Q4 2019 Conference Call

February 25, 2020

nuvopharmaceuticals.com
TSX: NRI / OTCQX: NRIFF
Nuvo Pharmaceuticals™ Inc.

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Non-IFRS Measures

This presentation includes certain figures (such as Adjusted Total Revenue, Adjusted EBITDA and Adjusted EBITDA per share) that are not measures recognized under international financial reporting standards (IFRS). Nuvo believes that shareholders, investment analysts and other readers find such measures helpful in understanding Nuvo's financial performance and in interpreting the effect of the Aralez Transaction and the Deerfield Financing on the Company. Nevertheless, these financial measures do not have any standardized meaning prescribed by IFRS and may not have been calculated in the same way as similarly named financial measures presented by other companies.

The Company defines adjusted total revenue as total revenue plus amounts billed to customers for existing contract assets less revenue recognized upon recognition of a contract asset. Management believes adjusted total revenue is a useful supplemental measure from which to determine the Company's ability to generate cash from its customer contracts that is used to fund its operations.

EBITDA refers to net income (loss) determined in accordance with IFRS, before depreciation and amortization, net interest expense (income) and income tax expense (recovery). The Company defines adjusted EBITDA as net income from continuing operations before net interest expense (income), depreciation and amortization and income tax expense (recovery) (EBITDA), plus amounts billed to customers for existing contract assets, inventory step-up expense, stock-based compensation expense, Other Expenses (Income), less revenue recognized upon recognition of a contract asset and other income. Management believes adjusted EBITDA is a useful supplemental measure from which to determine the Company's ability to generate cash available for working capital, capital expenditures, debt repayments, interest expense and income taxes.

The Company defines adjusted EBITDA per share as adjusted EBITDA divided by the average number of issued and outstanding common shares of the Company as of the date thereof.

See slide 23 and 24 for the Company's reconciliation of the Company's financial results to its Non-IFRS Measures.

Today's Agenda

- 2019 Year in Review
- Q4 2019 and YTD 2019 Financial Highlights
- Cash and Capital Structure Update
- Pipeline Update
- Business Segment Update
- Q&A

2019 - A Transformative Year

- Completed the Aralez Transaction December 31, 2018 and successfully integrated the business during 2019. The acquisition included:
  - A portfolio of more than 20 revenue-generating products
  - The acquisition of Aralez Canada, including the products Cambia, Blexten and the Canadian distribution rights to Resultz
  - The worldwide rights and royalties from licensees for Vimovo, Yosprala and the global (ex-U.S.) and Canada product rights to Suvexx
- Significant increase in Adjusted Total Revenue and Adjusted EBITDA Provided a platform for the Company to acquire and launch additional commercial products in Canada
- Regulatory submissions in 2019 with anticipated launches in 2020

2019/To-Date 2020 Timeline

Q1

- **Aralez Business** integrated with the Nuvo Business

Q2

- **Pennsaid 2%** Marketing Authorization Accepted by Austrian Agency for Health and Food Safety
- **Suvexx** Registration Dossier Accepted for Formal Review with Health Canada
- **Vimovo** Patents '907 and '285 deemed invalid by
- U.S. Court of Appeals for the Federal Circuit Reversing District Court's Decision
- **Financing Agreement** with Deerfield Amended
- **Operational Efficiencies** identified yielding
- ~$7 million in annualized Opex savings

Q3

- **Pennsaid 2%** approved in India to be Marketed by Sayre Therapeutics
- **Vimovo** Patents '907 and '285 - U.S. Court of Appeals for the Federal Circuit denied the Company's en banc request to the Court of Appeals, to have the court reconsider the validity of the patents

Q4

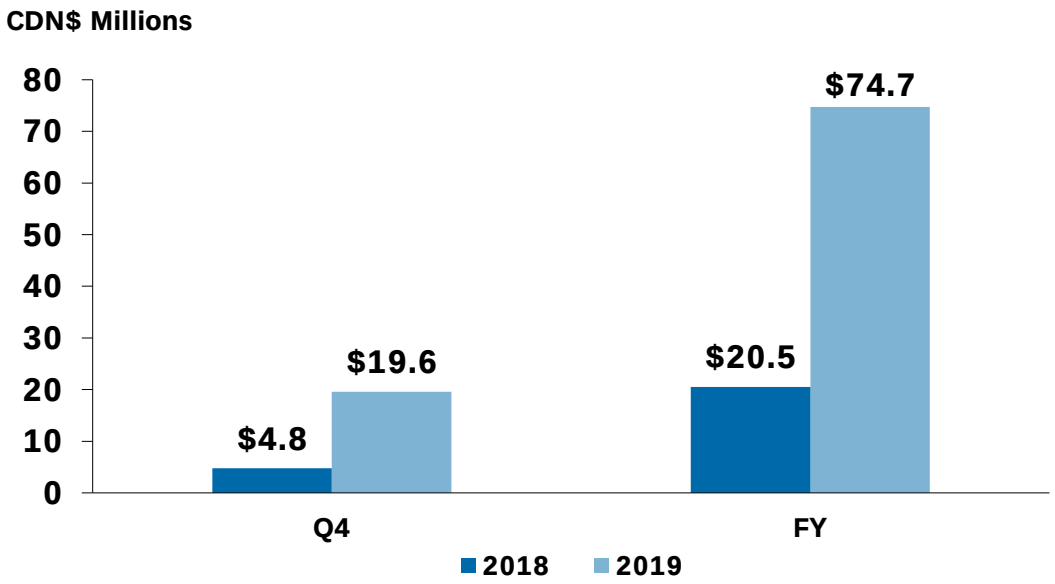
- **Pennsaid 2%** Patent '913 deemed valid by the U.S. Court of Appeals blocking Actavis from launching its generic version of Pennsaid 2% in the U.S. until October 17, 2027
- **Application** for an industry-wide class action lawsuit in the Superior Court of Québec received by Nuvo
- **Vimovo** Patents '996 and '920 – U.S. District Court Denies Dr. Reddy's Laboratories motion for summary

To-Date 2020

- **Bridge Loan** of US$6.0 million repaid to Deerfield
- **NeoVisc+/One** license agreement executed
- **Pennsaid 2%** Marketing Authorization Issued in Switzerland

Adjusted Total Revenue

FY2019 Adjusted Total Revenue Increased 265% Year-Over-Year



Fiscal Year 2019

Commercial Business

$35.6 million incremental revenue from Aralez Transaction

Production and Service Business

$0.5 million increase

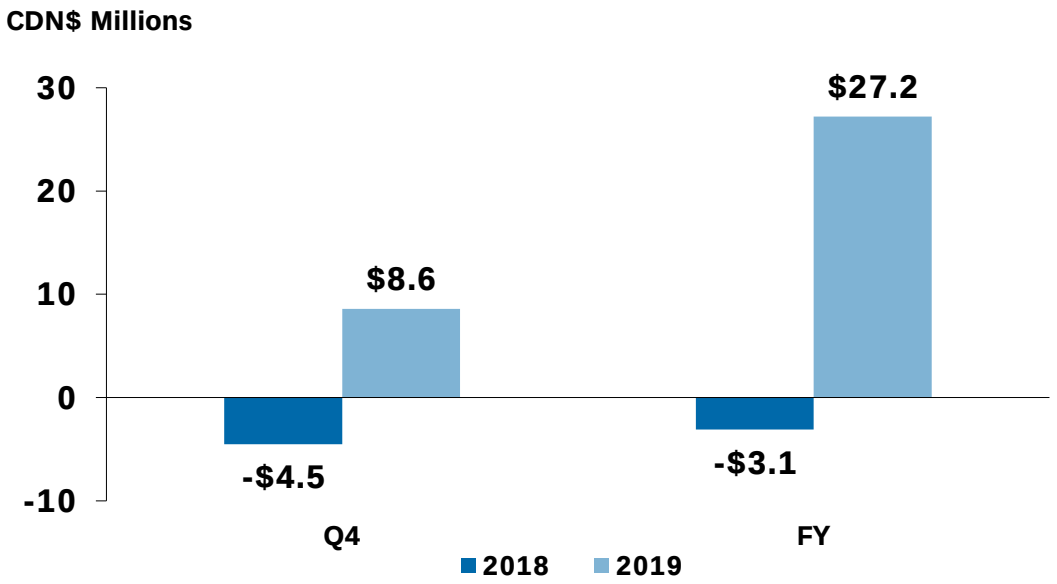
Licensing and Royalty Business

$18.8 million increase primarily attributable to U.S. and Global Vimovo royalty streams

(1) Adjusted Total Revenue is a non-IFRS measure – see slide 23 for definition of Adjusted Total Revenue.

Adjusted EBITDA

Transformative Transaction
increase in Adjusted EBTIDA contribution



OPEX Savings

Operational changes implemented and efficiencies identified during Q2-19 yielded OPEX savings

Current Year One-Time Expenses

The current year includes $1.1 million of restructuring expenses and $1.5 million of integration expenses

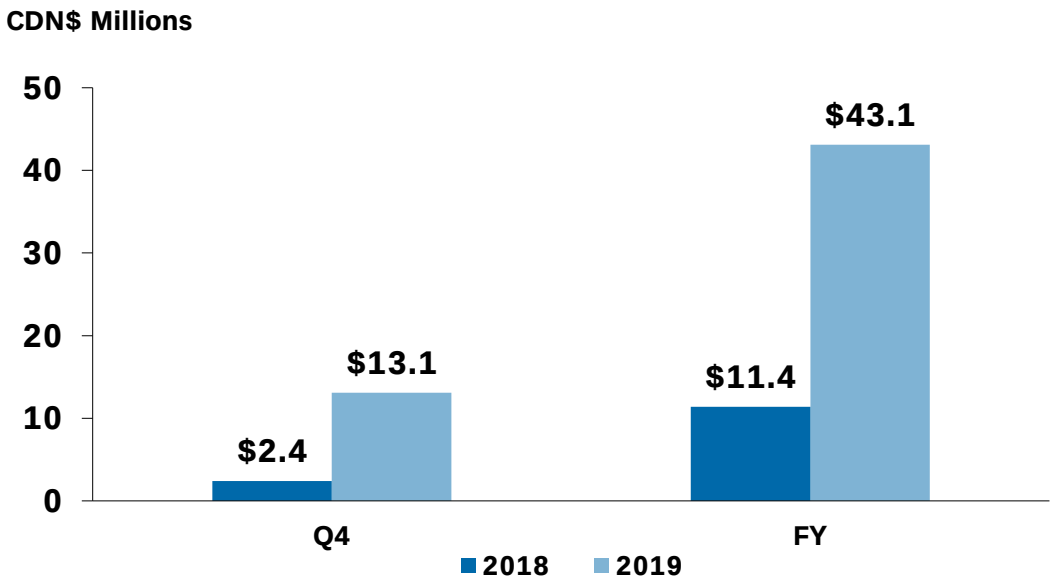
Prior Year Transaction Expenses

The Comparative year includes $7.7 million of legal and diligence expenses related to the Aralez Transaction

(1) Adjusted EBITDA is a non-IFRS measure – see slide 24 for definition of Adjusted EBITDA.

Gross Profit

FY2019 Gross Profit
Increased 279% Year-Over-Year



(1) Excludes $5.2 million for amounts billed to customers for contract assets

Fiscal Year 2019

Commercial Business

$17.7 million incremental gross profit includes $5.0 million charge for Inventory Step-up Expense

Production and Service Business

$0.5 million increase

Licensing and Royalty Business (1)

$13.5 million increase

Cash and Capital Structure

- The Company had $23.0 million of cash and US$116 million of debt (principal) outstanding at December 31, 2019.
- In January 2020, the Company announced repayment of its US$6 million Bridge Loan that carried a coupon interest rate of 12.5%. The Bridge Loan was a component of the Deerfield Financing. The Company's remaining loans carry a coupon interest rate of 3.5%.
- The Company will make regular repayments towards its Amortization Loan in 2020 in accordance with the Deerfield Financing Agreement and associated Amendment.
- Summary of Deerfield Debt (February 21, 2020):

US$Millions	Amortization Loan (issued by Nuvo Ireland)	Convertible Loan (issued by Nuvo Pharma)
Principal Outstanding	US$60.0	US$52.5
Maturity	December 31, 2024	December 31, 2024
Interest Rate	3.5% p/a	3.5% p/a
Debt Repayment Mechanism	Cash Sweep (minimum $10.0 per year or per Amendment); warrants	6 year bullet or conversion

Cash and Capital Structure

- Summary of fully diluted capitalization table:

Outstanding Securities (000s) As at December 31, 2019	Units Outstanding	Weighted Average Exercise Price
Common Shares Issued and Outstanding	11,388	$0.95 closing share price February 21, 2020
Stock Options Outstanding	1,422	$4.10
Convertible Loan	19,444	US$2.70 per share
Warrants	25,556	$3.53
Total	**57,810**	

- Capital market summary:

Capital Market Summary As at February 21, 2019	
Stock Symbol	TSX:NRI OTCQX:NRIFF
Market Cap (February 21, 2020)	$10.8 million $0.95 per share
52 Week Share Price Low-High	$0.29 - $2.61
Cash (As at December 31, 2019)	$23.0 million

Commercial Business
Significant Growth Potential

Suvexx™

Anticipate approval by Health Canada in Q1 2020

- Suvexx (sumatriptan succinate and naproxen sodium tablets) is a fixed-dose combination prescription medication in a single tablet
- Indicated for the acute treatment of migraine attacks with or without aura in adults
- Anticipate launch September 2020 into the ~$130 million acute migraine Rx treatment market in Canada
- 13 phase 3 studies to examine acute migraine, menstrual migraine and patients intolerant of other currently approved migraine medications
- Demonstrated early and sustained efficacy superior to sumatriptan and naproxen alone with a safety and tolerability profile similar to sumatriptan and naproxen.

Commercial Business
Expanding the Product Pipeline

BLEXTEN®

Blexten Pediatric

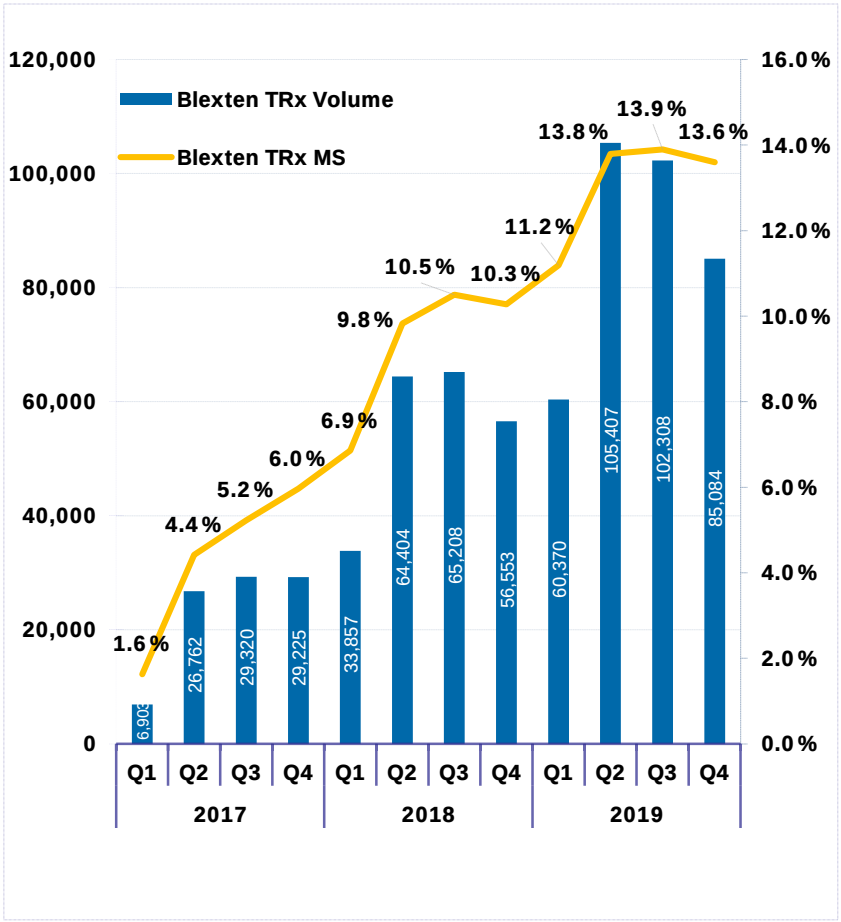
- The Company's original license agreement for Blexten included Canadian rights for the pediatric dosage formats
- Blexten pediatric consists of an oral syrup formulation (2.5mg/ml) and an orally dispersible tablet formulation (10mg tablets).
- Aralez Canada anticipates filing the pediatric dossier to Health Canada during the first half of 2020
- Regulatory decision anticipated by mid-2021
- Blexten pediatric is anticipated to be indicated for treatment of seasonal allergic rhinitis and chronic spontaneous urticaria in children

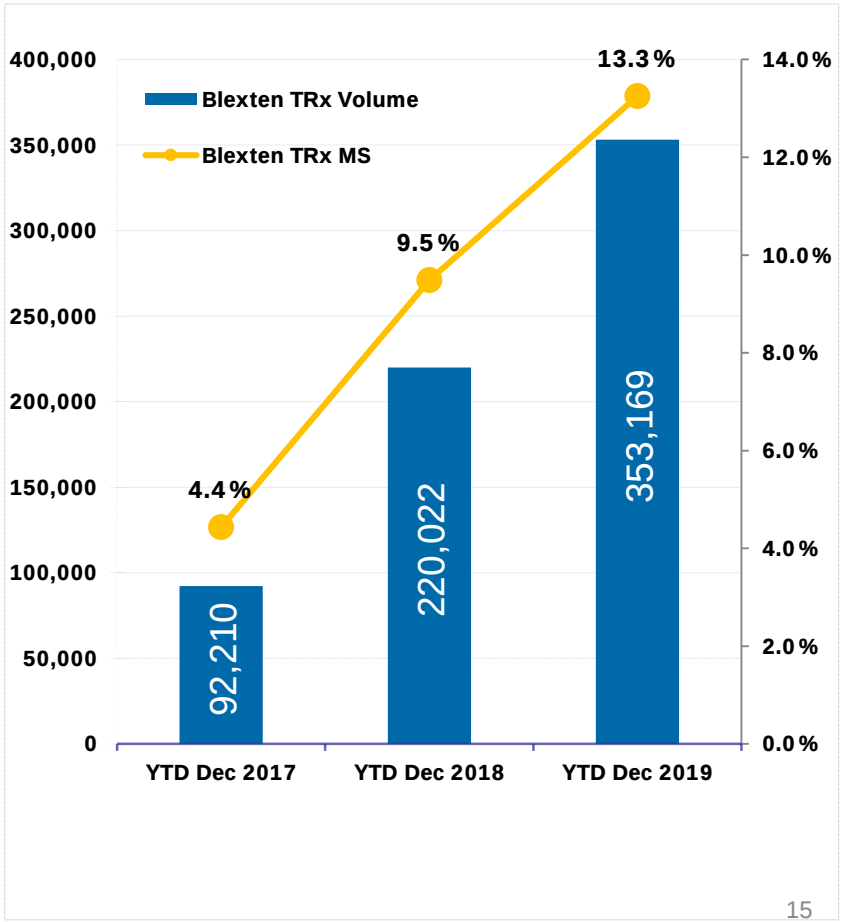
Commercial Business
Life Cycle Management

NeoVisc ONE
NeoVisc+

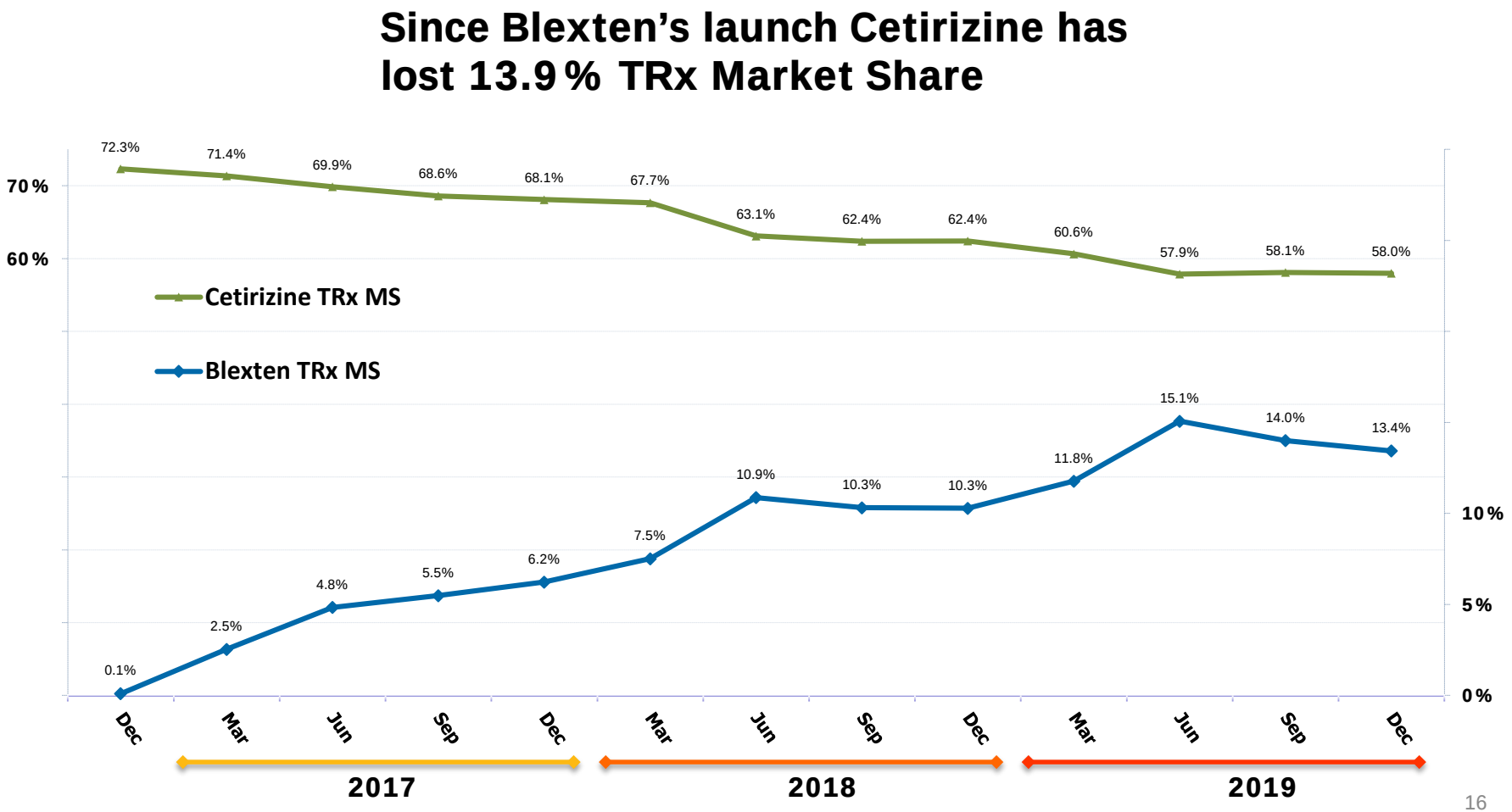
- NeoVisc is a viscosupplement used to replenish the synovial fluid in the joints of patients with osteoarthritis
- Aralez Canada has been selling NeoVisc in Canada for over 10 years
- Aralez Canada anticipates launching 2 news SKUs of NeoVisc in Canada during Q2 2020
  - a new low volume (1 x 4ml vs. 1 x 6ml), single injection presentation called NeoVisc One™
  - a new triple injection presentation called NeoVisc+™ (3 x 2ml)

Blexten Demonstrating Continued Year-over-Year TRx Market Share and Volume Growth

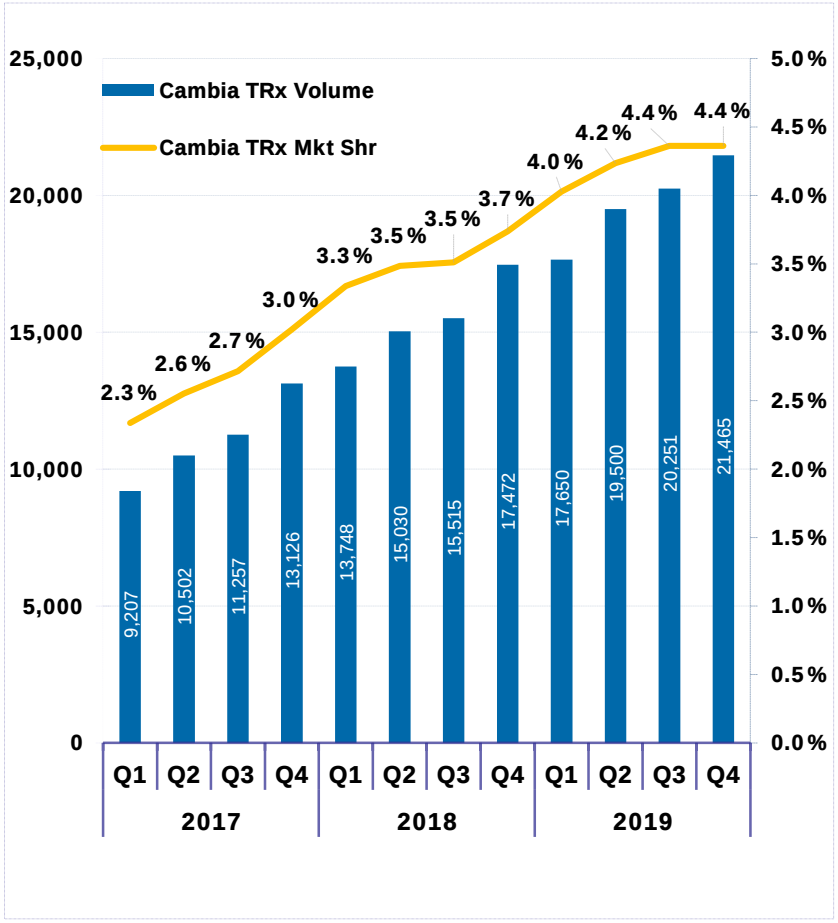


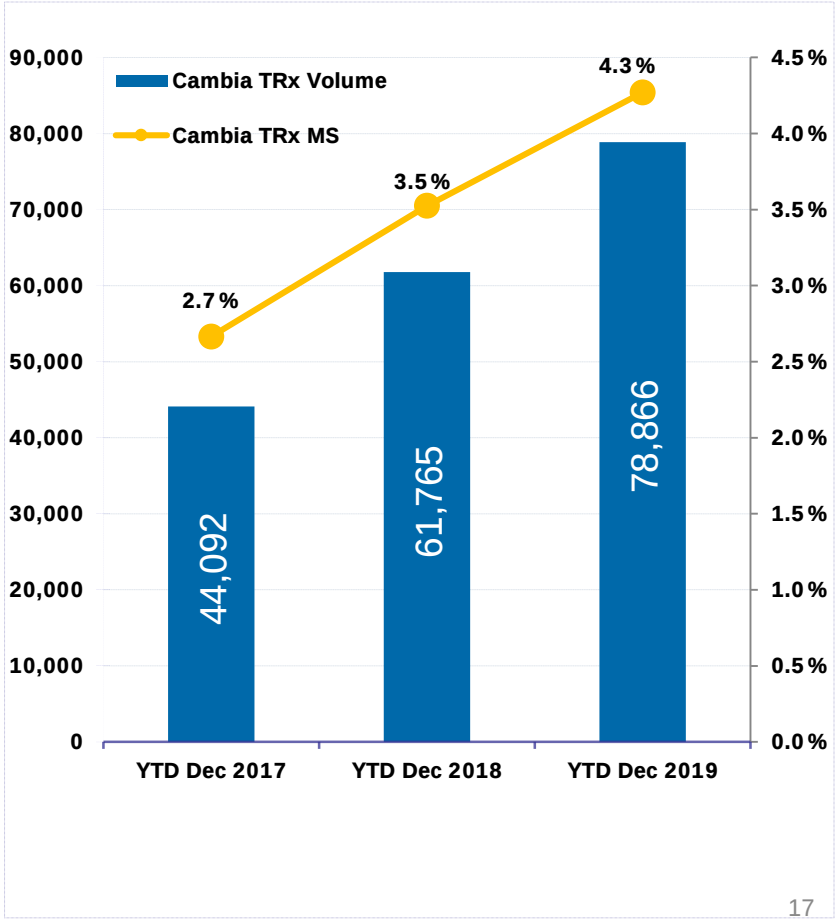


Blexten Continues to Take Market Share from Cetirizine



Cambia Demonstrating Consistent Year-over-Year TRx Market Share and Volume Growth





Licensing & Royalty Business
Royalty from U.S. Sales of Vimovo

The Company received US$7.5 million annual minimum royalty payment from the 2019 sales of Vimovo in the U.S.

- Dr. Reddy's has now received final FDA approval for their ANDA for generic Vimovo
- Dr. Reddy's could launch during 2020, but this launch would be "at risk"
- Nuvo owns two additional patents which are subject to ongoing additional litigation – U.S. Patent Nos. 8,858,996 and 9,161,920 (the '996 and '920 Patents)
- Royalty payments from its global partner, Grunenthal GmbH on global net sales of Vimovo unaffected by launch of U.S. generic Vimovo

Licensing & Royalty Business
Expansion into New Territories in 2020

Pennsaid 2%

- Gebro Pharma, the Pennsaid 2% licensee in Switzerland and Lichtenstein, received marketing authorization for Pennsaid 2% from Swissmedic
  - Anticipate commercial launch of Pennsaid 2% in Switzerland before the end of 2020
- Sayre Therapeutics, the Pennsaid 2% licensee in India, Sri Lanka, Bangladesh and Nepal anticipates launching Pennsaid 2% in India in the second half of 2020

Resultz

- After some slight delays, Heumann, the Resultz licensee in Germany, anticipates commercial launch during the first half of 2020

Production & Service Business
Expansion into New Territories in 2020

Pennsaid 2%

Anticipate commencement of commercial supply of Pennsaid 2% during 2020 in India and Switzerland

- Nuvo will earn product revenue from licensees pursuant to exclusive supply agreements

Resultz

Resultz Germany

- Heumann will receive its first shipment of commercial quantities of Resultz for the German market in Q2 2020

NRI Investment Highlights

- Diversified specialty pharmaceutical business with more than 20 revenue generating products
- Significant adjusted total revenue and adjusted EBITDA
- Organic growth from existing products and near-term new product launches
- Key product portfolio protected by IP and long-term partner relationships
- Internal team and infrastructure can support significant growth
- FDA/Health Canada/EU licensed manufacturing facility
- Cash generated from operating activities
- Attractive coupon rate on debt financing with ongoing repayment mechanism

Q&A

NUVO™

Adjusted Total Revenue

Adjusted Total Revenue

The Company defines adjusted total revenue as total revenue, plus amounts billed to customers for existing contract assets, less revenue recognized upon recognition of a contract asset. Management believes adjusted total revenue is a useful supplemental measure to determine the Company's ability to generate cash from its customer contracts used to fund its operations.

The following is a summary of how adjusted total revenue is calculated:

	Three months ended December 31		Year ended December 31	
	2019	2018	**2019**	2018
in thousands	**$**	$	**$**	$
Total revenue	**19,593**	4,607	**69,546**	19,998
Add:				
Amounts billed to customers for existing contract assets	**51**	146	**5,178**	475
Adjusted total revenue	**19,644**	4,753	**74,724**	20,473

Adjusted EBITDA

EBITDA refers to net income (loss) determined in accordance with IFRS, before depreciation and amortization, net interest expense (income) and income tax expense (recovery). The Company defines adjusted EBITDA as net income before net interest expense (income), depreciation and amortization and income tax expense (recovery) (EBITDA), plus amounts billed to customers for existing contract assets, inventory step-up expense, stock-based compensation expense, Other Expenses (Income), less revenue recognized upon recognition of a contract asset and other income. Management believes adjusted EBITDA is a useful supplemental measure to determine the Company's ability to generate cash available for working capital, capital expenditures, debt repayments, interest expense and income taxes.

The following is a summary of how EBITDA and adjusted EBITDA are calculated:

	Three months ended December 31		Year ended December 31	
	2019	2018	**2019**	2018
in thousands	**$**	$	**$**	$
Net income (loss)	**(456)**	(4,631)	**3,361**	(6,153)
Add back:				
Income tax expense (recovery)	**29**	(64)	**28**	(187)
Net interest expense (income)	**3,142**	5	**10,305**	(32)
Depreciation and amortization	**2,312**	633	**9,546**	2,493
EBITDA	**5,027**	(4,057)	**23,240**	(3,879)
Add back:				
Amounts billed to customers for existing contract assets	**51**	146	**5,178**	475
Stock-based compensation	**114**	184	**457**	795
Other Expenses (Income):				
Loss on disposal of contract assets	**-**	452	**-**	452
Change in fair value of derivative liabilities[1]	**401**	-	**(31,070)**	-
Change in fair value of contingent and variable consideration	**1,856**	(775)	**1,216**	(518)
Impairment[2]	**159**	-	**23,780**	-
Foreign currency loss (gain)	**(1,081)**	(478)	**(2,598)**	(429)
Inventory step-up	**875**	-	**4,979**	-
Other losses (gains)	**1,168**	-	**2,060**	-
Adjusted EBITDA	**8,570**	(4,528)	**27,242**	(3,104)