



## **Merus Labs Announces Reduced Interest Rate on Senior Secured Debt and Reduced Leverage**

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TORONTO, Oct 3, 2016 – Merus Labs International Inc. (“Merus” or the “Company”) (TSX: MSL, NASDAQ: MSLI) is pleased to announce that it has made the second of its regularly scheduled quarterly principal repayments under its new credit facility and achieved a 0.5% reduction in the annual interest rate under the credit facility.

### **Further Reduced Leverage**

On September 30, 2016, Merus made a second payment on its term debt of approximately \$8 million. Merus is required to make quarterly principal payments under this Euro-denominated facility, which will result in continual deleveraging and reduced interest expense. Additionally, the facility provides for decreased interest rates as the Company’s leverage decreases, further reducing interest expense. As a result of making the current debt repayment, the Company’s financial metrics triggered the lowering of its annual interest rate from 4.5% to 4.0% effective October 1, 2016. This lowering of the interest rate represents annualized savings on interest expenses of approximately \$0.7 million for fiscal 2017. The Company’s term debt facility balance currently stands at €100.5 million reflecting the most recent repayment. The majority of Merus’ revenue, expenses and debt are Euro-denominated limiting the Company’s exposure to currency fluctuations.

### **About Merus Labs**

Merus Labs is a specialty pharmaceutical company focused on acquiring and optimizing established and growth products. The Company leverages its expertise and commercial platform in Europe, Canada and select other markets to deliver value.

### **Future-Oriented Financial Information**

To the extent any forward-looking statements in this press release constitutes future-oriented financial information or financial outlooks within the meaning of securities laws, such information is being provided to demonstrate the potential financial performance of Merus and readers are cautioned that this information may not be appropriate for any other purpose and that they should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out below under “Forward-Looking Statements”.



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### **Forward-Looking Statements**

Certain statements contained in this press release may constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements include statements relating to the Company’s interest expense. Such statements involve assumptions relating to foreign exchange rates and the Company’s credit facility. Although the Company’s management believes that the assumptions underlying these forward-looking statements are reasonable, they may prove to be incorrect. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results to be materially different from any future results expressed or implied by these statements. Such factors include the following: general economic and business conditions, changes in demand for Merus’ products, changes in competition, the ability of Merus to integrate acquisitions or complete future acquisitions, Merus’ ability to complete any future financing, interest rate fluctuations, currency exchange rate fluctuations, dependence upon and availability of qualified personnel and changes in government regulation. Investors should refer to the Company’s MD&A, Annual Information Form and Annual Report on 40-F for a more comprehensive discussion of the risks that are material to the Company and its business. In light of these and other uncertainties, the forward-looking statements included in this press release should not be regarded as a representation by Merus that Merus’ plans, objectives and guidance will be achieved. These forward-looking statements speak only as of the date of this press release, and we undertake no obligation to update or revise the statements.

### **Contact Information**

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