

Trimel Pharmaceuticals Corporation

TSX : [TRL](#)



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Trimel Pharmaceuticals Acquires Canadian Rights to Estrace®

- Acquisition immediately cash flow accretive

- Product strategically aligned

TORONTO, ONTARIO--(Marketwired - July 17, 2014) - Trimel Pharmaceuticals Corporation (TSX:TRL) is pleased to announce that it has acquired from Shire plc, the Canadian rights for Estrace® (17-beta estradiol), a product indicated for the treatment of symptomatic relief of menopausal symptoms. Estrace® has been available on the Canadian market for 39 years and generated revenues of US\$9.9 million in 2013 within a hormone replacement therapy ("HRT") market valued at US\$100 million and growing by 6%.

Under the terms of the agreement, Trimel is acquiring the Canadian rights to Estrace®, together with existing inventories on hand, for CDN\$44.5 million. In order to finance this acquisition, the Company has entered into a senior secured term credit facility with an affiliate of MidCap Financial, LLC for facilities of up to US\$25.0 million (US\$20.0 million of which was available at closing, and US\$5.0 million of which may become available upon satisfaction of certain future conditions) and a convertible subordinated unsecured term note in the amount of US\$25.0 million in favour of First Generation Capital Inc., a company affiliated with the chairman of the Board of Directors of the Company.(1)

In addition, the Company has entered into an agreement with Cormark Securities Inc. to purchase 28,801,000 common shares of the Company on a private placement basis at a price of \$0.62 per share for gross proceeds of \$17,856,620. The private placement is anticipated to close on or about July 30, 2014, subject to certain conditions including the receipt of all necessary regulatory approvals (including the Toronto Stock Exchange). The proceeds from this private placement will be used to repay a portion of the above noted convertible note.

(1) A material change report was not filed at least 21 days prior to the closing of the convertible subordinated unsecured term note from First Generation Capital Inc. as the terms and conditions of such arrangements were not yet finalized at such time.

"The acquisition of Estrace® represents an important milestone in transitioning Trimel from being exclusively focused on product development to a commercial stage company and should provide strong and sustainable revenues going forward," said Tom Rossi, President and CEO of Trimel. "In addition, we believe that Estrace® will be a great complement to our women's health franchise and have a positive impact on Trimel's future cash flow."

Torrey Partners are acting as financial advisors to Trimel.

About Estrace®

Estrace® provides symptomatic relief of menopausal symptoms and may also contribute to the prevention of osteoporosis in naturally occurring or surgically induced estrogen-deficiency. Estrace® is an oral tablet that is available in three dosage strengths (0.5 mg, 1.0 mg and 2.0 mg). Estrace® is the only oral 17-beta estradiol available in Canada.

Menopause is a normal, natural event, defined as the final menstrual period (FMP). It represents the permanent cessation of menses resulting from loss of ovarian follicular function, usually due to aging. Menopause can occur naturally (spontaneously) on average around age 51, or be induced through a medical intervention (surgery, chemotherapy, or pelvic radiation therapy).

About Trimel

Trimel is a specialty pharmaceutical company actively developing medications for male hypogonadism, female sexual dysfunction and various respiratory disorders. Natesto™, a product utilizing Trimel's licensed nasal gel technology, has been approved for sale in the United States by the FDA. For more information, please visit www.trimelpharmaceuticals.com.

About MidCap Financial, LLC

MidCap Financial is a commercial finance company focused on middle market lending in the broad national healthcare industry. MidCap specializes in \$5 million to \$200 million loans. The company is headquartered in Bethesda, MD, with offices in Los Angeles and Chicago. Additional information about MidCap Financial can be found at www.midcapfinancial.com

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, including with respect to the performance of Estrace®. 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 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 5, 2014 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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