



## FOR IMMEDIATE RELEASE

### IMMUNOTEC REPORTS FOURTH QUARTER AND FULL-YEAR 2016 RESULTS

"Annual Revenues increased 28.6% reaching all-time high of \$109 million"

VAUDREUIL-DORION, QC, January 26, 2017 – Immunotec Inc. (TSXV: IMM), a direct-to-consumer company and leader in the nutritional industry (the "Company" or "Immunotec"), today announced its fourth quarter financial results for Fiscal 2016. All amounts in this press release are in Canadian dollars unless otherwise indicated.

"Annual revenues surpassed our expectations and reached an all-time high of \$109 million, reflecting solid performances in all regions by Immunotec's Consultants and Employees. The weakness of the Mexican Peso significantly impacted profitability during the fourth quarter. On a currency neutral basis, we estimate that this volatility reduced the Adjusted EBITDA<sup>1</sup> by approximately \$3.4 million compared to last year", said Charles Orr, Chief Executive Officer.

#### QUARTERLY PERFORMANCE HIGHLIGHTS

- Network sales amounted to \$29.7M, an increase of 30.7% over last year, while sponsoring<sup>1</sup> of new customers and consultants increased by 50.9% over last year.
- Network sales in key geographies grew by 58.4% in Mexico, 15.9% in the United States and 6.7% in Canada.
- Margin before expenses were down by 2.4%, to 73.0%, and Adjusted EBITDA<sup>1</sup> amounted to 2.9% of revenues, considering the impact from the recent foreign currency devaluation of the Mexican Peso.
- Net profit totalled \$0.6M or \$0.01 basic and fully diluted profit per common share.

"For the year, we are very pleased by the overall performance of our Network Sales and Sponsoring activities, representing a significant recovery over the prior year which was negatively impacted by the implementation of a 16% value-added tax in Mexico", said Patrick Montpetit, Chief Financial Officer of Immunotec. "Management's disciplined approach to corporate expenses led to a significant decline of these expenses as a percentage of total revenues. Finally, our balance sheet improved substantially with year-end cash of \$13.9 million, reflecting solid cash flows from operations."

<sup>1</sup> Refer to the "NON-GAAP MEASURES" section. *The definition of Sponsoring and the Adjusted EBITDA reconciliation to Net profit is shown below.*

“Among efforts to contain the impact of the weak Mexican Peso, we have implemented price increases of 5 to 7% in all our markets effective on January 1<sup>st</sup>, 2017. This combined with other management initiatives should mitigate a significant portion of the foreign exchange impact on profitability. As we enter Fiscal 2017, we are confident in our ability to maintain the momentum of the past year and continue to better leverage the scale of our Company. Furthermore, the Company is pleased to announce that Charles Orr’s employment agreement has been renewed until June 30, 2017”, concluded Mr. Montpetit.

<b>Results of operations</b>				
<b>For the periods ended October 31,</b> <i>(‘000s of C\$, except for share and per share data)</i>	<b>Three-months</b>		<b>Twelve-months</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Revenues	32,113	24,804	109,013	84,758
Cost of sales	8,674	6,113	28,200	20,350
Margin before expenses	23,439	18,691	80,813	64,408
Expenses	22,708	16,819	77,009	59,194
Operating income	731	1,872	3,804	5,214
Net finance (income) expenses	(505)	(58)	179	137
Income taxes	650	215	1,510	1,035
Net profit	586	1,715	2,115	4,042
<b>Total comprehensive income</b>	<b>663</b>	<b>1,626</b>	<b>1,934</b>	<b>4,006</b>
Total basic and diluted net profit per common share	0.01	0.02	0.03	0.06
Weighted average number of common shares outstanding during the year				
Basic	69,761,628	69,287,627	69,639,953	69,152,836
Diluted	70,083,720	69,290,915	69,886,364	69,156,574

<b>Revenues and sponsoring <sup>1</sup></b>						
<b>For the periods ended October 31,</b> <i>(‘000s of C\$)</i>	<b>Three-months</b>			<b>Twelve-months</b>		
	<b>2016</b>	<b>2015</b>	<i>Variation</i>	<b>2016</b>	<b>2015</b>	<i>Variation</i>
Network sales	29,671	22,707	30.7%	100,602	77,320	30.1%
Other revenue	2,442	2,097	16.4%	8,411	7,438	13.1%
	32,113	24,804	29.5%	109,013	84,758	28.6%
<b>Network sales in key markets in local currency</b>	<b>2016</b>	<b>2015</b>	<i>Variation</i>	<b>2016</b>	<b>2015</b>	<i>Variation</i>
Mexico <i>(‘000s of Mexican pesos)</i>	241,970	152,738	58.4%	736,584	503,666	46.2%
United States <i>(‘000s of US\$)</i>	6,695	5,778	15.9%	24,567	20,049	22.5%
Canada <i>(‘000s of C\$)</i>	3,134	2,936	6.7%	12,022	11,312	6.3%
<b>Sponsoring<sup>1</sup> of new customers and consultants in key markets (# of people)</b>	<b>2016</b>	<b>2015</b>	<i>Variation</i>	<b>2016</b>	<b>2015</b>	<i>Variation</i>
Mexico	30,001	17,432	72.1%	83,923	55,515	51.2%
United States	6,158	6,137	0.3%	22,844	18,747	21.9%
Canada	1,967	1,691	16.3%	8,140	6,291	29.4%
	38,126	25,260	50.9%	114,907	80,553	42.6%

<sup>1</sup> Refer to the “NON-GAAP MEASURES” section. The definition of Sponsoring and the Adjusted EBITDA reconciliation to Net profit is shown below.

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

For the periods ended October 31, ( <i>'000s of C\$</i> )	Three-months		Twelve-months	
	2016	2015	2016	2015
	<b>Net profit</b>	586	1,715	2,115
<b>Add:</b>				
Depreciation and amortization	169	177	680	668
Net finance (income) expenses	(505)	(58)	179	137
Other expenses	45	30	1,046	197
Income taxes	650	215	1,510	1,035
<b>Adjusted EBITDA</b>	<b>945</b>	<b>2,079</b>	<b>5,530</b>	<b>6,079</b>
<i>as a % of Revenues</i>	2.9%	8.4%	5.1%	7.2%

## 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 in Canada, the U.S., Mexico, the Dominican Republic, the United Kingdom and Ireland. The Company offers an extensive family of nutritional, skin care and wellness products targeting health, weight management, energy and physical performance.

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

The Company files its continuous disclosure documents, inclusive of its year end results, 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  
(450) 510-4527

*This Press Release should be read in conjunction with the Company's most recent unaudited interim condensed consolidated financial statements and the Management discussion and analysis which can be found at [www.sedar.com](http://www.sedar.com)*

### 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, 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.*

<sup>1</sup> Refer to the "NON-GAAP MEASURES" section. *The definition of Sponsoring and the Adjusted EBITDA reconciliation to Net profit is shown below.*

### ***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 its 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.
- 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. The Consultants are not compensated on by simply referring or inviting new people to join without them making a purchase.

<sup>1</sup> Refer to the "NON-GAAP MEASURES" section. *The definition of Sponsoring and the Adjusted EBITDA reconciliation to Net profit is shown below.*