



Q2 2020 Conference Call Presentation

August 10, 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. 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 26 and 27 for the Company's reconciliation of the Company's financial results to its Non-IFRS Measures.

Nuvo 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



COVID-19 Initiatives

Business

- Defined as an essential business by the Ontario and Québec governments
- Business continuity plans in place that provide a framework to maintain effective operations

Employees

- Administrative staff and field-based territory managers working remotely
- Office sites re-opened with enhanced safety measures
- Implemented training and enhanced safety measures at the Varennes, Québec manufacturing facility
- All non-essential business travel suspended

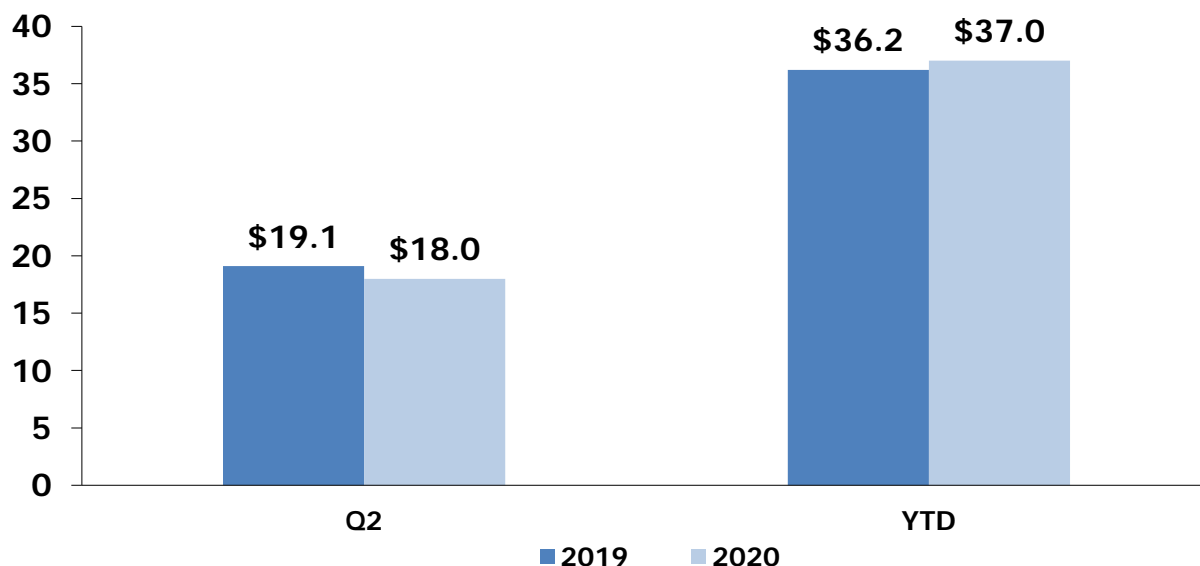
Supply Chain

- Continue supplying global partners, wholesalers, pharmacies, and ultimately patients, with our healthcare products
- Measures in place to ensure supply chain continuity during prolonged COVID-19 environment
- Varennes manufacturing site closed to all non-essential visitors

Adjusted Total Revenue

Q2 2020 Adjusted Total Revenue
Decreased 6% Over Prior Year Quarter

CDN\$ Millions



2020 vs 2019

Commercial Business

Q2 - \$0.5 million decrease
YTD - \$3.4 million increase

Production and Service Business

Q2 - \$1.2 million decrease
YTD - \$3.7 million decrease

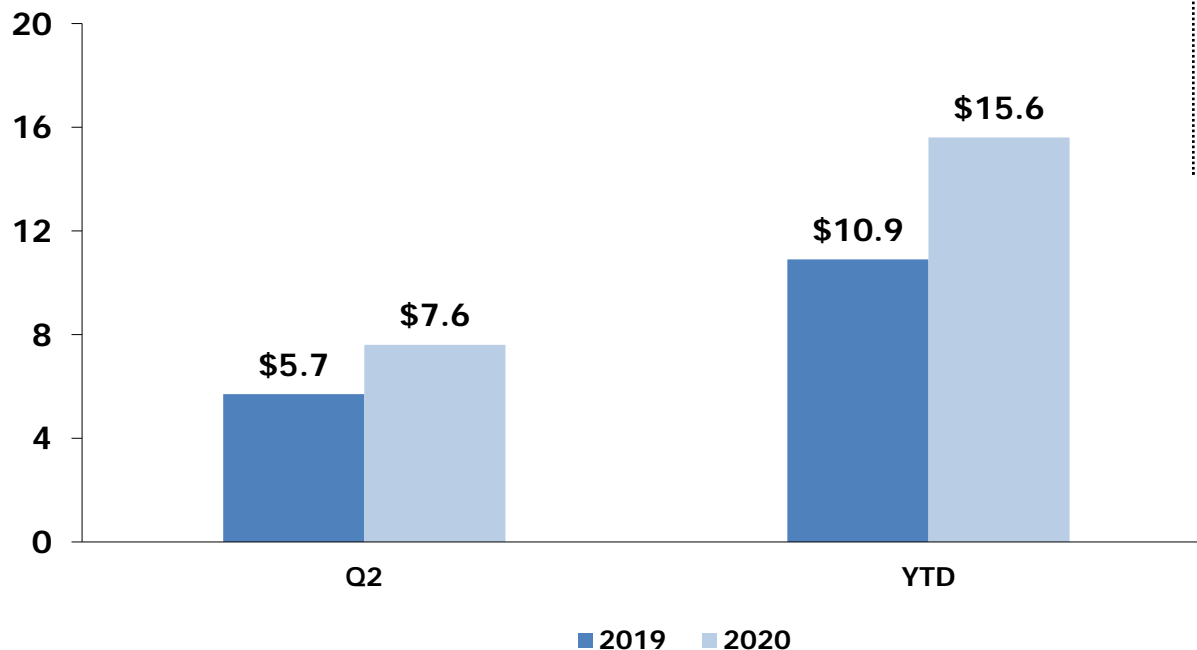
Licensing and Royalty Business

Q2 - \$0.6 million increase
YTD - \$1.1 million increase

Adjusted Total Revenue is a non-IFRS measure – see slide 26 for definition of Adjusted Total Revenue.

Adjusted EBITDA

CDN\$ Millions



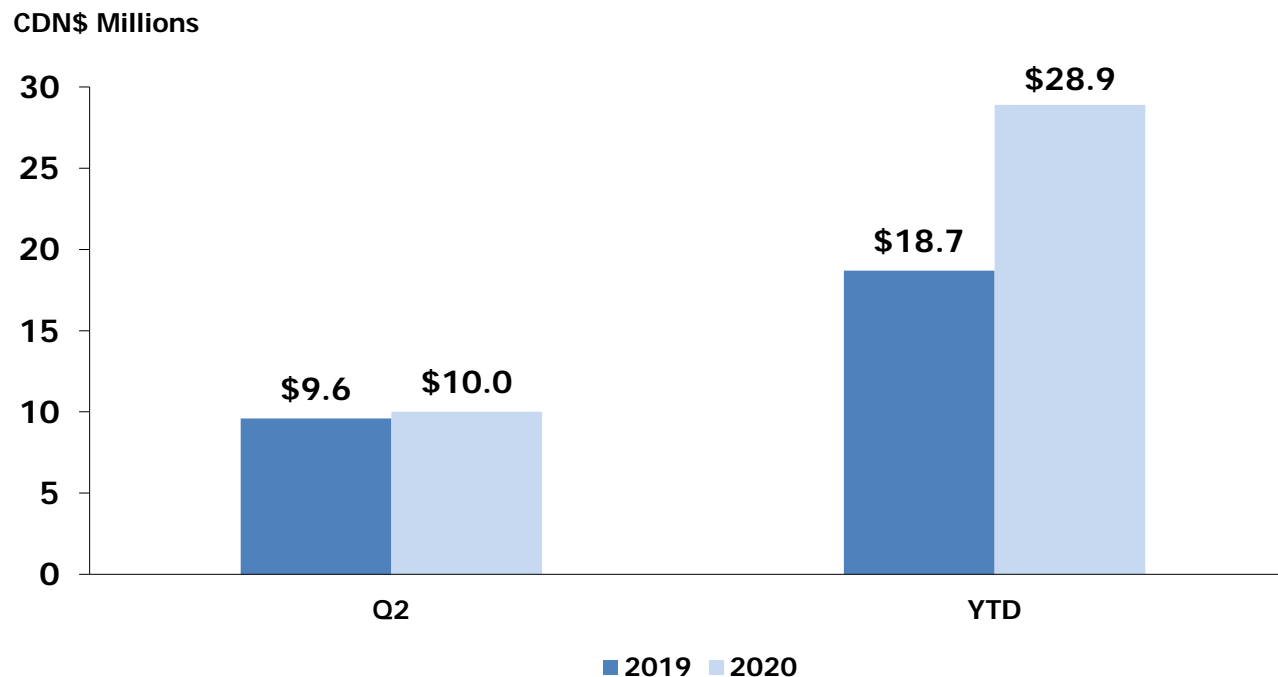
Q2 / YTD 2020

Improvement in the current year is primarily due to a decrease in General and Administrative and Sales and Marketing expenses

Adjusted EBITDA is a non-IFRS measure – see slide 27 for definition of Adjusted EBITDA.

Gross Profit

Q2 Three Month Gross Profit Increased 4%
Over Prior Year Quarter



Excludes amounts billed to customers for existing contract assets.

2020 vs 2019

Increase in Q2 and YTD primarily attributable to an increase in license revenue and gross margin on product sales

Cash and Capital Structure

- The Company had \$17.2 million of cash and US\$104.8 million of debt (principal) outstanding as at June 30, 2020.
- In January 2020, the Company announced repayment of its US\$6.0 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 (June 30, 2020):

US\$Millions	Amortization Loan (issued by Nuvo Ireland)	Convertible Loan (issued by Nuvo Pharma)
Principal Outstanding	US\$52.3	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

Total Debt as of June 30, 2020

US\$000s	Amortization Loan	Convertible Loan
Debt - cash principal value per Deerfield facility	52,277	52,500
IFRS present value adjustment (interest and principal) *	(6,885)	(12,595)
Debt - IFRS value as per financial statements	45,392	39,905

CDN\$000s	Amortization Loan	Convertible Loan
Debt - cash principal value per Deerfield facility	71,243	71,547
IFRS present value adjustment (interest and principal) *	(9,440)	(17,180)
Debt - IFRS value as per financial statements	61,803	54,367

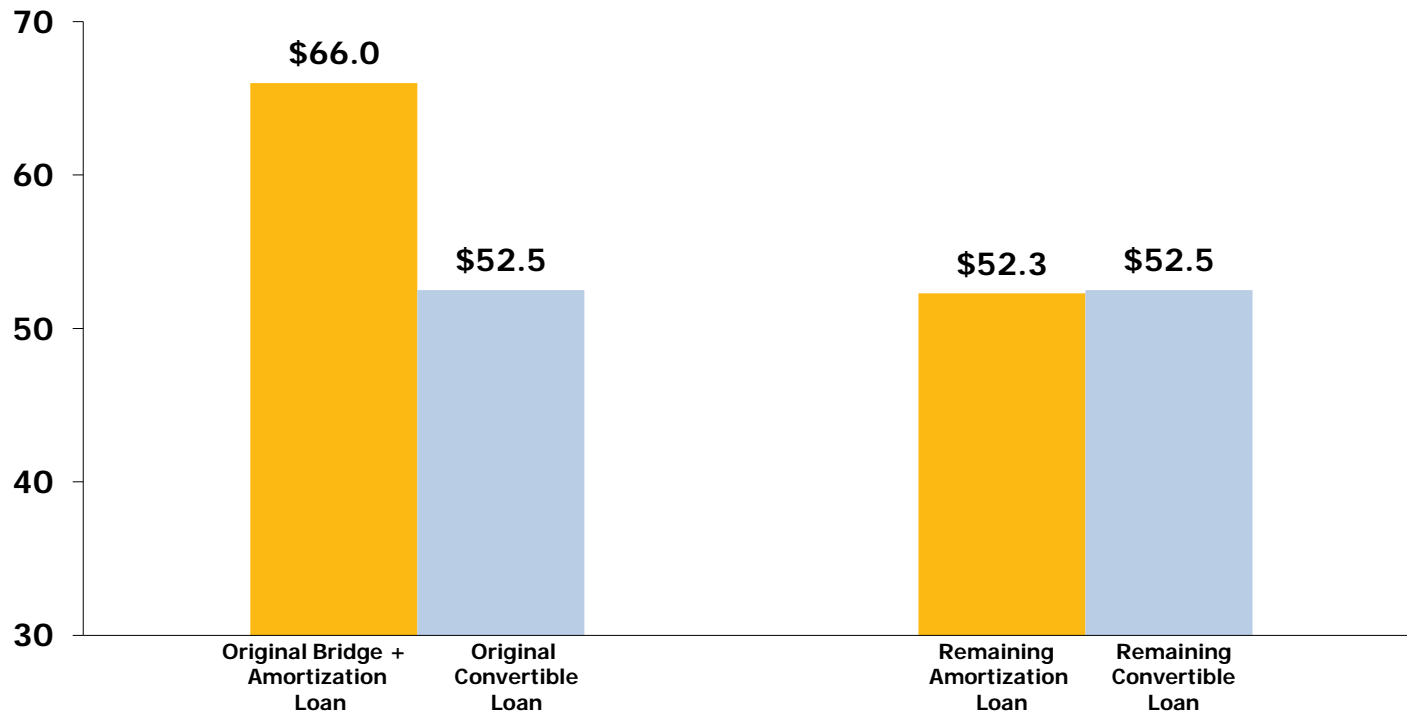
* Note the IFRS adjustments are required for accounting purposes for amortized cost liabilities to reflect the accounting value of the estimated future contractual cash flows, including interest, which are discounted at the debt's original effective interest rate.

Effective interest rates take the compounding concept into account, whereas stated interest rates are the coupon rate on the debt.

Debt Reduction

Since January 1, 2019

US\$ Millions



The Bridge Loan was paid in full in January 2020 – the Convertible Loan of US\$52.5 remains outstanding and is not pre-payable per the terms of the Deerfield facility agreement 11

Debt payments as of June 30, 2020

USD\$000s – Payments YTD 2020	Bridge Loan	Amortization Loan	Convertible Loan
Debt – Cash Principal payments made	3,452	7,723	-
Debt – Cash Interest payments made	14	993	928

CDN\$000s – Payments YTD 2020	Bridge Loan	Amortization Loan	Convertible Loan
Debt – Cash Principal payments made	4,528	10,543	-
Debt – Cash Interest payments made	18	1,353	1,268

Since January 1, 2020, a total of US\$11,175 (approximately CDN\$15,071) of indebtedness has been repaid to Deerfield. Since January 1, 2019, 21% of the total Amortization Loan and Bridge Loan has been repaid, with payments of US\$13,723 (approximately \$18,429).

Cash and Capital Structure

- Summary of fully diluted capitalization table:

Outstanding Securities (000s) As at August 6, 2020	Units Outstanding	Weighted Average Exercise Price
Common Shares Issued and Outstanding	11,388	\$0.79 closing share price August 6, 2020
Stock Options Outstanding	1,613	\$3.36
Convertible Loan	19,444	US\$2.70 per share
Warrants	25,556	\$3.53
Total	58,001	

- Capital market summary:

Capital Market Summary As at August 6, 2020	
Stock Symbol	TSX:NRI OTCOX:NRIF
Market Cap (August 6, 2020)	\$8.99 million \$0.79 per share
52 Week Share Price Low-High	\$0.28 - \$1.20
Cash (As at June 30, 2020)	\$17.2 million

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Growth Strategy



The Company intends to further expand its Canadian and international businesses by:



In-licensing or acquiring accretive, growth-oriented products

Launching new products in Canada and through partners in global markets

Managing relationships with regulators for registering new products worldwide

Developing innovative processes to enhance manufacturing operations

Creating intellectual property portfolios that provide defense against generic threats

Commercial Business

Significant Growth Potential



Approved by Health Canada on February 27, 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
- 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
- The Company anticipates launching into the Canadian ~\$130 million acute migraine Rx treatment market in September 2020

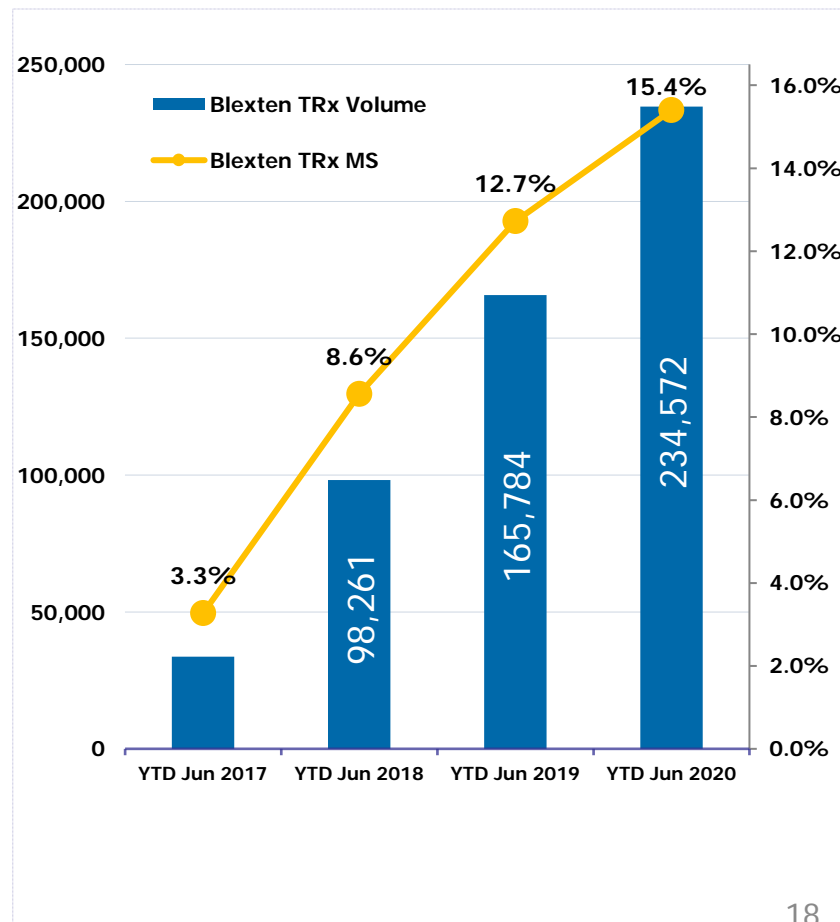
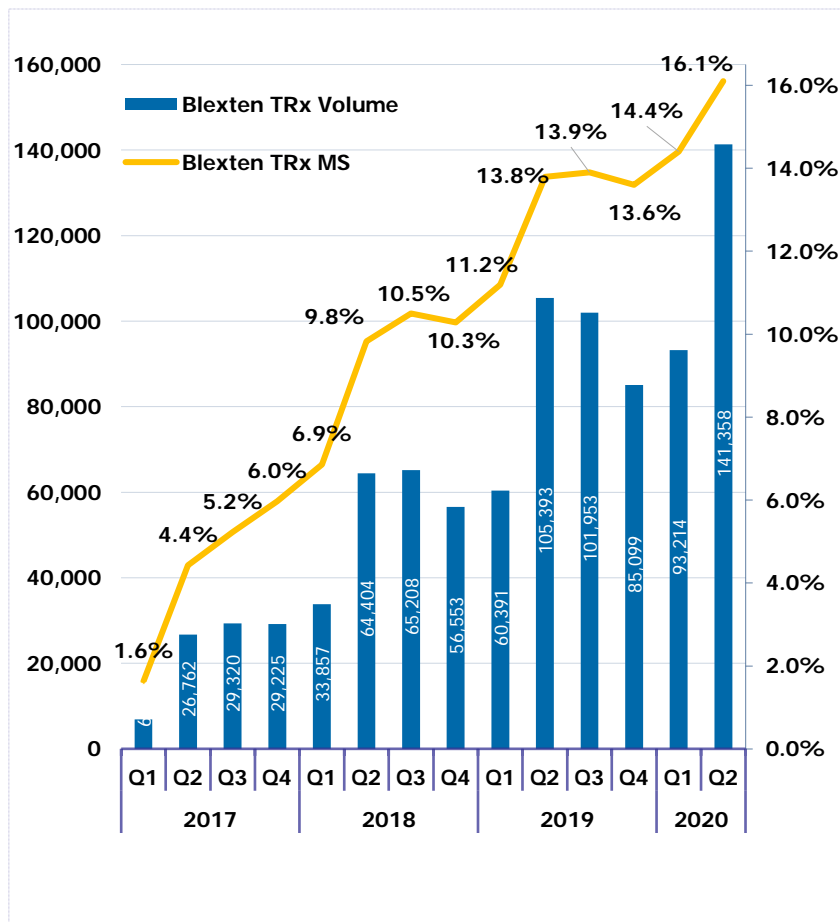
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Blexten Pediatric

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

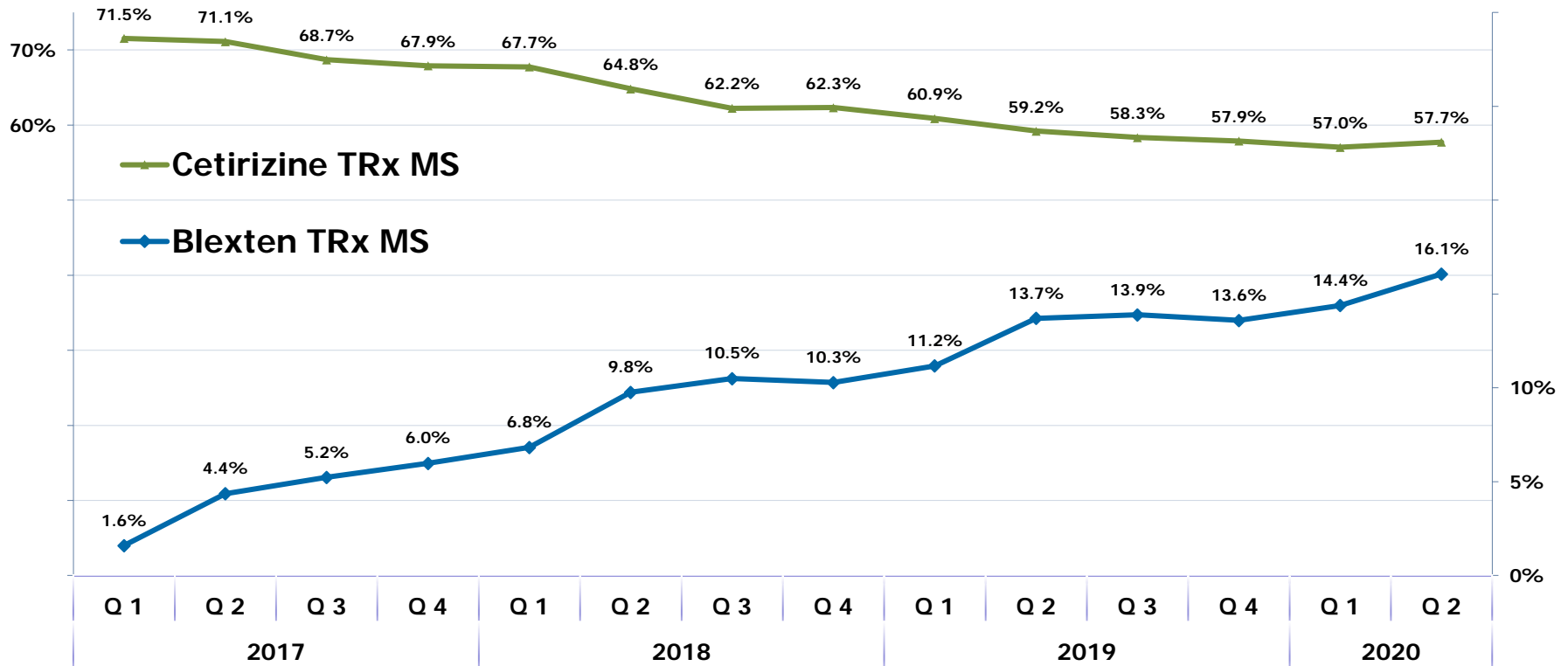
- NeoVisc is a viscosupplement used to replenish the synovial fluid in the joints of patients with osteoarthritis
 - a new low volume (1 x 4ml vs. 1 x 6ml), single injection presentation called NeoVisc One™
 - a new triple injection presentation called NeoVisc+™ (3 x 2ml)
- Aralez Canada has been selling NeoVisc in Canada for over 10 years
- Aralez Canada anticipates receiving Health Canada approval during H2 2020 with the launch of 2 new SKUs of NeoVisc in Canada shortly thereafter

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

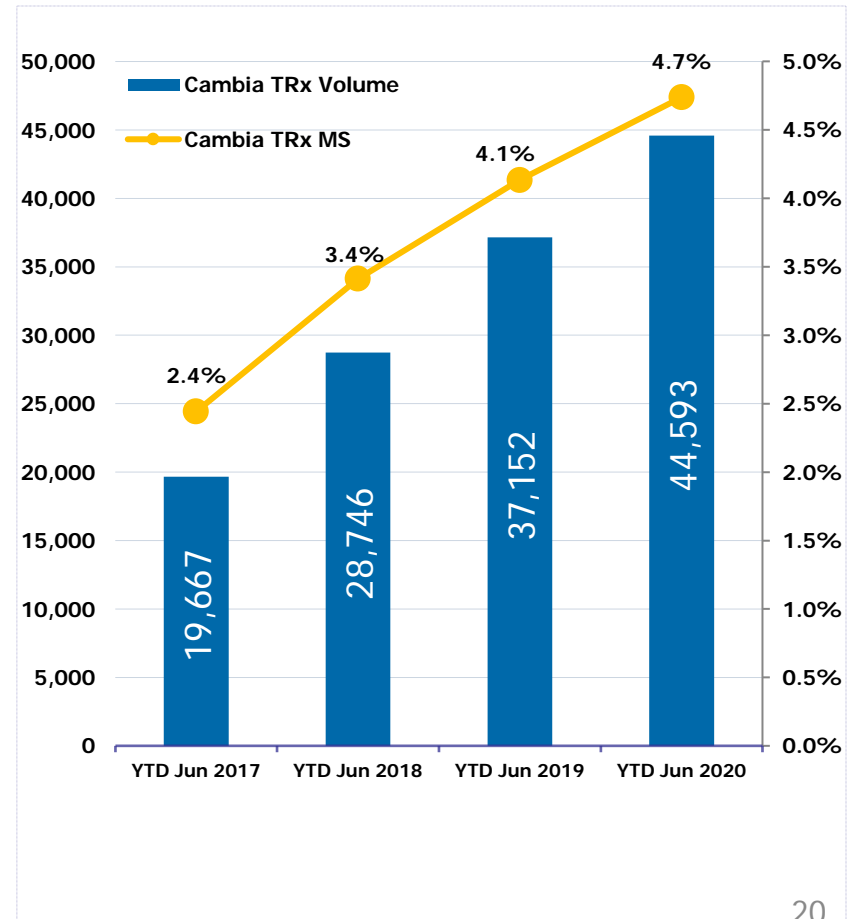
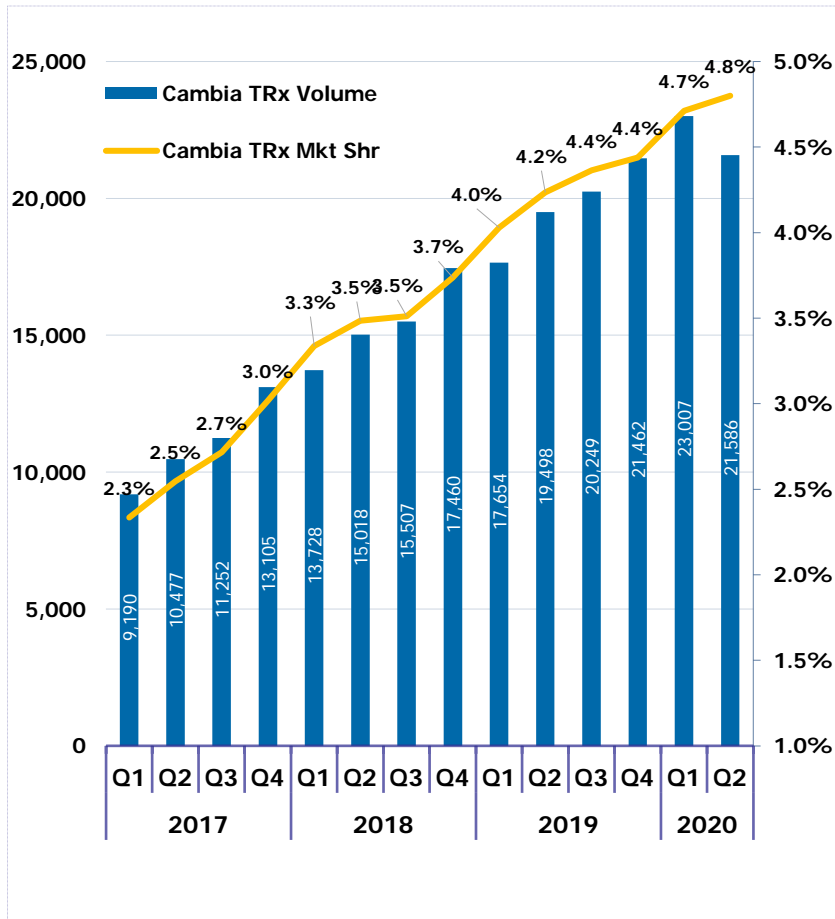


Blexten Continues to Take Market Share from Cetirizine

Since Blexten's launch Cetirizine has lost 13.8% TRx Market Share



Cambia Demonstrating Consistent Quarter-over-Quarter TRx Market Share Growth



Licensing & Royalty Business Expansion into New Territories in 2020

PENNSAID[®]
(diclofenac sodium topical solution) 2% w/v

Resultz

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 in Q4 2020
- Sayre Therapeutics, the Pennsaid 2% licensee in India, Sri Lanka, Bangladesh and Nepal commercial launch under review as a result of changing competitive landscape

Resultz

- Heumann, the Resultz licensee in Germany, anticipates commercial launch in H2 2020

Production & Service Business Expansion into New Territories in 2020

PENNSAID[®]
(diclofenac sodium topical solution) 2% w/v

Resultz[®]

Pennsaid 2%

Switzerland

- Gebro anticipates commercial launch of Pennsaid 2% in Switzerland in Q4 2020
- Nuvo will earn product revenue from licensees pursuant to exclusive supply agreements

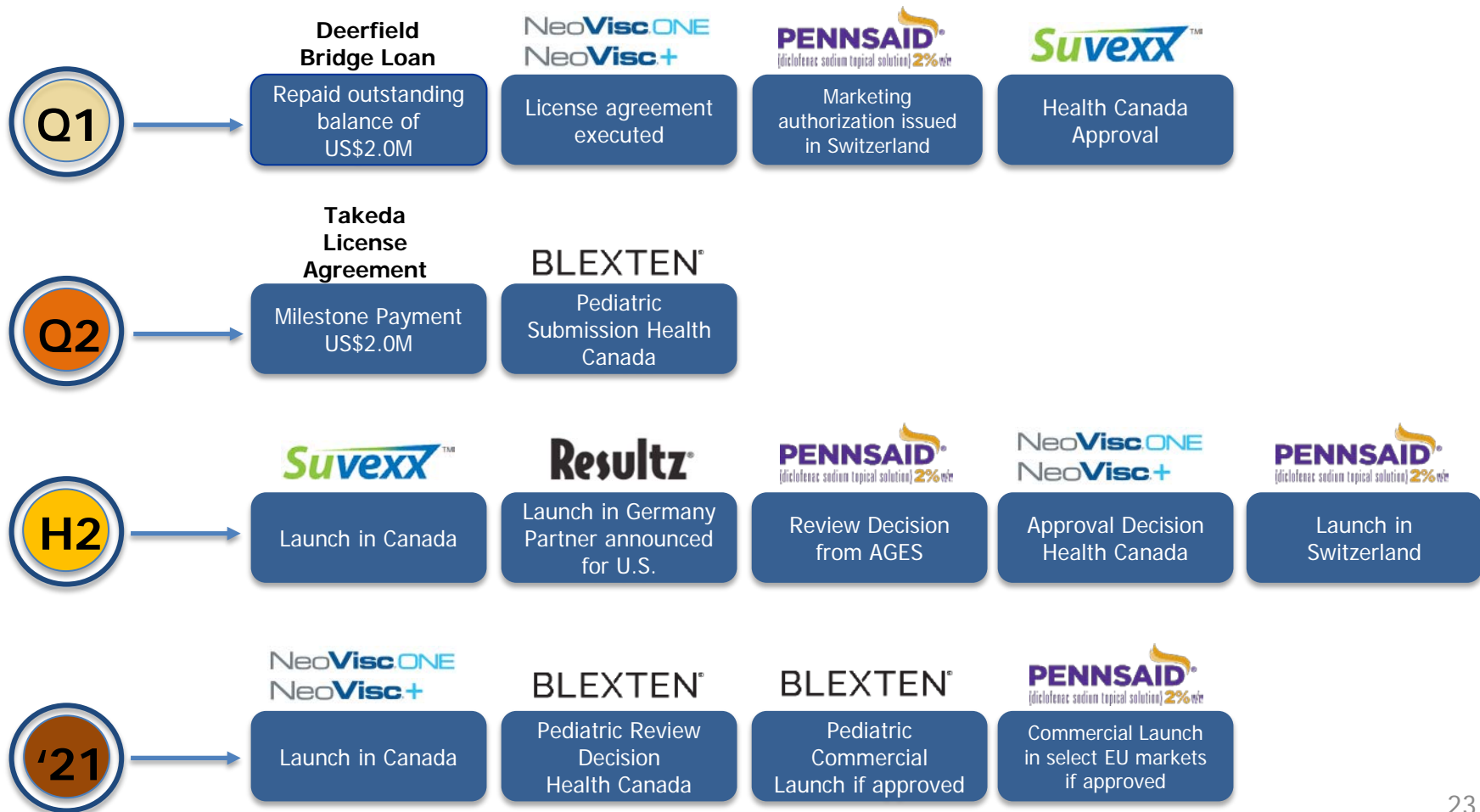
Resultz

Germany

- Heumann has now received delivery of commercial quantities of Resultz for the German market
- Commercial launch anticipated in H2 2020
- Nuvo will earn product revenue from licensees pursuant to exclusive supply agreements

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Milestones 2020 & Beyond



Nuvo Investment Highlights

- Diversified specialty pharmaceutical business with more than 20 revenue generating products
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Appendix



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 June 30		Six months ended June 30	
	2020	2019	2020	2019
in thousands	\$	\$	\$	\$
Total revenue	15,530	16,580	39,891	31,130
Add:				
Amounts billed to customers for existing contract assets	2,516	2,498	2,564	5,060
Deduct:				
Revenue recognized upon recognition of a contract asset	-	-	(5,496)	-
Adjusted total revenue	18,046	19,078	36,959	36,190

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		Six Months ended	
	June 30	2019	June 30	2019
	2020	2019	2020	2019
in thousands	\$	\$	\$	\$
Net income (loss)	(1,967)	6,796	(3,696)	(608)
Add back:				
Income tax expense (recovery)	212	96	1,594	150
Net interest expense (income)	3,015	2,067	6,115	3,997
Depreciation and amortization	2,366	2,451	4,715	4,885
EBITDA	3,626	11,410	8,728	8,424
Add back:				
Amounts billed to customers for existing contract assets	2,516	2,498	2,564	5,060
Stock-based compensation	53	105	158	231
Deduct:				
Revenue recognized upon recognition of a contract asset	-	-	(5,496)	-
<i>Other Expenses (Income):</i>				
Change in fair value of derivative liabilities	3,484	(32,794)	5,901	(27,581)
Change in fair value of contingent and variable consideration	(254)	(507)	1,875	(435)
Contract asset impairment	-	23,621	-	23,621
Foreign currency loss (gain)	(2,110)	(740)	2,587	(1,718)
Inventory step-up	339	1,309	701	2,524
Other losses (gains)	(8)	761	(1,382)	761
Adjusted EBITDA	7,646	5,663	15,636	10,887

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