

Acerus Announces Amendment to Credit Agreement and Waiver of Certain Q3 Financial Covenants

TORONTO--(BUSINESS WIRE)-- Acerus Pharmaceuticals Corporation ("Acerus" or the "Company") (TSX:ASP, OTCQB:ASPCF) today announced that it entered into an amended agreement related to its existing credit facility with SWK Funding LLC ("SWK") and that it received a waiver letter from SWK related to certain financial covenants for Q3 2019.

The nature of the amendment is to set the minimum threshold for Consolidated Unencumbered Liquid Assets required to be maintained by the Company. This amount is defined in the agreement as cash adjusted for a certain portion of accounts receivable and payable. This level will be set at (i) US\$1 million at September 30, 2019, (ii) US\$5 million at December 15, 2019, (iii) US\$4 million at December 31, 2019, (iv) US\$2 million at January 31, 2020, and (v) \$1 million at all times after January 31, 2020. In connection with the amendment, Acerus agreed to reprice 5,331,563 outstanding common shares purchase warrants currently held by SWK that were issued with the signing of the credit agreement in 2018 (the "Original Warrants"). The Original Warrants will be repriced from CDN\$0.40 to CDN\$0.11. In addition, the Original Warrants' expiry date has been extended from October 11, 2023 to September 30, 2024. No other changes will be made to the term of Original Warrants. The volume-weighted average trading price of the Company's common shares on the Toronto Stock Exchange (the "TSX") for the five-trading-day period ending September 30, 2019 was CDN\$0.11. Subject to the approval of the TSX, the repricing and the extension of the expiry date of the warrants will become effective on October 15, 2019.

Subject to the approval of the TSX, Acerus will issue 1,361,544 common share purchase warrants (the "New Warrants") to SWK in connection with the amendment. Each New Warrant will entitle SWK to purchase one common share of Acerus at an exercise price of CDN\$0.11 per common share and will expire on September 30, 2024. The terms of the New Warrants will otherwise be identical to those of the Original Warrants. As such, in certain circumstances, the Company may cause SWK to exercise the New Warrants prior to their expiry date if the closing price of the Company's common shares on the TSX exceeds CDN\$0.80 per share for a period of at least 21 consecutive trading days.

Finally, SWK issued a waiver letter to Acerus waiving the Adjusted EBITDA and Aggregate Revenue covenants for Q3 2019 contained in the credit agreement.

All other terms and conditions in the SWK loan agreement remain unchanged.

About Acerus

Acerus Pharmaceuticals Corporation is a Canadian-based specialty pharmaceutical company focused on the commercialization and development of innovative prescription products that improve patient experience, with a primary focus in the field of men's health. The Company commercializes its products via its own salesforce in Canada, and through a global network of licensed distributors in the U.S. and other territories.

Acerus' shares trade on TSX under the symbol ASP and on OTCQB under the symbol ASPCF. For more information, visit www.aceruspharma.com and follow us on [Twitter](#) and [LinkedIn](#).

Notice Regarding Forward-Looking Statements

Information in this press release that is not current or historical factual information may constitute forward looking information within the meaning of securities laws. Implicit in this information are assumptions regarding our future operational results. These assumptions, although considered reasonable by the company at the time of preparation, may prove to be incorrect. Readers are cautioned that actual performance of the company is subject to a number of risks and uncertainties, including with respect to the Company's ability to repay its debts and meet its financial covenants, and could differ materially from what is currently expected as set out above. For more exhaustive information on these risks and uncertainties you should refer to our annual information form dated March 4, 2019 which is available at www.sedar.com. Forward-looking information contained in this press release is based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

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