratories and is completed by specialized external firms. The Company has the capacity to produce small quantities of peptides that may be used for preclinical studies. For manufacturing of clinical supplies, which are produced in larger quantities and in accordance with stricter regulatory requirements, known as Good Manufacturing Practices (hereafter "GMP"), the Company entered into an agreement with the American subsidiary of Bachem AG of Switzerland, a company specializing in the manufacture of peptides. This agreement provides for Bachem to develop a large-scale manufacturing process and ensure that it meets GMP requirements. Bachem may then gradually transfer to the Company, if requested to do so, the technology and know-how relating to the large-scale manufacturing process. Upon commercialization of TH9507, Bachem will manufacture, as needed, the Company's annual requirements for this peptide. The potential transfer of the technology from Bachem could allow the Company to

eventually manufacture its products, if such activity is deemed feasible and profitable for the Company.

iv. Commercialization

The Company's strategy is to be a fully-integrated business, meaning that the Company manages the whole process from discovery to commercialization. Hence, the Company has decided to retain commercial rights of its products. To help it launch its products and commercialize them, the Company could establish partnerships.

3.2 COMPANY PRODUCTS

Presently, the Company's products are at different stages of development, from discovery to Phase 3 clinical development, and target unmet medical needs in commercially attractive markets.

A. PRODUCT PORTFOLIO OVERVIEW

The following table provides an overview of the Company's products and their stages of development:

PRODUCT PORTFOLIO	Discovery	Preclinical	Phase 1	Phase 2	Phase 3
HIV-associated lipodystrophy (TH9507)	●	●	●	●	○
Cystic fibrosis (TH9507)	●	●	●		
Adult growth hormone deficiency (TH9507)	●	●	●		
Acute renal failure (THG213.29)	●	○			

○ : underway ● : completed

B. TH9507

TH9507, a growth hormone-releasing factor analogue, was developed in Theratechnologies' laboratories in 1995 and has been patented by the Company. This analogue was synthesized by optimizing and stabilizing natural Growth Hormone-Releasing Factor (hereafter the "GRF") using the LAP method described in paragraph 3.1C.i. above, thus prolonging its duration of action. This product induces growth hormone secretion in a natural and pulsatile way. The results obtained as of today suggest a therapeutic potential in many anabolic and metabolic/lipolytic indications.

i. Mechanism of Action

Growth hormone (hereafter GH) is secreted by the pituitary gland and plays a key role in regulating metabolism. Its secretion is stimulated by an hypothalamic hormone, namely GRF. GH is a fundamental source of activity in the organism. It influences anabolism, immune function and cognitive function. It also exerts a lipolytic effect by reducing the accumulation of fat in adipose tissue.

The effects of GRF/GH/IGF-1 on adipose tissue lead to several clinical trials in the area of HIV-associated lipodystrophy. In fact, exploratory trials undertaken with recombinant human growth hormone (hereafter rhGH), recombinant GRF (hereafter rhGRF or rhGHRH) and TH9507 (a stabilised form of the latter) have demonstrated that the lipolytic action induced by these treatments was capable of decreasing visceral adipose tissue and thus reducing an important cardiovascular risk factor.

Studies to date appear to indicate that the lipolytic effects of rhGH, rhGRF and TH9507 are similar. However, their administration and safety profiles are very different.

Similarly to natural GH, rhGH stimulates the synthesis of IGF-1. However, where the natural synthesis of IGF-1 is counterbalanced by a feedback mechanism preventing an overproduction of IGF-1, this mechanism is short-circuited by the administration of exogenous rhGH. This gives rise to side effects particularly frequent among older people. In addition, rhGH can cause hyperglycaemia which reduces its use in treating patients with diabetes or pre-diabetic conditions who make up an important percentage of the lipodystrophy patient population.

Contrary to rhGH, GRF provokes optimal activity of the somatotrope function and retains the natural rhythm (pulsatility) of the physiological secretion of growth hormone, without interfering in the feedback mechanism mentioned above. Despite these advantages, the disadvantage of rhGRF is that it must be administered twice a day due to its very brief duration of action.

Theratechnologies has been interested in the mechanisms of action of GH and GRF for several years and has sought to develop analogues of GRF which would be very specific, have a prolonged effect, and could be manufactured at a relatively low cost. It has, therefore, synthesized several GRF analogues using the LAP technology, including the TH9507 peptide. This product has the characteristic of inducing secretion of GH in a natural and pulsatile

fashion and combines the advantages of natural GRF with the ease of a single daily administration thus resulting in better patient acceptance and higher probability of compliance.

ii. Development

Preclinical. In animal tests, TH9507 has been shown to have a lasting and effective action on the secretion of GH and, as a result, on the secretaion of IGF-1. These effects are obtained with much smaller quantities when compared with natural GRF.

Phase 1. A clinical trial was designed to establish the safety of multiple doses, as well as to measure the production of IGF-1. The results of this trial were very conclusive. Indeed, in only a few days, TH9507 doubled IGF-1 levels in treated subjects to an optimal level corresponding to that found in a young adult. In addition, the side-effect profile of TH9507 was comparable to placebo. It was also found that the drug was highly specific as it did not significantly change the secretion of other pituitary hormones.

Phase 2. Following those results, the Company initiated a Phase 2 clinical development program centered on TH9507 effect on anabolism, the immune system and cognitive functions as well as its lipolytic effect. In recent years, the Company has completed seven Phase 2 studies through which it was able to understand the metabolic effects of TH9507 and caracterize its safety in various populations, including adults and diabetic patients.

More specifically, the Company decided to conduct a study on TH9507's effect in HIV-associated lipodystrophy. As stated above, studies have demonstrated that rhGH, by its lipolytic action, effectively reduces excessive visceral fat in patients suffering from HIV-associated lipodystrophy, while at the same time, increasing muscle mass and reducing non-HDL cholesterol (atherogenic or bad cholesterol). However, the administration of rhGH is not indicated for glucose-intolerant patients, a condition often observed in these patients. Consequently, Theratechnologies decided to study the effect of TH9507 in the treatment of this condition. Highlights of the study include a good safety profile, a clear, positive effect on body composition and a clinically relevant reduction in visceral fat while subcutaneous fat was reserved.

Phase 3. Based on the results of Phase 2 clinical trials, the Company considered different indications for late-stage development of TH9507. It ultimately chose HIV-associated lipodystrophy for the following reasons:

- It represents an unmet medical need for which no treatment has been approved, making it possible for the Company to be amongst the first on the market.

- Th9507 has a potential clinical advantage over other products in development because it may be possible to administer is safely to pre-diabetic and diabetic patients, approximately 35% of the lipodystrophic patient population.

- The Phase 3 clinical program in this indication is manageable for a biotechnology company the size of Theratechnologies, in terms of number of patients and duration of treatment.

- The targeted commercial audience is made up of a relatively small number of HIV specialists.

The Company designed the Phase 3 program and prepared the clinical protocol. The multi-center, randomized, double-blind, placebo-controlled clinical trial is investigating the safety and efficacy of TH9507 in reducing excess visceral fat (Visceral Adipose Tissue or VAT) in approximately 400 patients by administering 2 mg daily for a period of 26 weeks. The secondary parameters include lipid analyses and body self-image. There will also be an extension phase of the study lasting an additional 26 weeks to assess long-term safety and the effects of discontinuing treatment. Based on Phase 2 safety results, the Company decided to include glucose-intolerant and untreated diabetic patients in its study.

On March 30, 2005, Theratechnologies met the Food and Drug Administration (FDA) in the United States to discuss its clinical development program. In response to a series of questions, the FDA indicated it approved the Phase 3 protocol design, with minor modifications, as well as the dosage to be tested and the use of VAT as primary end point. The FDA also indicated that it accepted the Company's proposition to include glucose-intolerant and untreated diabetic patients in its study, subject to tight glycemic control follow-up. Theratechnologies also met the Therapeutic Products Directorate of the Health Products and Food Branch of Health Canada, on May 3, 2005, which subsequently gave its assent to the beginning of the Canadian component of the study.

The Company initiated the Phase 3 clinical program and the recruitment of the first patient was achieved in June 2005 in the United States. The study is taking place in approximately 40 clinical sites in Canada and the United States. As of February 2006, more than 200 patients had been recruited.

iii. Outlook

The first clinical study of the Company's Phase 3 clinical program in HIV-associated lipodystrophy is now in process. Recruitment should be completed towards the end of the first quarter of 2006 and the results should be available during the fourth quarter. Once this first study is completed, the Company will undertake the second study of this program. The direct costs related to completing the first Phase 3 study are estimated to be between $17 and $20 million.

Once the Phase 3 clinical program is completed, the Company will submit appropriate approval applications with regulatory authorities. The first regulatory approval for this first therapeutic indication is expected in 2009.

The Company selected two other potential indications for TH9507 that meet its value-creation criteria described in paragraph 3.1B, namely, wasting or cachexia associated to cystic fibrosis

and adult growth hormone deficiency. In 2006, the Company will analyse potential TH9507 development programs in these two indications in order to possibly start a clinical development program in 2007 in one of them.

C. THG213.29

THG213.29 was developed in the laboratories of Theratechnologies using the ExoPep method described in paragraph 3.1C.i above and is patented in the name of the Company. It is a peptide which interacts with G Protein-Coupled Receptors (GPCRs).

This therapeutic peptide has been tested with animal models and has demonstrated its ability to specifically increase the renal plasmatic flow, the glomerular filtration flow and urine production. With animal models, administration of this compound also improves the excretion of nitrogenous products and limits kidney injuries.

By applying the corporate value-creation criteria described in paragraph 3.1B, THG213.29 in acute renal failure has been identified as a potential candidate for development. The Company intends to complete the preclinical work which is underway and will then consider the implementation of a clinical development plan for this compound, which could possibly begin in 2007.

3.3 MARKETS AND COMPETITION

The Company targets specialty markets with unmet medical needs. Competition comes mainly from university research centres and emerging biotechnology companies, as well as from large pharmaceutical companies, through acquisitions or alliances in these fields.

A. HIV-ASSOCIATED LIPODYSTROPHY

HIV-associated lipodystrophy is a metabolic syndrome that afflicts a significant percentage of HIV patients undergoing an antiretroviral treatment. Although the exact cause of this syndrome is unknown, it is suspected to be partly due to the HIV treatment itself. It is characterized by changes in distribution of adipose tissue (fat-containing tissue), dyslipidemia and glucose intolerance. The changes in fat distribution include: lipoatrophy, which is the loss of subcutaneous fat tissue, generally in the limbs and facial area, and lipohypertrophy, which is the accumulation of visceral adipose tissue. The latter is a risk factor for cardiovascular disease and type 2 diabetes. In addition to the direct health risks, the resulting body abnormalities can stigmatize patients and discourage compliance with their HIV treatments. There is currently no approved treatment for this condition and although the new HIV treatments tend to minimize the dyslipidemia and the lipoatrophy component, the lipohypertrophy component remains an important unmet medical need. It is estimated that, among the 1.4 million HIV positive patients in North America and Europe, approximately 250,000 suffer from HIV-associated lipodystrophy with excess visceral fat.

Recombinant human growth hormone (rhGH) is currently under development for the treatment of a similar indication. Geneva-based Serono S.A. announced in January 2006 that "it met all pre-specified primary and major secondary endpoints" in its pivotal Phase 3 double-bind, placebo-controlled trial of its recombinant human growth hormone in the treatment of HIV-associated Adipose Redistribution Syndrome (HARS).

B. WASTING OR CACHEXIA ASSOCIATED WITH CYSTIC FIBROSIS

Wasting, a condition which arises with chronic disease, often develops among adult patients suffering from cystic fibrosis, a degenerative lung disease. This muscle loss greatly limits day-to-day activities of these patients, thereby affecting their quality of life. Furthermore, left untreated, it constitutes an independent mortality risk. There is currently no approved treatment for this condition. Wasting associated with cystic fibrosis has been identified as a potential additional indication for TH9507, which could further expand the Company's portfolio.

C. ADULT GROWTH HORMONE DEFICIENCY

Growth hormone deficiency in adults is a syndrome generally characterized by reduced muscle mass, increased abdominal fat, metabolic abnormalities and a deterioration in qualify of life. Today, the only therapeutic solution for these patients is recombinant human growth hormone (rhGH), which is associated with side effects when administered regularly, notably a deterioration in glycemic control (blood sugar levels).

TH9507 is a growth hormone-releasing factor (GRF) stabilized analogue which induces the production and secretion of GH in a specific and physiological manner. This product has development potential in many indications, including adult growth hormone deficiency, because clinical studies have shown, among its properties, an increase of muscle mass and a reduction of abdominal fat. Internal analysis has suggested that this indication could further expand the Company's portfolio.

D. ACUTE RENAL FAILURE

Acute renal failure (ARF) is characterized by the deterioration of renal functions ranging from a few hours to several days. It provokes a sudden decrease in glomerular filtration rate, an increase in nitrogenous products, as well as an imbalance of electrolytes.

The mortality rate associated with acute renal failure is very high; and may reach up to 60% under certain conditions. Currently, the only approved treatment for ARF is dialysis. There is therefore an urgent need to develop a pharmacological treatment for this condition.

3.4 REGULATORY FRAMEWORK

The research, development, manufacture and marketing of pharmaceutical products are governed by various governmental authorities throughout the world to ensure efficacy and

safety. In Canada, these activities are governed by the provisions of the *Food and Drugs Act* and its regulations, the enforcement of which is ensured by the TPD. In the United States, it is the FDA that has jurisdiction. In order to obtain approval for commercializing new drugs in Canada and the United States, the Company must satisfy many regulatory conditions. The Company must complete preclinical studies in order to file a Clinical Trial Application in Canada (hereafter a "CTA") and an Investigational New Drug Application in the United States (hereafter a "IND"). It then receives different clearance authorizations to proceed with Phase 1, 2 and 3 clinical trials. Once these trials are completed, the Company files a registration file named New Drug Submission in Canada (hereafter a "NDS") and a New Drug Application in the United States (hereafter a "NDA"). If such registration file is in accordance with the regulations, the regulatory authority issues a notice of compliance, which allows the Company to market the product.

3.5 INTELLECTUAL PROPERTY

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

With respect to patents, the Company generally proceeds by first filing a provisional application with the US Patent and Trademark Office (USPTO). Afterwards, the Company simultaneously files a formal application in the United States together with an international application under the Patent Cooperation Treaty (PCT). The PCT gives the option to file a patent application with all contracting states. Countries where an application will ultimately be filed are chosen based on a cost-to-protection analysis on a country-by-country basis for each individual patent application. Each product or technology requires a separate analysis to optimize its protection. The patents, once issued, generally grant protection for a 20-year period starting on the date of filing. The Company's earliest applications related to TH9507 were filed in 1995 and will not expire before 2015. The Company's patent portfolio is comprised of several classes of patent families each covering a product or a technology. Six classes cover therapeutic peptides under development and three classes cover technological platforms.

Presently, the Company holds one family of patents protecting its TH9507 peptide, one family protecting a series of TH9507 analogs and two families aimed at protecting therapeutic indications of TH9507.

Furthermore, the Company holds two families of patents and patent applications with the aim of protecting its acute renal failure peptides: one family for the 213.6 to 213.15 series of peptides for which patent applications were filed in December of 1999 and one family for the 213.19 to 213.30 series of peptides for which patent applications were filed in May 2002. These patent applications are currently being pursued with patent offices in several jurisdictions.

The Company also holds patents and patent applications on its products which are designated as out-licensing candidates, notably GLP-1 analogs, including TH0318 and TH0396, as well as other products targeting the treatment of diabetes, glaucoma and preterm labour.

The Company also holds various exclusive worldwide commercialization licenses for its non-core products, which are valid for as long as the products relating to these licenses are marketed. These products are also patent-protected or are the subject of pending applications.

3.6 STRATEGIC ALLIANCES

A. BACHEM AG

The Company entered into an agreement with the American subsidiary of Bachem AG of Switzerland, a company specializing in the manufacturing of peptides. This agreement provides for Bachem to develop a large-scale manufacturing process for TH9507 and ensure that it meets GMP requirements. Bachem may then gradually transfer to the Company, if requested to do so, the technology and know-how relating to the large-scale manufacturing process. Upon commercialization of TH9507, Bachem will manufacture, as needed, the Company's annual requirements for this peptide. The potential transfer of the technology from Bachem could allow the Company to eventually manufacture its products, if such activity is deemed feasible and profitable for the Company.

B. SAKAI CHEMICAL INDUSTRY CO., LTD.

The Company signed a license agreement regarding the development and commercialization of TH9507 in Japan with Sakai Chemical Industry Co., Ltd., a Japanese chemical company also active in the field of biotechnology and other pharmaceutical research and development. The agreement grants Sakaï a licensing option on all indications targeted by the Company. Sakai has undertaken to make upfront payments, regulatory milestone payments and royalty payments on product sales in Japan.

3.7 HUMAN RESOURCES

A. EMPLOYEES

As at November 30, 2005, the Company had 76 employees, of whom 48 were direct members of the research and development team and 29 held post-graduate diplomas (M.Sc., Ph.D. and M.D.).

B. SCIENTIFIC ADVISORY BOARD

The Company created a specialized committee to guide it in the preclinical and clinical development of its various products. As of November 30, 2005, the members of this Scientific Advisory Board were the following:

- Roger Guillemin, M.D., Ph.D.
  Nobel Prize for Medicine
  Distinguished Professor, Salk Institute
  Endocrinologist and co-discoverer with Dr. Paul Brazeau
  of somatocrinin (GRF) and somatostatin

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

- Ezio Ghigo, M.D., Ph.D.
  Head, Department of Endocrinology,
  University of Torino, Torino, Italy

- George R. Merriam, M.D.,
  Professor of Medicine, Division of Metabolism, Endocrinology and Nutrition,
  University of Washington School of Medicine,
  Seattle, United States

- A. J. van der Lely, M.D., Ph.D.
  Head, Endocrinology Division,
  Academic Hospital of the Erasmus University,
  Rotterdam, Netherlands

C. RESEARCH COLLABORATORS

The Company also benefits from the services of specialized scientists in various fields who help support various projects. As of November 30, 2005, those collaborators were:

- Alcide Chapdelaine, M.D., M.Sc., C.S.P.Q., F.R.C.P.
  Endocrinologist and researcher,
  Former Assistant Dean, Faculty of Medicine,
  Université de Montréal

- Paul Brazeau, Ph.D.
  Full Professor, Faculty of Medicine,
  Université de Montréal

- Sylvain Chemtob, M.D., Ph.D., F.R.C.P.
  Professor of Pediatrics, Ophthalmology and Pharmacology,
  Université de Montréal,
  and researcher at Sainte Justine Hospital

- Pascal Dubreuil, D.M.V., Ph.D.
  Full professor, Faculty of Veterinary Medicine,
  Université de Montréal

- Denis Gravel, Ph.D., F.C.I.C.
  Emeritus professor, Chemistry Department,
  Université de Montréal

3.8 FACILITIES

The Company carries out its activities at 2310 Alfred-Nobel Boulevard in the Saint Laurent Technoparc, in Montréal. It occupies a building of 39,200 square-feet, which houses offices and laboratories, specifically suited to its needs. The lease has a 10-year term and expires in 2010. Theratechnologies benefits from different options allowing it to expand to meet future needs.

The Company has a laboratory for the synthesis, purification and lyophilization of peptides as well as the equipment necessary for commonly-conducted analyses in conformity with the applicable GLP (Good Laboratory Practices) standards. Three chemical hoods (one of which is of a "*walk-in*" type) ensure safe handling of chemical products during the normal course of activities. Reactors of different sizes act as synthesizers while High Performance Liquid Chromatography (hereafter "HPLC"), preparative or analytic, allows for the completion of peptide production. Lastly, the lyophilizer transforms the product into a solid and stable form, also known as "*freeze-drying*".

Theratechnologies also has discovery and preclinical development laboratories. The discovery laboratories are equipped with a chemical hood and a HPLC. These laboratories also use a "*Symphony*" automatic synthesizer which quickly synthesizes small quantities of peptides. Other equipment, i.e. a scintillation counter, sorts the different compounds or conducts the immunological or biochemical assays required. In addition, the laboratory contains a cell culture room (light waves hood, incubator, etc.) which allows *in vitro* testing. The preclinical development laboratories are equipped with a HPLC used for bio-analysis methods and pre-formulation, and a 96-well plate reader, also capable of reading the fluorescence used in the development of immuno-chemical methods. These laboratories are also equipped with a cell culture room (light waves hood, incubator, etc.) which allows for testing using cell models.

3.9 ENVIRONMENT

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

3.10 RISKS AND UNCERTAINTIES

A. CAPITAL RESOURCES

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

B. VOLATILITY OF SHARE PRICE

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

C. PRECLINICAL AND CLINICAL STUDIES

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

D. REGULATORY APPROVALS

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

E. COMMERCIALIZATION

Once commercialized, the Company's products may potentially compete with existing products on the market. Various intermediaries in the healthcare sector, such as those who may prescribe or dispense the new drugs commercialized by the Company and the parties

responsible for drug reimbursement, may select other treatments than those offered by the Company. Furthermore, the prices of medical products are increasingly being regulated. Therefore, there can be no assurance that the Company will be able to maintain price levels sufficient for the realization of an appropriate return on the Company's investment in product development.

F. PATENTS

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

G. COMPETITION

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

H. RESEARCH

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

I. HUMAN RESOURCES

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

J. PRODUCT LIABILITY

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

ITEM 4 DIRECTORS AND EXECUTIVE OFFICERS

4.1 DIRECTORS

The following table lists, for each sitting director as of November 30, 2005, his name, his province or state and country of residence, his principal occupation, the office held in the Company (if any), the year in which he first became a director of the Company and the number of shares he beneficially owned, directly or indirectly, or over which he exercised control or direction. Each elected director remains in office until the close of the next annual meeting of shareholders, unless he resigns or the position becomes vacant following his death, his destitution or for any other cause before the next annual meeting.

DIRECTORS

Name, Province or State and Country of Residence	Principal Occupation	Director Since	Number of Common Shares
A. Jean de Grandpré[2) 3) 4)] Québec, Canada	Chairman of the Board of the Company	1993	47,100
Gilles Cloutier[3)] North Carolina, United States	Corporate Director	2003	20,000
André Delambre[1) 3) ***] Québec, Canada	Executive Vice President, Finance and Administration Les Productions Feeling inc. (Production Company)	2000	17,000
Robert G. Goyer[3)] Québec, Canada	Emeritus Professor Faculty of Pharmacy Université de Montréal	2005	5,500
Paul Pommier[1) 2)] Québec, Canada	Corporate Director	1997	60,100
Bernard Reculeau Paris, France	Corporate Director	2005	8,100
Yves Rosconi[4)] Québec, Canada	President and Chief Executive Officer of the Company	2004	35,500
Jean-Denis Talon[1) 2)] Québec, Canada	Chairman of the Board AXA Canada (Insurance Company)	2001	15,400
Luc Tanguay[4)] Québec, Canada	Senior Executive Vice President and Chief Financial Officer of the Company	1993	42,000

1) Member of the Audit Committee
2) Member of the Compensation Committee
3) Member of the Nominating and Corporate Governance Committee
4) Member of the M&A / Financing Committee
*** Mr. Delambre passed away on January 9, 2006.

BIOGRAPHICAL NOTES OF THE DIRECTORS

A. Jean de Grandpré, C.C., Q.C. *Chairman of the Board of the Company*. In September 1996, A. Jean de Grandpré contributed to Bell Canada's exceptional growth as Chairman of the Board and Chief Executive Officer and went on to become the founding Chairman of the Board and CEO of BCE. In recognition of these achievements, he was inducted into the Canadian Business Hall of Fame. Mr. de Grandpré also served as a member of the boards of directors of other important Canadian and US corporations, namely Northern Telecom Limited, Chrysler Corporation, Sun Life and TD Bank. He has been a member of the Board of Theratechnologies since its founding in October 1993 and was appointed Chairman in 1996.

Gilles Cloutier, Ph.D. *Corporate Director.* Dr. Gilles Cloutier has over thirty years of experience in the pharmaceutical industry including five years with contract research organizations, providing strategic support to the biotechnology and pharmaceutical industry. Dr. Cloutier has also held key positions with large North-American pharmaceutical companies where he developed expertise in the field of clinical research. His experience includes the development and approval of several drugs in Canada, the United States and Europe. Dr. Cloutier sits on the board of directors of Theratechnologies and Dacha Capital. He is also Chairman of the Fondation André Delambre for amyotrophic lateral sclerosis (ALS).

André Delambre, CA. *Executive Vice President, Finance and Administration, Les Productions Feeling inc.* Mr. Delambre was Executive Vice President of Les Productions Feeling since September 1998, managing, among others, the affairs of popular artist, Céline Dion. Previously, he was a partner at the accounting firm Samson, Belair, Deloitte and Touche. Mr. Delambre was also actively involved in various foundations as Director and canvasser, and created the Fondation André Delambre in 2003, dedicated to helping people suffering from amyotrophic lateral sclerosis.

Robert G. Goyer, Ph.D. *Emeritus professor, Faculty of Pharmacy of the Université de Montréal.* Dr. Goyer has more that 40 years of experience in the pharmaceutical field. Former President of Jouveinal Canada and of Clinipharm Inc., Dr. Goyer is also a former dean of the Faculty of Pharmacy of Université de Montréal. Recognized for his broad expertise in drug development, he has served on the boards of several companies and governmental organizations. He was notably Chairman of the Advisory Committee on drug approval proceduresof Health Canada's Therapeutic Products Directorate and a member of the board of directors of the Régie de l'assurance maladie du Québec. Most recently, he was Chairman of the Conseil du médicament (Québec).

Paul Pommier, M.B.A. *Director of various companies*. Mr. Paul Pommier worked for more than 25 years at National Bank Financial, most recently as Senior Executive Vice President, Corporate and Government Finance. Throughout his career, he oversaw public and private financings, mergers and acquisitions, as well as the marketing of investment offerings. Under his leadership, National Bank Financial developed notable expertise in tax-shelter financings. Retired since 1997, Mr. Pommier remains a director of various companies.

Bernard Reculeau. *Corporate Director.* As resident of France, Mr. Bernard Reculeau brings 21 years of pharmaceutical industry experience to Theratechnologies. Until recently, he was Senior Vice President Pharmaceutical Operations of Paris-based sanofi-aventis for the InterContinental Region. In his previous functions, he was responsible for product development and commercialization in numerous countries around the world. Hence, Mr. Reculeau has extensive hands-on management experience in commercial activities, cumulating close to fifteen years in pharmaceutical operations, notably in France where he very successfully ran the pharmaceutical operations for Rhone-Poulenc and Rhone-Poulenc Rorer as well as in many other countries of the European Union and Eastern Europe.

Yves Rosconi, B. Sc. Pharm. M.B.A. *President and Chief Executive Officer of the Company.* Mr. Yves Rosconi, brings more than 25 years of global pharmaceutical experience to Theratechnologies. He began his career with Abbott Laboratories and went on to spend 21 years with Rhône-Poulenc Rorer in Canada and Australia with increasing responsibilities, ultimately becoming President and General Manager of Canadian operations. After leaving Rhône-Poulenc Rorer, he spent the next two years as Chief Operating Officer of Æterna Laboratories before joining Paris-based Aventis as Senior Vice President, responsible for Africa and the Middle East.

Jean-Denis Talon. *Chairman of the Board, AXA Canada.* Mr. Jean-Denis Talon had a successful career with AXA Insurance over a period of more than 20 years ultimately becoming President and Chief Executive Officer. He is currently Chairman of the Board of AXA Canada. Mr. Talon is also former President of the Financial Affairs Committee at the Insurance Bureau of Canada and a director of various companies.

Luc Tanguay, M.Sc., CFA. *Senior Executive Vice President and Chief Financial Officer of the Company.* Mr. Luc Tanguay has been active in the biotechnology industry for over 15 years. As a member of senior management at Theratechnologies since 1996, he has contributed to the Company's growth by facilitating access to public and private capital funding. A member of the Board of Directors since 1993, he has held various management posts since joining the Company. Prior to joining Theratechnologies, Mr. Tanguay had a successful career in investment banking at Lévesque Beaubien (now National Bank Financial) where he helped several organizations establish themselves as public companies.

4.2 AUDIT COMMITTEE

A. CHARTER

The Board of Directors of the Company has established an Audit Committee to review the annual financial statements prior to approval thereof by the Board of Directors and to exercise other assigned powers, in accordance with the committee's charter adopted by the Board of Directors and attached as Appendix A to this document.

B. COMMITTEE MEMBERS

As of November 30, 2005, the Audit Committee was composed of three members, i.e. Paul Pommier, its Chair, André Delambre and Jean-Denis Talon; all three independent and financially literate.

C. MEMBERS' EDUCATION AND EXPERIENCE

The details mentioned hereunder describe the education and experience of the Audit Committee members that is relevant to the performance of their responsibilities, in particular any experience in preparing, auditing, analyzing and evaluating financial statements.

Paul Pommier. Mr. Pommier holds a MBA degree and has more than 25 years of experience in the financial field, notably in public and private company financings, as well as in merger and acquisition activities.

André Delambre. Mr. Delambre was a chartered accountant and a partner with the accounting firm Samson, Belair, Deloitte et Touche for many years, during which he oversaw all aspects of the auditing process and other accounting services. He supervised the financial affairs of Les Productions Feeling Inc. since 1998.

Jean-Denis Talon. Mr. Talon has more than 20 years of experience in the insurance field as senior officer.

Each member of the Audit Committee has thus acquired in-depth financial expertise giving each the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to those that can reasonably be expected to be raised in the issuer's financial statements.

D. EXTERNAL AUDITORS SERVICE FEES

	Financial Year Ended November 30, 2005	Financial Year Ended November 30, 2004
Audit Fees	$57,000.00	$54,000.00
Audit-Related Fees	$9,000.00	$19,300.00
Tax Fees	$26,550.00	$20,100.00
All Other Fees	$5,907.00	$33,648.00

4.3 EXECUTIVE OFFICERS

The following table lists the names of all executive officers as of November 30, 2005, their province or state and country of residence, their office and the number of shares beneficially owned, directly or indirectly, by each of them or over which they exercise control or direction.

EXECUTIVE OFFICERS

Name, Province or State and Country of Residence	Office	Number of Common Shares of the Company over which Control or Direction is Exercised
A. Jean de Grandpré Québec, Canada	Chairman of the Board of the Company	47,100
Yves Rosconi Québec, Canada	President and Chief Executive Officer	35,500
Luc Tanguay Québec, Canada	Senior Executive Vice President and Chief Financal Officer	42,000
Marie-Noël Colussi Québec, Canada	Vice President, Finance	5,075
Chantal Desrochers Québec, Canada	Vice President, Business Development and Commercialization	500
Eckhardt S. Ferdinandi Québec, Canada	Vice President, Preclinical Research	4,000
Peter McBride Québec, Canada	Vice President, Investor Relations and Public Affairs	25,000
Pierre Perazzelli Québec, Canada	Vice President, Pharmaceutical Development	2,170
Krishna Peri Québec, Canada	Vice President, Research	17,087
Koenraad Blot Québec, Canada	Executive Director, Clinical Research	20,000
Geneviève Dubuc Québec, Canada	Senior Director, Legal Services and Intellectual Property Management, and Secretary	2,000

BIOGRAPHICAL NOTES OF THE EXECUTIVE OFFICERS

For the biographical notes of A. Jean de Grandpré, Yves Rosconi and Luc Tanguay, please refer to sub-item 4.1 titled "Directors" of the present document.

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

Chantal Desrochers, B.Ph., M.B.A. *Vice President, Business Development and Commercialization.* Ms. Chantal Desrochers obtained her degrees in pharmacy and business from the Université de Montréal. She began her career at Schering-Plough in sales and ultimately became a Product Director. After obtaining her M.B.A., Ms. Desrochers joined Bristol-Myers Squibb Company in Canada as Marketing Director Pharmaceuticals and became Vice President, Institutional Business in 1995. In 1997, Ms. Desrochers was promoted as European Franchise Marketing Director, Cardiovascular, in France where she implemented market penetration strategies and contributed to the commercial development of cardiovascular products. This led to her appointment as International Marketing Director, Cardiovascular, at Bristol-Myers Squibb in Princeton, New Jersey. Prior to joining Theratechnologies, Ms. Desrochers had been offering consulting services in business development and product development strategies.

Eckhardt S. Ferdinandi, Ph.D. *Vice President, Preclinical Research*. Prior to his appointment as Vice President, Preclinical Research, Dr. Ferdinandi was Director of Preclinical Development at Lorus Therapeutics. He has extensive experience in the area of drug research and development both in innovative pharmaceutical companies and at contract research organizations. After obtaining a Ph.D. in organic chemistry from McGill University and completing a post-doctoral fellowship at Colorado University, he joined Wyeth-Ayerst to conduct research in medicinal chemistry. Subsequently, shifting to the area of drug metabolism, he supervised, as Senior Research Associate, preclinical and clinical investigations on the pharmacokinetics and disposition of a variety of drug entities in support of CTA and NDA submissions. He acquired further experience in preclinical drug development with Berlex Laboratories as Head of Drug Metabolism and at CTBR (ClinTrials BioResearch) as Scientific Director of Metabolism.

Peter McBride, B.A. *Vice President, Investor Relations and Public Affairs*. Recipient of the 2001 Canadian Investor Relations Institute Award for Excellence, Mr. McBride has over thirty years of experience with various industries in the fields of communications, investor relations, general management, and finance. Prior to joining Theratechnologies, Mr. McBride held senior

positions at Imasco Limited, Biochem Pharma and Ecopia BioSciences. Mr. McBride earned a BA in economics at Carleton University, Ottawa.

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

Krishna Peri, Ph.D. *Vice President, Research*. Co-inventor of ExoPep™ technology and a founder of Pharma-G, Dr. Krishna Peri holds a Ph.D. in biochemistry from University of Saskatchewan, Canada. He pursued post-doctoral research in cancer as an NCI fellow at McGill University and at Ste. Justine Hospital Research Center. After the acquisition of Pharma-G by Theratechnologies in 2000, he served as director of discovery research, and was appointed subsequently as Vice-President, Research, in June 2004.

Koenraad Blot, M.D. *Executive Director, Clinical Research*. Dr. Koenraad Blot has a background in public health, curative medicine and pharmaceutical development and operations. He holds an MD from Ghent University and a Diploma of Tropical Medicine from the Antwerp Institute of Tropical Medicine. Between 1987 and 1992, he worked on various African missions for Doctors without Borders and as a resident at the Institute for Tropical Medicine. Prior to joining Theratechnologies, Dr. Blot worked at Pfizer for 13 years, where he held positions of increasing responsibility in the Medical Affairs and Clinical Operations area in Belgium, the USA and Canada.

Geneviève Dubuc, B. Comm. LL.L. *Senior Director, Legal Services and Intellectual Property Management, and Secretary*. Ms. Dubuc has 15 years of experience in the fields of corporate and commercial law, most of which was acquired within the pharmaceutical industry. She holds a Bachelor Degree in Business Administration from McGill University and a law degree from the University of Montréal. She has been a member of the Barreau du Québec since 1991 and started her practice with the firm of Martineau Walker in Montréal (now Fasken Martineau). Prior to joining Theratechnologies in 2000 as Legal Counsel, Ms. Dubuc held, among others, the positions of Senior Legal Counsel and Assistant Secretary at Aventis Pharma Canada Inc.

4.4 DECLARATION OF THE DIRECTORS' AND OFFICERS' ANTECEDENTS

Pursuant to regulation regarding reporting issuers' continuous disclosure obligations, the Company must declare if one of its directors or officers has been the subject of, or a company of which he was a director or executive officer was the subject of a cease trade order or was imposed a penalty under securities legislation or had to seek protection under legislation relating to bankruptcy or insolvency in the last ten years. To the Company's knowledge, only

one director has occupied a position which has to be declared. Paul Pommier was a member of the board of directors of Royal Aviation Inc. until March 2001, date of its acquisition by Canada 3000 Inc. Subsequently, at the end of 2001, Canada 3000 and its subsidiaries, including Royal Aviation, made assignments in bankruptcy under Section 49 of the *Bankruptcy and Insolvency Act (R.S. 1985, c. B-3)*.

4.5 SECURITIES HELD BY THE DIRECTORS AND EXECUTIVE OFFICERS

As of November 30, 2005, the total Company securities carrying voting rights held by the directors and executive officers amount to 326,532 common shares, i.e. 0.9% of the outstanding common shares of the Company.

ITEM 5 INTERESTS OF EXPERTS

KPMG, LLP, auditors of the Company, is the only person or company who is named as having prepared or certified a statement, report or evaluation describing, included or mentioned in a filing under securities regulations during the Company's most recently completed financial year.

KPMG, LLP, and its partners have interests of less than 1% of the Company's securities.

ITEM 6 SECURITIES OF THE COMPANY

6.1 AUTHORIZED SHARE CAPITAL

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

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

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

The common shares issued represent the total voting rights pertaining to the securities of the Company.

6.2 DIVIDEND POLICY

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

6.3 TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is National Bank Trust which holds, at its Montréal office, the registers related to common shares, shareholders and transfers.

6.4 MARKET FOR TRADING OF SECURITIES

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

6.5 PRICE RANGE AND TRADING VOLUMES

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

Period	Price		Volume
	$ High	$ Low	
November 2005	1.32	0.95	33,227
October 2005	1.35	1.05	35,485
September 2005	1.58	1.15	42,305
August 2005	1.80	1.46	38,305
July 2005	1.82	1.53	54,330
June 2005	1.76	1.53	71,427
May 2005	1.86	1.58	25,519
April 2005	2.05	1.60	82,400
March 2005	2.02	1.51	66,145
February 2005	2.29	1.93	45,575
January 2005	2.30	1.94	55,000
December 2004	2.20	1.63	103,429

ITEM 7 ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration, and securities authorized for issuance under equity compensation plans, is contained in the Management Proxy Circular dated February 17, 2006 (the "Circular") accompanying the Notice of Annual General Meeting of Shareholders of the Company. The financial information of the Company is provided in the Company's comparative financial statements and Management Discussion & Analysis for its financial year ended November 30, 2005, which are included in the Company's 2005 Annual Report.

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

GLOSSARY

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

Analogues: Molecules that resemble the original molecules but are modified, notably to increase the level of activity or duration of action.

ARF Acute Renal Failure.

Biopharmaceutical: The biopharmaceutical industry regroups companies which primarily study the biological mechanisms and reactions in view of developing specific scientific, industrial and commercial applications.

CTA: Clinical Trial Application – All data collected during preclinical testing presented to the Canadian regulatory authorities in order to obtain a formal authorization to conduct clinical trials.

Clinical trials: Clinical trials in humans, including various phases.

- **Phase 1:** Testing in a small number of healthy volunteers to determine safety, dose tolerance and pharmacokinetic properties of a product. When certain conditions are met, Phase I trials may be conducted on patients (cancer, for example).
- **Phase 2:** With respect to a particular indication, testing of a product in a small number of volunteer patients to evaluate the effectiveness of a product and to identify its side-effects.
- **Phase 3:** With respect to a particular indication, testing of a product in an expanded voluntary patient population to establish efficiency and to monitor undesirable side-effects in order to complete the clinical aspects of the regulatory filing.

FDA: Food and Drug Administration – American regulatory body responsible for the regulation of therapeutic products available in the United States.

GH: Growth Hormone or somatotropin.

GLP: Good Laboratory Practices.

GLP-1:	Glucagon-like peptide-1 – Peptide hormone synthesized by the intestinal endocrine in response to food ingestion. GLP-1 induces the satiety and stimulates glucose absorption by the cells as a result of an increased insulin secretion.
GMP:	Good Manufacturing Practices.
GPCR:	G Protein-Coupled Receptor.
GRF:	Growth Hormone-Releasing Factor or somatocrinin.
Growth Factor:	Factor stimulating cellular division and/or function.
IGF-1:	Insulin-Like Growth Factor – Growth factor linked to anabolic function or somatomedin.
IND:	Investigational New Drug Application – An IND regroups the data collected during preclinical studies. It is submitted to the American regulatory authorities to obtain formal approval to perform clinical studies - American CTA equivalent.
LAP :	Long Acting Peptides. Method developed by the Company to stabilize peptides.
NDA:	New Drug Application – Collection of results of preclinical and clinical trials, as well as relevant information on the product submitted to the American regulatory authorities to obtain authorization to market same in the United States - American NDS equivalent.
NDS:	New Drug Submission – Collection of results of preclinical and clinical trials, as well as relevant information on the product submitted to the Canadian regulatory authorities to obtaining authorization to market same in Canada.
Peptides:	Peptides are molecules composed of linear chains of amino acids. They are highly specific and are efficacious at low doses. Many are naturally involved in the cell and tissue regeneration process and have an important role to play in numerous endocrine functions.
Placebo:	Non-medicinal substance used in clinical trials to obtain the simple or double blind characteristic.
Preclinical studies:	Animal studies to evaluate the pharmacological properties, efficacy and toxicology of a drug, as well as *in vivo* testing of formulations, to support clinical trials.

TPD: Therapeutic Products Directorate of the Health Products and Food Branch of Health Canada – Canadian governmental body responsible for the regulation of pharmaceutical drugs, medical devices and other therapeutic products available in Canada. This includes evaluating and monitoring their safety, effectiveness and quality.

APPENDIX A - AUDIT COMMITTEE CHARTER

I. Mandate

The mandate of the Audit Committee (the "Committee) is to assist the Board of Directors of the Company (the "Board") in its supervision of:

A. the integrity of the Company's financial statements and related information;

B. the internal control systems of the Company;

C. the appointment and performance of the external auditor; and

D. the supervision of the Company's Risk Management.

II. Duties and Responsibilities

The Committee performs the functions customarily performed by audit committees and any other function assigned by the Board. Management has the responsibility to ensure the integrity of the financial information and the effectiveness of the Company's internal controls. The external auditor has the responsibility to verify and certify the accurate presentation of the Company's financial statements; at the same time evaluating the internal control process to determine the nature, extent and chronology of the auditing procedures used. The Committee has the responsibility to supervise the participants involved in the preparation process of the financial information and to report on this to the Board.

In particular, the Committee shall have the following duties and responsibilities:

A. Integrity of the Company's Financial Statements and Related Information

1. Review annual and quarterly consolidated financial statements and all financial information legally required to be disclosed by the Company, i.e. financial information contained in the "Management Discussion and Analysis" report, the Annual Information Form and the press releases, as the case may be, discuss such with management and the external auditor, and suggest recommendations to the Board, as the case may be.

2. Approve the interim Financial Statements, the interim "Management Discussion and Analysis" reports and all supplements to these "Management Discussion and Analysis" reports which have to be filed with regulatory authorities.

3. On a periodic basis, review and discuss with management and the external auditor the following:

a. major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;

b. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and

c. the type and presentation of information to be included in press releases dealing with financial results (paying particular attention to any use of pro-forma information or information adjusted by means of non-generally accepted accounting principles).

4. Review and discuss reports from the external auditor on:

a. all critical accounting policies and practices used by the Company; and

b. all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternate treatments and disclosures and the treatment preferred by the external auditor.

B. Supervision of the Company's Internal Control Systems

1. Review and discuss with management and with the external auditor present reports and, when appropriate, provide recommendations to the Board on the following:

a. actual financial data compared with budgeted data;

b. the Company's internal control system;

c. the relationship of the Committee with the management and audit committees of the Company's consolidated subsidiaries. With respect to the subsidiaries, the Committee must:

- obtain precisions as to the mandate of the audit committees;

- enquire about internal controls and study related risks;

- obtain the external auditors' report to the audit committees on the planning of external auditing;

- obtain the external auditors' report to the audit committees on the auditing results;

- obtain copy of the minutes of the audit committees' meetings; and

- ensure that the critical accounting policies and practices are identical to the Company's.

2. Study the feasibility of implementing an internal auditing system and when implemented, establish its responsibilities and supervise its work.

3. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

C. Appointment and Performance Supervision of the External Auditor

1. Provide recommendations to the Board on the selection of the external auditor to be appointed by the shareholders.

2. Approve in advance and recommend to the Board the external auditor's remuneration and more specifically fees and terms of all audit, review or certification services to be provided by the external auditor to the Company and any consolidated subsidiary.

3. Supervise the performance of the external auditor in charge of preparing or issuing an audit report or performing other audit services or certification services for the Company or any consolidated subsidiary of the Company, where required, and review all related questions as to the terms of its mission and the revision of its mission.

4. Pre-approve all engagements for permitted non-audit services provided by the external auditor to the Company and any consolidated subsidiary, and to this effect and at its convenience, establish policies and procedures for the engagement of the external auditor to provide to the Company and any consolidated subsidiary permitted non-audit services, which shall include approval in advance by the Committee of all audit/review services and permitted non-audit services to be provided to the Company and any consolidated subsidiary by the external auditor.

5. At least annually, consider, assess and report to the Board on:

    a. the independence of the external auditor, including whether the external auditor's performance of permitted non-audit services is compatible with the external auditor's independence;

    b. obtain from the external auditor a written statement i) describing all relationships between the external auditor and the Company; ii) assuring that lead audit partner rotation is carried out, as required by law; and iii) describing any other relationship that may adversely affect the independence of the external auditor; and

    c. the evaluation of the lead audit partner, taking into account the opinions of management and the internal auditor.

6. At least annually, obtain and review a report by the external auditor describing:

    a. the external auditor's internal quality-control procedures; and

    b. any material issues raised by the most recent internal quality-control review (or peer review) of the external auditor's firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the external auditor's firm, and any steps taken to deal with any such issues.

7. Resolve any disagreement between management and the external auditor regarding financial reporting.

8. Review the audit process with the external auditor.

9. Review and discuss with the Chief Executive Officer and Chief Financial Officer of the Company the process for the certifications to be provided in the Company's public disclosure documents.

10. Meet periodically with the external auditor in the absence of management.

11. Establish procedures with respect to hiring the external auditor's employees and former employees.

D. Supervision of the Company's Risk Management

Review, report and, where appropriate, provide recommendations to the Board on the following:

1. the Company's processes for identifying, assessing and managing risk;

2. the Company's major financial risk exposures and the steps the Company has taken to monitor and control such exposures;

3. the Company's insurance portfolio and the adequacy of the coverage; and

4. the Company's investment policy.

III. Outside Advisors

The Committee has the authority to hire outside counsel and other outside advisors as it deems appropriate to assist the Committee in the performance of its functions. The Company provides appropriate funding for such advisors.

IV. Committee Membership

The Committee consists of such number of directors, in no event to be less than three, as the Board may from time to time determine by resolution. Each member of the Committee is independent and is financially literate, as determined by the Board and in conformity with applicable laws, rules and regulations.

V. Term

The members of the Committee are appointed by resolution of the Board to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are so appointed.

VI. Vacancies

Vacancies at any time occurring shall be filled by resolution of the Board.

VII. Chairman

The Board appoints the Committee Chairman who will call and chair the meetings**.** The Chairman reports to the Board the deliberations of the Committee and its recommendations.

VIII. Secretary

Unless otherwise determined by resolution of the Board, the Corporate Secretary of the Company shall be the Secretary of the Committee. The Secretary must attend Committee meetings and prepare the minutes. He must provide notification of meetings as directed by the Committee Chairman. The Secretary is the guardian of the Committee's records, books and archives.

IX. Procedures for Meetings

The Committee sets its own procedure at meetings and for the calling of the meetings. Unless it is otherwise decided, the Committee shall meet privately and independently from Management at each regularly scheduled meeting. In the absence of the regularly appointed Chairman, the meeting shall be chaired by another Committee member selected among attending participants and appointed accordingly. In the absence of the regularly appointed Secretary, Committee members shall designate someone to carry out this duty.

The Committee shall meet at least four times a year with management and the external auditor, and at least once a year, separately in executive session in the absence of management and the external auditor. At least once a year, the Committee invites the Chief Financial Officer of each subsidiary to present the financial information and internal control systems related to such subsidiary.

X. Quorum and Voting

Unless otherwise determined from time to time by resolution of the Board, two members of the Committee shall constitute a quorum for the transaction of business at a meeting. At a meeting, any question shall be decided by a majority of the votes cast by members of the Committee, except where only two members are present, in which case any question shall be decided unanimously.

XI. Records

The Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board as appropriate.

XII. Effective Date

This charter was adopted by the Directors at the Board's meeting held on May 3, 2004. It was modified by the Directors at the Board's meetings held on April 13, 2005 and February 8, 2006.