

## Immunotec Reports 2014 Year-End Results

### **Record Revenues to \$81 million, rising 47.5%**

VAUDREUIL-DORION, QC, 26 January 2015 – Immunotec Inc. (TSXV: IMM), a direct-to-consumer company and a leader in the nutritional industry (the “Company” or “Immunotec”), today announced its year-end consolidated financial results for Fiscal 2014. All amounts in this press release are denominated in Canadian dollars unless otherwise indicated.

“We are pleased to report record full-year revenues and Adjusted EBITDA<sup>1</sup> in Fiscal 2014 fuelled by solid growth in our activities outside of Canada and operational leverage,” said Mr. Charles L. Orr, Chief Executive Officer. “We are currently addressing some challenges related to our recent implementation of value-added taxes (VAT) in Mexico. More importantly, a growing number of consultants and customers throughout the world are experiencing the tangible benefits of Immunotec’s products and the business opportunities provide by our business model,” concluded Mr. Orr.

#### **PERFORMANCE HIGHLIGHTS**

Fiscal 2014 consolidated revenues increased 47.5% over the same period last year to \$80.8M. This increase was recorded consistently throughout the year in both Mexico and the rest of North America, totalling 92.9% and 12.9%, respectively.

Sponsoring, defined as the number of new Consultants and Customers, increased 85.2% over the same period last year to nearly 64,000 in Mexico while the rest of North America, increased 26.7% to nearly 20,000.

<b>Geographic distribution of revenues</b>			
<b>For the year ended 31 October</b>			
<i>(‘000s of C\$)</i>	<b>2014</b>	<b>2013</b>	<i>Variation</i>
Mexico	46,417	24,064	92.9%
Rest of North America	31,571	27,954	12.9%
Other countries	2,802	2,753	1.8%
	<b>80,790</b>	<b>54,771</b>	<b>47.5%</b>
<b>Sponsoring<sup>1</sup> of new customers and consultants in key markets ( # of people)</b>			
Mexico	63,982	34,555	85.2%
Rest of North America	19,551	15,429	26.7%

<sup>1</sup> Refer to the non-GAAP measures explained shown below.

### Results of operations

#### For the year ended 31 October

(*'000s of C\$, except for share and per share data*)

	<b>2014</b>	<b>2013</b>
Revenues	80,790	54,771
Cost of sales	18,694	13,499
Margin before expenses	62,096	41,272
Field incentives	42,074	25,786
Selling, general and administrative	15,004	12,615
Other	6,210	1,836
Operating (loss) income	(1,192)	1,035
Net finance expenses (income)	539	(64)
Income taxes (recovery)	961	(278)
Net (loss) profit	(2,692)	1,377
Total basic and diluted net (loss) profit per common shares	(0.04)	0.02
Field incentives as a % of Network sales	56.4%	51.9%
Selling, general and administrative, as a % of Revenues	18.6%	23.0%
Adjusted EBITDA <sup>1</sup>	5,018	2,871
Adjusted EBITDA <sup>1</sup> as a % of Revenues	6.2%	5.2%

### Financial condition

#### As at 31 October

(*'000's of C\$*)

	<b>2014</b>	<b>2013</b>
Cash and restricted cash	6,787	4,706
Inventories	6,218	3,488
Property, plant and equipment	5,994	5,817
Total assets	25,673	23,495
Long-term liabilities (including current portions)	2,530	2,021
Equity	10,282	13,071

During the year, the Company recorded an increase in field incentives, which reached 56.4% of network sales compared to 51.9% in 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. The increase, when compared to the previous year, is a reflection of increases in various sponsoring<sup>1</sup> activities, which have resulted in higher revenues and leadership rank advancements.

During the year, the Company was able to reduce its selling, general and administrative expenses as a percentage of total revenues to 18.6% compared to 23.0% in the previous year. This improvement reflects a continuous disciplined management of corporate expenses.

<sup>1</sup> Refer to the non-GAAP measures. The adjusted EBITDA reconciliation to Net (loss) profit is shown below.



Other expenses during the year, include a commodity tax expense provision of \$5.5M. The Company has filed an appeal with the Mexican Supreme Court during the fourth quarter. Also, the Company started charging a 16% of value added tax ("VAT"), effectively 1 October 2014 on additional products sold in Mexico. This action mitigates future taxation risk associated with this interpretation from the Mexican tax authority. More information is available in the "Contingencies" section of the Management Discussion and Analysis.

Adjusted EBITDA<sup>1</sup> for the year ended 31 October 2014 amounted to \$5.0M or 6.2% of total revenues compared to \$2.9M or 5.2% in the same periods in the previous year.

Net loss for the year ended 31 October 2014 totalled \$2.7M compared to a net profit of \$1.4M for the previous year. Total basic and fully diluted net loss per common share for year ended 31 October 2014 was \$0.04 compared to a total basic and fully diluted net profit of \$0.02 in the previous year.

### **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*

---

<sup>1</sup> Refer to the non-GAAP measures. The adjusted EBITDA reconciliation to Net (loss) profit is shown below.

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.

### Adjusted EBITDA and Sponsoring

- Adjusted EBITDA corresponds to 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.

<b>Calculation of adjusted EBITDA</b>		
<b>For the period ended 31 October</b>	<b>Twelve-month</b>	
('000s of C\$)	<b>2014</b>	<b>2013</b>
<b>Net (loss) profit</b>	(2,692)	1,377
<b>Add (deduct):</b>		
Depreciation, amortization and impairment	940	814
Net finance expenses (income)	539	(64)
Other expenses	5,270	1,022
Income taxes (recovery)	961	(278)
<b>Adjusted EBITDA</b>	<b>5,018</b>	<b>2,871</b>
<b>as a % of Revenues</b>	<b>6.2%</b>	<b>5.2%</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.