



Norgine B.V. completes acquisition of Merus Labs International Inc. strengthening its leading position in the European specialist pharma market

Acquisition to contribute product sales from 2017 and benefit Norgine's growth strategy

TORONTO, Ontario; Amsterdam, The Netherlands – July 17, 2017 – **Norgine B.V.** (“**Norgine**”) and **Merus Labs International Inc.** (**TSX: MSL, NASDAQ: MSLI**) (“**Merus**” or the “**Company**”) are pleased to announce the closing of the plan of arrangement under the Business Corporations Act (British Columbia) (the “**Arrangement**”). Norgine and Merus previously announced the signing of the arrangement agreement in respect of the Arrangement in a press release issued on May 11, 2017 and the issuance of the final order of the Supreme Court of British Columbia in respect of the Arrangement in a press release issued on July 12, 2017.

As a result of the transaction, Norgine acquires a product portfolio of 12 established products including **SINTROM[®]**, **EMSELEX[®]**, **ELANTAN[®]**, **ISOKET[®]**, **DEPONIT[®]**, **SALAGEN[®]**, and **ESTRADERM[®]** which are sold across Europe and in other selected markets and **VANCOCIN[®]** which is sold in Canada.

The fiscal year 2016 sales of Merus' products were C\$ 111.4 million.

The acquisition strengthens Norgine's position as a leading European specialist pharma company and continues its targeted business development focusing on specialist care products in a broad range of therapeutic areas.

Merus, which has approximately 22 employees, becomes a wholly-owned subsidiary of Norgine.

Peter Stein, the chief executive officer of Norgine says: “We welcome the Merus team to Norgine. We will ensure that patients continue to receive these very important products through our European infrastructure. This transaction increases Norgine's scale and profitability, helping to strengthen the business and attract new opportunities in the future.”

Pursuant to the Arrangement, Norgine acquired all of the issued and outstanding common shares of Merus (“**Shares**”) and shareholders of Merus (“**Shareholders**”) received cash consideration equal to C\$1.65 per Share (the “**Consideration**”) for a total consideration of approximately C\$342 million. Under the Arrangement each outstanding option to purchase Shares (each, a “**Merus Option**”) and each outstanding performance share unit (each, a “**Merus PSU**”) was surrendered to Merus as part of the Arrangement in exchange for payment (i) to each holder of Merus Options, in respect of each Merus Option held, an amount equal to, subject to withholding taxes where applicable, C\$1.65 less the applicable exercise price in respect of such Merus Option, and (ii) to each holder of Merus PSUs, in respect of each Merus PSU, subject to withholding



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taxes where applicable, C\$1.65. Immediately prior to the Arrangement, Norgine did not hold any Shares.

Merus intends to delist the Shares from the Toronto Stock Exchange (“**TSX**”) and NASDAQ, to submit an application to cease to be a reporting issuer in Canada and the United States and to otherwise terminate its public reporting requirements as soon as possible thereafter. All of the issued and outstanding series A preferred shares in the capital of Merus will be redeemed effective August 2, 2017.

Registered Shareholders are reminded that, in order to receive the Consideration for their Shares, they must complete and sign the letter of transmittal and deliver it, together with certificates representing their Shares and the other required documents, to the depositary, Computershare Investor Services Inc. (“**Depositary**”), in accordance with the instructions specified in the letter of transmittal and the management information circular of Merus dated June 1, 2017, copies of which are currently available on Merus’ profile at www.sedar.com.

Beneficial owners of Shares whose Shares are registered in the name of a broker, investment dealer, bank, trust company, depositary or other nominee should contact that nominee to determine how the nominee will arrange to have the Shares delivered to the Depositary in exchange for Consideration under the Arrangement.

About Merus

Merus is a specialty pharmaceutical company focused on acquiring and optimizing legacy and growth products. The Company leverages its expertise and scalable platform across Europe, Canada and select other markets to deliver value. The Company’s current head office is located at 100 Wellington Street West, Suite 2110, P.O. Box 151, Toronto, Ontario M5K 1H1.

About Norgine

Norgine is a leading European specialist pharmaceutical company with a direct commercial presence in all major European markets. In 2016, Norgine’s total revenue was €368 million, including product sales, partnering milestones and other income. Norgine employs over 1,000 people across its commercial, development and manufacturing operations and manages all aspects of product development, production, marketing, sale and supply. Norgine specialises in gastroenterology, hepatology, cancer and supportive care. Norgine’s headquarters is located at Hogehilweg 7, 1101 CA Amsterdam Zuid Oost, The Netherlands. Norgine owns a R&D site in



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Hengoed, Wales and two manufacturing sites in Hengoed, Wales and Dreux, France. For more information, please visit www.norgine.com.

In 2012, Norgine established a complementary business Norgine Ventures, supporting innovative healthcare companies through the provision of debt-like financing in Europe and the US. For more information, please visit www.norgineventures.com.

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