News Release

Theratechnologies Announces Financial Results for Third Quarter of 2015

Montreal, Canada – October 1, 2015 – Theratechnologies Inc. (Theratechnologies) (TSX: TH) today announced its financial results for the third quarter ended August 31, 2015.

Third quarter 2015 financial highlights

- Net sales of $9,189,000 representing a 30% increase quarter-over-quarter
- Net profit of $1,179,000, a 44% increase over the previous quarter
- Adjusted EBITDA of $2,621,000, a 39% increase over the previous quarter
- Net proceeds of $10,287,000 stemming from the public offering in the third quarter
- Liquidities of $15,178,000 at the end of the quarter
- Distribution and licensing agreement with BL&H Co., Ltd.in South Korea

"Results from the past quarter are our best ever. Continued strong growth in sales, earnings and cash flow, a successful round of financing combined to the addition of new territories and our first sales being recorded in Europe and Canada demonstrate that we have a sound business plan. In the short term, we will remain focused on that plan in order to continue delivering results for our shareholders," said Luc Tanguay, President and CEO, Theratechnologies Inc.

Third Quarter Financial Results

The financial results presented in this press release are taken from the Company's Management's Discussion and Analysis, or MD&A, and unaudited consolidated financial statements for the period ended August 31, 2015, which have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. The MD&A for the third quarter ended August 31, 2015 and the unaudited consolidated financial statements can be found at www.theratech.com and www.sedar.com. Unless specified otherwise, all amounts in this press release are in Canadian dollars and all capitalized terms have the meaning ascribed thereto in our MD&A. As used herein, *EGRIFTA*® refers to tesamorelin for the reduction of excess abdominal fat in HIV-infected patients with lipodystrophy. *EGRIFTA*® is our registered trademark.

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, revenue and selling and market development expenses are the accounting measures most affected by this change.

Revenue in fiscal 2015 is principally net sales of *EGRIFTA*® to RxC Acquisition Company, or 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, Inc., or EMD Serono, for re-sale in 2014. In addition, revenue in 2014 had two additional components that no longer apply as a consequence of the termination of our

collaboration and licensing agreement with EMD Serono, or EMD Serono Termination Agreement. The affected revenue components are the amortization of the initial payment received from EMD Serono and royalties on *EGRIFTA*® sales by EMD Serono.

Consolidated revenue for the three- and nine-month periods ended August 31, 2015 was $9,193,000 and $21,044,000 compared to $4,000 and $4,069,000 in the comparable periods of fiscal 2014.

Revenue generated from net sales in the three- and nine-month periods ended August 31, 2015 was $9,189,000 and $20,832,000 compared to nil and $675,000 in the comparable periods of fiscal 2014. The significant increases in the current fiscal-year periods reflect the changes to the Company's business model referred to above and our subsequent sales success. In the comparable periods of fiscal 2014, net sales were adversely affected by production difficulties, which have since been remedied.

In the nine-month period ended August 31, 2015, we received an upfront payment of $200,000 from AOP, our commercial partner in Europe. The amount recorded as upfront and milestone payments in the nine-month period ended August 31, 2014 was related to amortization of the initial payment received in relation to our collaboration and licensing agreement with EMD Serono, or EMD Serono Agreement. With the termination of this agreement on May 1, 2014, all of the unamortized balance of the initial payment was recognized as revenue at that time.

The **cost of sales** for the three- and nine-month periods ended August 31, 2015, was $1,304,000 and $2,863,000 compared to $212,000 and $1,851,000 in the comparable periods of fiscal 2014. The cost of sales in the three- and nine-month periods ended August 31, 2014 included unallocated production costs of $212,000 and $1,251,000 respectively.

R&D expenses in the three- and nine-month periods ended August 31, 2015 were $1,471,000 and $3,979,000 compared to $1,036,000 and $4,453,000 in the comparable periods of fiscal 2014. Most of the expenses in both years relate to the two Phase 4 clinical trials currently being conducted as required by the FDA 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 $343,000 and $1,003,000 in the three- and nine-month periods ended August 31, 2015 compared to $276,000 and $708,000 in the comparable periods of fiscal 2014. For the first five months of fiscal 2014, the Observational Study costs were shared equally with EMD Serono. The costs associated with the Retinopathy Study were $485,000 and $1,504,000 in the three- and nine-month periods ended August 31, 2015 compared to $350,000 and $2,205,000 in the comparable periods of fiscal 2014.

R&D expenses also include medical affairs activities, notably pharmacovigilance, medical science liaison and regulatory matters.

Selling and market development expenses amounted to $3,525,000 and $8,578,000 for the three- and nine-month periods ended August 31, 2015, compared to $1,720,000 and $5,247,000 in the comparable periods of fiscal 2014.

There has been a significant increase in selling and market development activity since regaining the commercialization rights for *EGRIFTA*® in the US market. In the three-month period ended August 31, 2015, we began to accelerate our marketing activity and added an additional sales representative.

Selling and market development expenses also now include the amortization of the intangible asset value established for the *EGRIFTA*® commercialization rights. This amortization expense amounted to $483,000 and $1,406,000 in the three- and nine-month periods ended August 31, 2015 compared to $432,000 and $576,000 in the comparable periods of fiscal 2014.

General and administrative expenses amounted to $865,000 and $2,898,000 in the three- and nine-month periods ended August 31, 2015, compared to $914,000 and $3,254,000 in the comparable periods of fiscal 2014. The higher expenses in 2014 were largely associated with professional fees.

Finance income for the three- and nine-month periods ended August 31, 2015 was $4,000 and $262,000 compared to $66,000 and $294,000 in the comparable periods of fiscal 2014. Interest revenue has trended lower due to a gradual decline in the portfolio size and liquidity is now invested in lower-yielding, short-term instruments. Finance income in the nine months ended August 31, 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.

Finance costs for the three- and nine-month periods ended August 31, 2015, were $853,000 and $1,895,000, including accretion expense of $654,000 and $1,863,000 respectively on the long-term obligation owed to EMD Serono. The three- and nine-month periods in fiscal 2015 also include issuance costs related to warrant liability of $115,000 and change in fair value of warrant liability of $95,000.

Finance costs for the three-month period ended August 31, 2014 were $574,000, including $508,000 of accretion expense on the long-term obligation owed to EMD Serono. For the nine-month period ended August 31, 2014, finance costs were $561,000, which was principally $678,000 of long-term obligation accretion expense, partially offset by foreign exchange gains of $121,000.

The **adjusted EBITDA** in the three months ended August 31, 2015 was $2,621,000, a 39% increase over the $1,885,000 recorded in the previous quarter. Adjusted EBITDA in the comparable period of fiscal 2014 was $(3,081,000). For the nine months ended August 31, 2015, Adjusted EBITDA was $4,254,000 compared to $(9,070,000) in the comparable period of fiscal 2014. The significant improvement in adjusted EBITDA in 2015 is principally due to the Company's regaining the US commercialization rights to *EGRIFTA*® in May 2014 and to business plan initiatives adopted since that time. For a reconciliation of net profit and Adjusted EBITDA see Supplementary Information (below).

Taking into account the revenue and expense variations described above, the **net profit** for the three-month period ended August 31, 2015 was $1,179,000, a 44% increase over the $818,000 recorded in the previous quarter. In the comparable period of 2014, we incurred a net loss of $4,394,000. For the nine-month period ended August 31, 2015, the net profit was $1,083,000 compared to a net loss of $6,921,000 in the comparable period of fiscal 2014.

On a per share basis, the net profit for the three- and nine-month periods ended August 31, 2015 was $0.02 and $0.02 respectively, compared to net losses per share of $(0.07) and $(0.11) in the comparable periods of fiscal 2014.

In the three-month period ended August 31, 2015, operating activities generated positive **cash flow** of $2,027,000, an 83% increase over the previous quarter. In the comparable period of fiscal 2014, cash flow from operating activities was $156,000. In the nine-month period ended August 31, 2015, operating activities generated positive cash flow of $3,853,000 compared to negative $5,623,000 in the comparable period of 2014.

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 totals US $4,167,808 (previously US $4,000,000) to be paid in three unequal installments as follows: US $500,000 on May 1, 2015 (now paid); US $1,550,548 on August 31, 2015 (now paid); and US $2,117,260 on November 30, 2015. The four remaining annual payments of US $4,000,000 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.

The public offering in the third quarter of fiscal 2015 generated net proceeds of $10,287,000.

As at August 31, 2015, liquidities, which include cash and bonds, amounted to $15,178,000, up from $3,178,000 at November 30, 2014.

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

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

We obtain our Consolidated Adjusted EBITDA measurement by adding to net profit or loss, finance income and costs, depreciation and amortization, income taxes, as well as federal investment ARC credits recorded in 2014. We also exclude the effects of certain non-monetary transactions recorded, such as share-based compensation for stock option plan and write down of inventories, for our Adjusted EBITDA calculation. We

believe it is useful to exclude these items as they are either non-cash expenses, items that cannot be influenced by management in the short term, or items that do not impact core operating performance. Excluding these items does not imply they are necessarily nonrecurring. Share-based compensation costs are a component of employee remuneration and can vary significantly with changes in the market price of the company's shares. In addition, other items that do not impact core operating performance of the company may vary significantly from one period to another. As such, Adjusted EBITDA provides improved continuity with respect to the comparison of our operating results over a period of time. Our method for calculating Adjusted EBITDA may differ from that used by other companies.

Supplementary information on the Adjusted EBITDA
(in thousands of Canadian dollars)

	Three-month periods ended August 31,		**Nine-month periods ended August 31,**	
	2015	2014	**2015**	2014
	$	$	**$**	$
Net profit (loss)	**1,179**	(4,394)	**1,083**	(6,921)
Add (deduct):				
Depreciation and amortization	**486**	446	**1,415**	618
Finance costs	**853**	574	**1,895**	561
Finance income	**(4)**	(66)	**(262)**	(294)
Share-based compensation for stock option plan	**62**	21	**102**	61
Federal investment tax credits	**0**	0	**0**	(4,110)
Income tax expenses	**0**	8	**10**	28
Writedown of inventories	**45**	51	**11**	987
Adjusted EBITDA	**2,621**	(3,360)	**4,254**	(9,070)

Conference Call Details

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

The conference call can be accessed by dialling 1-877-223-4471 (North America) or 1-647-788-4922 (International). The conference call will also be accessible via webcast at http://www.gowebcasting.com/6854. Audio replay of the conference call will be available until October 23, 2015, by dialling 1-800-585-8367 (North America) or 1-416-621-4642 (International) and by entering the playback code 16666146.

About Theratechnologies

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

Forward-Looking Information

This press release contains forward-looking statements and forward-looking information, or, collectively, forward-looking statements, within the meaning of applicable securities laws, that are based on our management's 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 press release include, but are not limited to, statements regarding the successful commercialization of *EGRIFTA*® in the United States and the building of a profitable base of operations for the Company.

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*®, we will have continuous supply *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, government-sponsored drug plans in Canada will list *EGRIFTA*® as a reimbursed drug, *EGRIFTA*® will be accepted by the marketplace in territories outside of the United States 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 press release. 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 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 press release and represent our expectations as of that date.

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

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