

## Immunotec Reports First Quarter Results

**- EBITDA<sup>1</sup>, rising by 47%-**

VAUDREUIL-DORION, QC, March 17, 2015 – Immunotec Inc. (TSXV: IMM), a direct-to-consumer company and a leader in the nutritional industry (the “Company” or “Immunotec”), today announced its consolidated financial results for the first quarter of Fiscal 2015. All amounts in this press release are denominated in Canadian dollars unless otherwise indicated.

"We are pleased to report an 11% increase in revenues over the first quarter of the previous year," said Mr. Charles L. Orr, Chief Executive Officer. "Also, Operating Income, EBITDA and Net Income all increased by 69%, 47% and 12% respectively, over the same period in the prior year. Our employees and consultants demonstrated exemplary teamwork to work through challenges in the opening months of the fiscal year" concluded Mr. Orr.

### PERFORMANCE HIGHLIGHTS

Revenues for the three-month period ending January 31, 2015 reached \$17.9M compared to \$16.2M in the same period the previous year, an increase of \$1.7M or 10.9%. This growth was generated by increased sales in both Mexico and the United States, consistent with prior quarterly reporting.

<b>Revenues and sponsoring <sup>1</sup></b>			
<b>For the three-month periods ended January 31,</b>			
<i>('000s of C\$)</i>	<b>2015</b>	<b>2014</b>	<i>Variation</i>
Network sales	16,305	14,777	10.3%
Other revenue	1,613	1,379	17.0%
	<b>17,918</b>	<b>16,156</b>	<b>10.9%</b>
<b>Network sales in key markets in local currency</b>			
	<b>2015</b>	<b>2014</b>	<i>Variation</i>
Mexico ( <i>'000s of Mexican pesos</i> )	106,528	98,876	7.7%
United States ( <i>'000s of US\$</i> )	4,112	3,442	19.5%
Canada ( <i>'000s of C\$</i> )	2,756	2,928	-5.9%
<b>Sponsoring<sup>4</sup> of new customers and consultants in key markets ( # of people)</b>			
	<b>2015</b>	<b>2014</b>	<i>Variation</i>
Mexico	10,679	12,139	-12.0%
United States	3,224	2,693	19.7%
Canada	1,489	1,353	10.1%
	<b>15,392</b>	<b>16,185</b>	<b>-4.9%</b>

In the United States and as reported in previous quarterly disclosures, the increase in network sales is the result of increase in the sponsoring<sup>1</sup> of new consultants and

<sup>1</sup> Refer to the “NON-GAAP MEASURES” section. *The EBITDA reconciliation to Net (loss) profit is shown below.*

customers. For the three-month period ended January 31, 2015, the number of new independent consultants and customers in the United States increased by 19.7% compared to the same period the previous year. This increase primarily reflects the Company's continued success in attracting customers and independent consultants throughout the United States. To support this growth, the Company announced the opening of a satellite office in California in October 2014.

In Mexico, sponsoring<sup>1</sup> activities declined by 12.0% over the same period the previous year. This decline can be attributed to the 16% value added tax ("VAT") charged on the sale of Company products since October 1<sup>st</sup>, 2014.

In Canada, the number of new customers and independent consultants increased by 10.1% from the same period the previous year. This increase emanated from the Eastern provinces of Canada.

<b>Results of operations</b>		
<b>For the three-month periods ended January 31,</b>		
<i>('000s of C\$, except for share and per share data)</i>		
	<b>2015</b>	<b>2014</b>
Revenues	17,918	16,156
Cost of sales	4,152	3,909
Margin before expenses	13,766	12,246
Field incentives	8,901	7,980
Selling, general and administrative	3,743	3,504
Others	157	190
Operating income	965	572
Net finance income	(342)	(467)
Income taxes	455	280
Net profit	852	759
Total basic and diluted net profit per common share	0.01	0.01
<i>Field incentives, as a % of Network sales</i>	54.6%	54.0%
<i>Selling, general and administrative, as a % of Revenues</i>	20.9%	21.7%
Adjusted EBITDA <sup>1</sup>	1,122	763
<i>Adjusted EBITDA<sup>1</sup>, as a % of Revenues</i>	6.3%	4.7%
<b>Financial condition</b>		
<b>As at</b>	<b>January 31,</b>	<b>October 31,</b>
<i>('000's of C\$)</i>	<b>2015</b>	<b>2014</b>
Cash and restricted cash	4,684	6,787
Inventories	6,800	6,218
Property, plant and equipment	6,204	5,994
Total assets	23,671	25,673
Long-term liabilities (including current portions)	2,442	2,530
Equity	10,733	10,282

<sup>1</sup> Refer to the "NON-GAAP MEASURES" section. The EBITDA reconciliation to Net (loss) profit is shown below.

"In addition to higher revenues during the first quarter, we were able to adapt our business cost structure to maintain our profit objectives," said Mr. Patrick Montpetit, Chief Financial Officer. "In light of the strengthening of the US Dollar against the Canadian Dollar and Mexican Pesos, management also initiated a thorough reflection on its current manufacturing strategy in order to implement corrective natural hedging measures where appropriate. The full implementation of the strategy is contingent upon the availability of capital to make additional investments are required".

Margins improved slightly during the quarter and were not impacted by the recent strengthening of the US Dollar. Management anticipates that the recent strengthening of the US Dollar will have a slight negative impact on its costs of goods, expected to be partially offset by US dollars revenues.

During the three-month period ended January 31, 2015, the Company recorded an increase of its field incentives, which reached 54.6% of network sales compared to 54.0% in the same period the previous year. Field incentives are the Company's most significant expense and consist of commissions from product sales, performance bonuses and other promotional incentives provided to qualifying independent consultants. This increase, when compared to the same period the previous year, is mostly related to the costs incurred for the Company's Annual Conventions held in February 2015.

Expenses for the three-month period ended January 31, 2015 reached \$12.8M compared to \$11.7M in the same period the previous year, a \$1.1M increase or 9.7%. This increase came predominantly from the increase in sales incentives; a portion of which was proportionate to the increase in Network sales, and a more important portion consisting of allowances for the Annual Conventions held in February 2015 in all three key markets as part of Immunotec's Rhythm of Business.

EBITDA<sup>1</sup> for the three-month periods ended January 31, 2015 and 2014 amounted to \$1.1M or 6.3% of revenues compared to \$0.8M or 4.7% in the same period the previous year. The various components of Adjusted EBITDA<sup>1</sup> were relatively stable during the three-month period except for an additional \$0.2M in income taxes and a reduction of \$0.1M in net finance income, primarily the result of net foreign exchange impacts of the U.S. Dollar.

Net finance income for the three-month period ended January 31, 2015 reached \$0.3M as compared to \$0.5M for the same period the previous year. This gain variation is due to the recent volatility in foreign exchanges resulting from the strengthening of the US Dollar against the Canadian Dollar and Mexican Pesos.

Net profit for the three-month period ended January 31, 2015 was \$0.9M compared to \$0.8M for the same period the previous year.

<sup>1</sup> Refer to the "NON-GAAP MEASURES" section. *The EBITDA reconciliation to Net (loss) profit is shown below.*



## **About Immunotec Inc.**

Immunotec is a Canadian-based company that develops, manufactures, markets and sells research-driven nutritional products through direct-to-consumer sales channels primarily in Canada, the U.S. and Mexico. The Company offers an extensive family of nutritional products targeting health, wellness, weight management, as well as energy and fitness. The Immunocal family of products is supported by over 40 published articles and supporting science in medical and scientific literature.

Please visit us at [www.immunotec.com](http://www.immunotec.com) for additional information.

The Company files its continuous disclosure documents on the SEDAR database at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.immunotec.com](http://www.immunotec.com). The common shares of the Company are listed on the TSX Venture Exchange under the ticker symbol IMM. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

## **For further information:**

Patrick Montpetit CPA, CA, CF, Vice-President and Chief Financial Officer, Immunotec Inc. (450) 510-4527.

*CAUTION REGARDING FORWARD-LOOKING STATEMENTS: Certain statements contained in this news release are forward looking and are subject to numerous risks and uncertainties, known and unknown. For information identifying known risks and uncertainties and other important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the heading Risks and Uncertainties in Immunotec's most recent Management's Discussion and Analysis, Annual Information Form and Preliminary Short Form Prospectus, which can be found at [www.sedar.com](http://www.sedar.com). Consequently, actual results may differ materially from the anticipated results expressed in these forward-looking statements.*

*NON-GAAP MEASURES: This Press Release contains non-GAAP measures which do not have a standardized meaning under International Financial Reporting Standards ("IFRS"). We use earnings before interest, taxes, depreciation and amortization ("EBITDA"), as this measure allows management to evaluate the operational performance of the Company. EBITDA does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. EBITDA should not be considered an alternative to profit (loss) in measuring the Company's performance, nor should it be used as an exclusive measure of cash flow. This measure does not represent the funds available for the repayment of debt, the payment of dividends, reinvestment or other discretionary uses, and should not be considered in isolation or as substitutes for other measures of performance calculated according to IFRS. The Company uses these non-GAAP measures because they provide additional information on the performance of its commercial operations. Such tools are frequently used in the business world to analyze and compare the performance of businesses; however, the Company's definition of these metrics may differ from those of other businesses.*

## **EBITDA and Sponsoring**

- *EBITDA as defined above less elements that management considers to be outside the scope of its normal activities and therefore not reflective of how management views performance measurement. Management believes that this metric is necessary in order to isolate commercial operations from items which it believes merit separate examination when assessing performance. Consistent improvement in adjusted EBITDA is one of management's primary objectives.*

## Calculation of EBITDA <sup>1</sup>

**For the three-month periods ended January 31,**

*('000s of C\$)*

	<b>2015</b>	<b>2014</b>
<b>Net profit</b>	852	759
<b>Add (deduct):</b>		
Depreciation and amortization	154	174
Net finance income	(342)	(467)
Other expense	3	17
Income taxes	455	280
<b>EBITDA<sup>1</sup></b>	<b>1,122</b>	<b>763</b>
<b>as a % of Revenues</b>	<b>6.3%</b>	<b>4.7%</b>

- *Sponsoring means the activity in which independent Consultants sponsor new Consultants and Customers; the sponsored Consultants themselves may sponsor new Consultants or Customers and so forth. This is referred to as a Consultant's "organization" or "downline". The Consultants are compensated for sales generated by their organization, based on their qualification and rank. Successful Independent Consultants assume the responsibility to train, support and communicate with their downline.*