



Q3 2020 Conference Call Presentation

November 16, 2020



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

Legal Disclaimer

Non-Reliance

This presentation does not purport to be comprehensive or to contain all the information that a recipient may need in order to evaluate an investment in the securities of Nuvo Pharmaceuticals Inc. ("Nuvo" or the "Company"). No representation or warranty, express or implied, is given, and so far as is permitted by law, no responsibility or liability is accepted by any person with respect to the accuracy or completeness of this presentation or its contents. In particular, but without limitation, no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, targets, estimates or forecasts contained in this presentation. In giving this presentation, the Company does not undertake any obligation to provide any additional information or to update this presentation or any additional information or to correct any inaccuracies which may become apparent. This presentation has been prepared without reference to your particular investment objectives, financial situation, taxation position and particular needs. If you are in any doubt in relation to these matters, you should consult your financial or other advisers.

Cautionary Statements Regarding Forward-Looking Information

This presentation contains "forward-looking information" as defined under Canadian securities laws (collectively, "forward-looking statements"). The words "plans", "expects", "does not expect", "goals", "seek", "strategy", "future", "estimates", "intends", "anticipates", "does not anticipate", "projected", "believes" or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "should", "might", "likely", "occur", "be achieved" or "continue" and similar expressions identify forward-looking statements. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking statements, including with respect to the Company's growth strategy, anticipated product launches and expected regulatory approvals. Forward-looking statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Such forward-looking statements are qualified in their entirety by the inherent risks, uncertainties and changes in circumstances surrounding future expectations which are difficult to predict and many of which are beyond the control of the Company. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management of the Company as of the date of this presentation, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Material factors and assumptions used to develop the forward-looking statements, and material risk factors that could cause actual results to differ materially from the forward-looking statements, include but are not limited to, the validity of the '907 and '285 Patents claims, the outcome of ongoing patent litigation, the impact of COVID-19 on the Company's business, operations and financial condition, and other factors, many of which are beyond the control of Nuvo. Additional factors that could cause Nuvo's actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the risk factors included in Nuvo's most recent Annual Information Form dated February 24, 2020 under the heading "Risks Factors", and as described from time to time in the reports and disclosure documents filed by Nuvo with Canadian securities regulatory agencies and commissions. These and other factors should be considered carefully and readers should not place undue reliance on Nuvo's forward-looking statements. When relying on forward-looking statements to make decisions, the Company cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved.

All forward-looking statements are based only on information currently available to the Company and are made as of the date of this presentation. Except as expressly required by applicable Canadian securities law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements in this presentation are qualified by these cautionary statements.

Legal Disclaimer Continued

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 24 and 25 for the Company's reconciliation of the Company's financial results to its Non-IFRS Measures.

Nuvo Investment Highlights

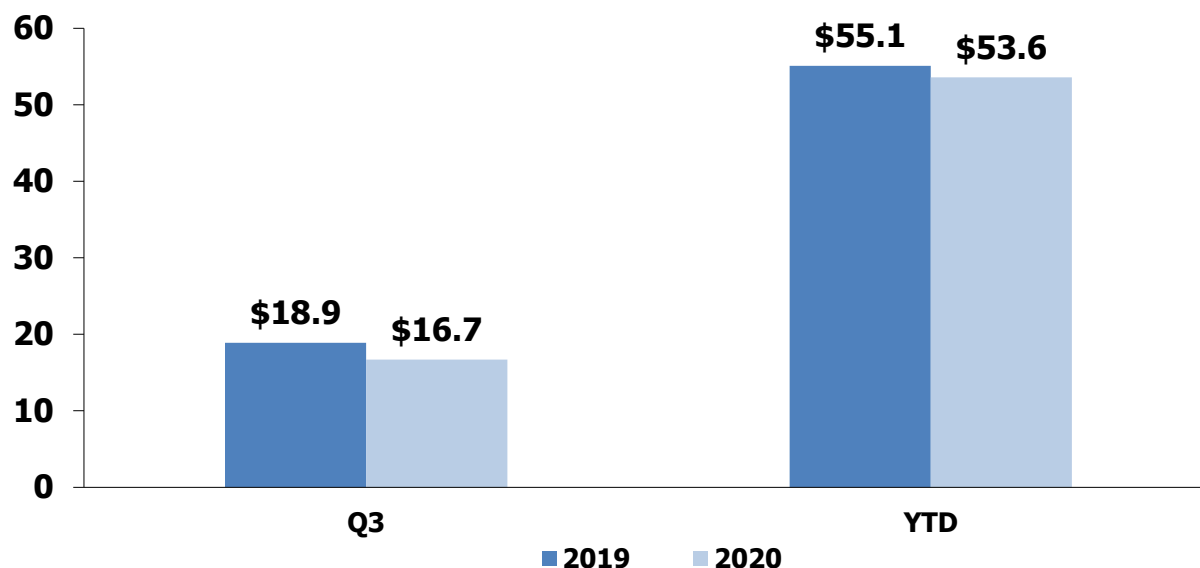
- Nuvo is a diversified specialty pharmaceutical business with more than 20 revenue generating products
- Growth driven by:
 - Continued expansion of existing product sales
 - Near-term new product launches
 - New Business Development activity to build a sustainable pipeline
- Key revenue generating product portfolio protected by IP and long-term partnerships
- YTD 2020 - Adjusted Total Revenue of \$54 million and Adjusted EBITDA of \$22 million
- Cash Provided by Operating Activities – YTD 2020 \$17 million
- Attractive 3.5% coupon rate on debt financing with a clear path to debt repayment



Adjusted Total Revenue

Q3 2020 Adjusted Total Revenue
Decreased 12% Over Prior Year Quarter
(YTD Q3 2020 Decreased 3% Over Prior YTD)

CDN\$ Millions



2020 vs 2019

Commercial Business

Q3 - \$0.1 million decrease
YTD - \$3.2 million increase
COVID impacting timing of revenue

Production and Service Business

Q3 - \$0.4 million decrease
YTD - \$4.1 million decrease
Reduced production from continued de-prioritization of Pennsaid 2% by Horizon

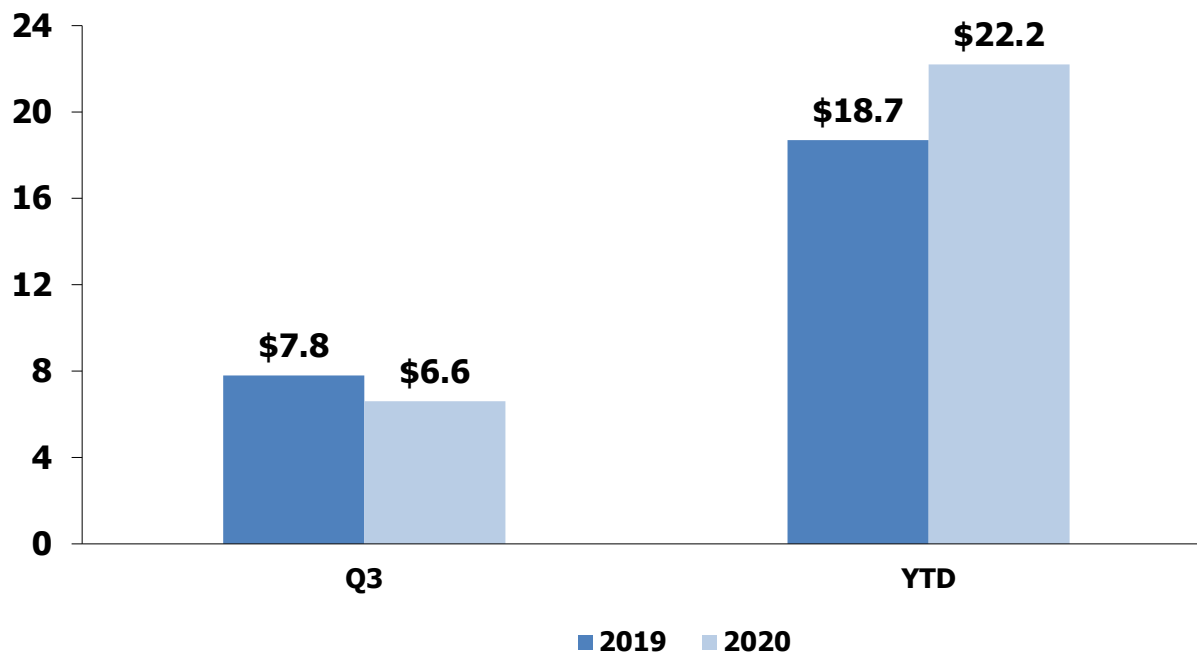
Licensing and Royalty Business

Q2 - \$1.6 million decrease
YTD - \$0.6 million decrease
Reduction of U.S. Vimovo royalty stream offset by Takeda Japan milestone payment in Q2

Adjusted Total Revenue is a non-IFRS measure – see slide 24 for definition of Adjusted Total Revenue.

Adjusted EBITDA

CDN\$ Millions



Q3 2020

Decrease in the current quarter, primarily due to the decrease in adjusted total revenue, partially offset by an increase in gross margin percentage on product sales and a decrease in general and administrative expenses

YTD 2020

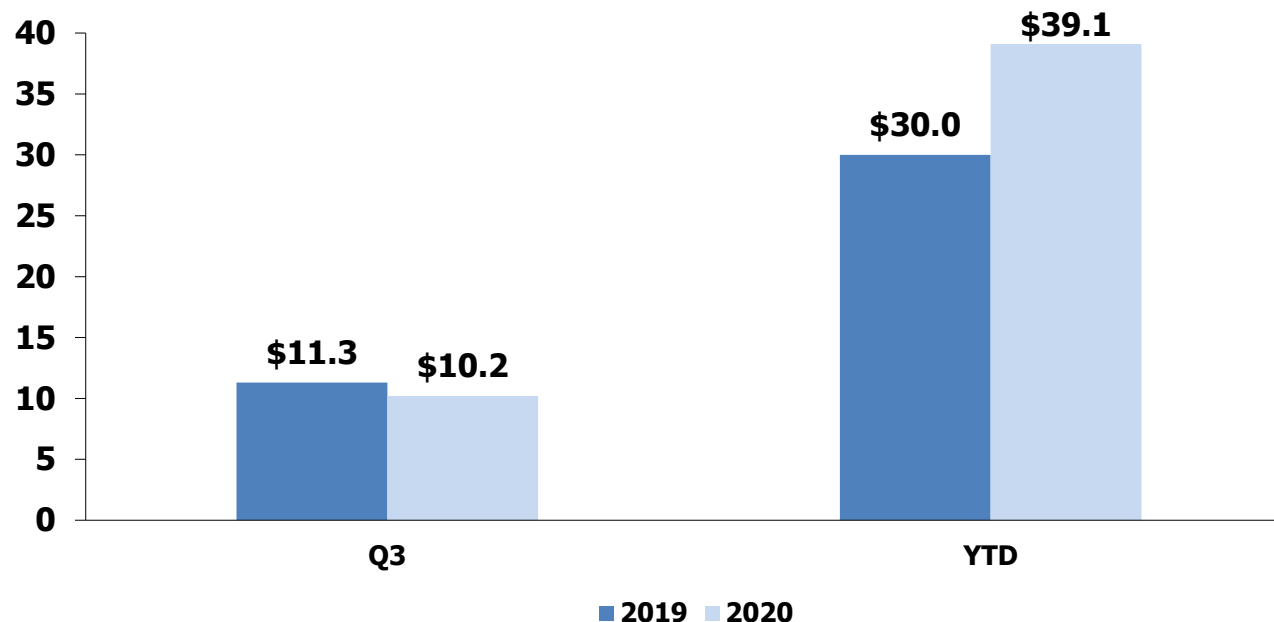
Improvement in the current year is primarily due to a decrease in general and administrative and sales and marketing expenses, partially offset by a decrease in adjusted total revenue

Adjusted EBITDA is a non-IFRS measure – see slide 25 for definition of Adjusted EBITDA.

Gross Profit

Q3 Three Month Gross Profit Decreased 10%
Over Prior Year Quarter
(YTD Q3 2020 Increased 30% Over Prior YTD)

CDN\$ Millions



Excludes amounts billed to customers for existing contract assets.

2020 vs 2019

Decrease in Q3 primarily attributable to a decrease in license revenue, partially offset by an increase in gross margin on product sales

2020 vs 2019

Improvement in the year, primarily attributable to an increase in license revenue, as well as an increase in gross margin on product sales

Cash and Capital Structure

- **The Company had \$21.1 million of cash and US\$102 million of debt (principal) outstanding as at September 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 (November 6, 2020):

US\$Millions	Amortization Loan (issued by Nuvo Ireland)	Convertible Loan (issued by Nuvo Pharma)
Principal Outstanding	US\$49.5	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 M per year or per Amendment); warrants	6 year bullet or conversion

Total Debt as of November 6, 2020

US\$000s	Amortization Loan	Convertible Loan
Debt - cash principal value per Deerfield facility	49,482	52,500
IFRS present value adjustment (interest and principal)*	(6,366)	(12,036)
Debt - IFRS value as per financial statements	43,116	40,464

CDN\$000s	Amortization Loan	Convertible Loan
Debt - cash principal value per Deerfield facility	66,003	70,030
IFRS present value adjustment (interest and principal)*	(8,509)	(16,065)
Debt - IFRS value as per financial statements	57,495	53,965

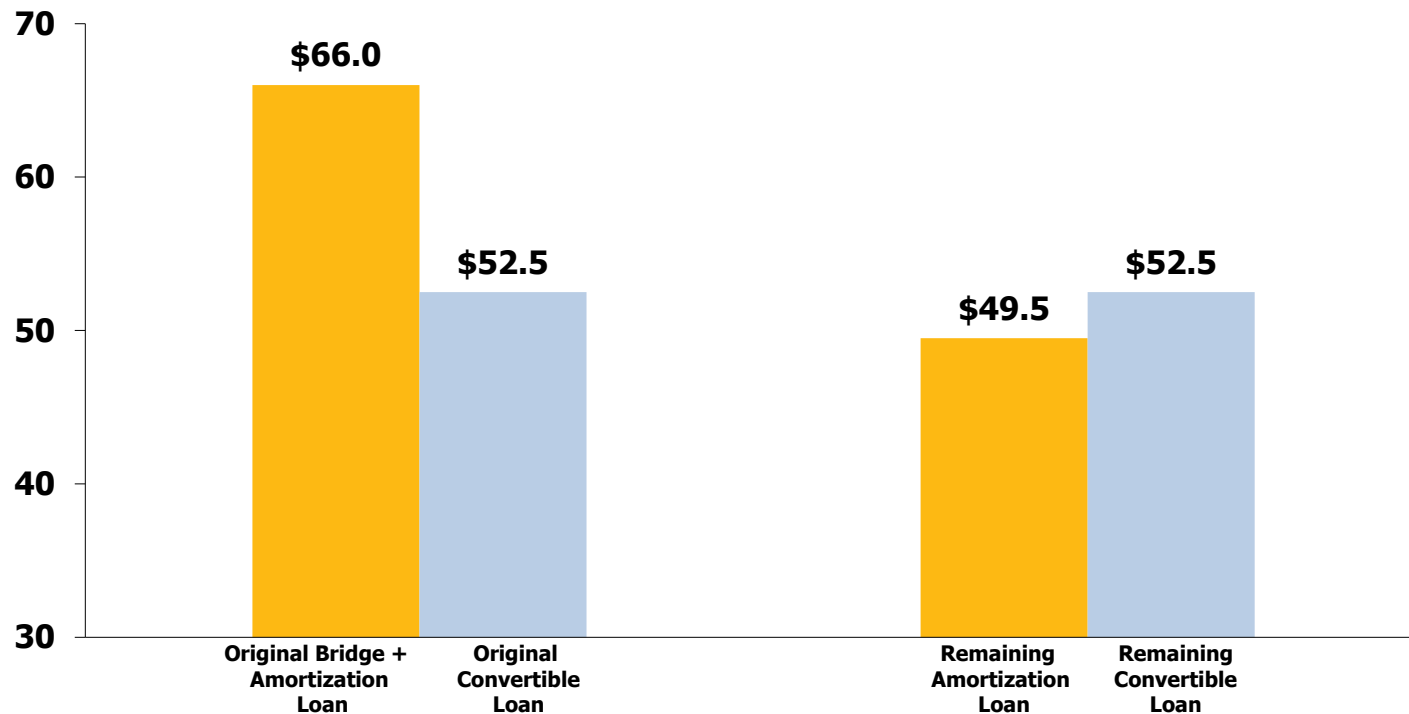
* Note the IFRS adjustments are required for accounting purposes for amortized cost liabilities to reflect the accounting value of the estimated future contractual cash flows, including interest, which are discounted at the debt's original effective interest rate.

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 10

Debt payments as of November 6, 2020

USD\$000s – Payments YTD 2020	Bridge Loan	Amortization Loan	Convertible Loan
Debt – Cash Principal payments made	3,452	10,518	-
Debt – Cash Interest payments made	14	1,448	1,399

CDN\$000s – Payments YTD 2020	Bridge Loan	Amortization Loan	Convertible Loan
Debt – Cash Principal payments made	4,528	14,237	-
Debt – Cash Interest payments made	18	1,960	1,894

Since January 1, 2020, a total of US\$14,019 (approximately CDN\$18,828) of indebtedness has been repaid to Deerfield. Since January 1, 2019, 28% of the total Amortization Loan and Bridge Loan has been repaid, with payments of US\$16,518 (approximately \$22,132).

Cash and Capital Structure

- Summary of fully diluted capitalization table:

Outstanding Securities (000s) As at November 6, 2020	Units Outstanding	Weighted Average Exercise Price
Common Shares Issued and Outstanding	11,388	\$0.86 closing share price November 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 November 6, 2020	
Stock Symbol	TSX:NRI OTCQX:NRIF
Market Cap (November 6, 2020)	\$9.8 million \$0.86 per share
52 Week Share Price Low-High	\$0.39 - \$1.20
Cash (As at September 30, 2020)	\$21.1 million

12

Growth Strategy



Nuvo's growth strategy is focused
Canadian and International
business expansion



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 competitive
threats

Focused on neurology/pain, allergy,
dermatology and primary care

Our global product portfolio
is commercialized by third
party distribution partners

Commercial Business

Significant Growth Potential



Launched in Canada on September 1, 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 Canadian Rx acute migraine treatment market is valued at ~\$130 million annually

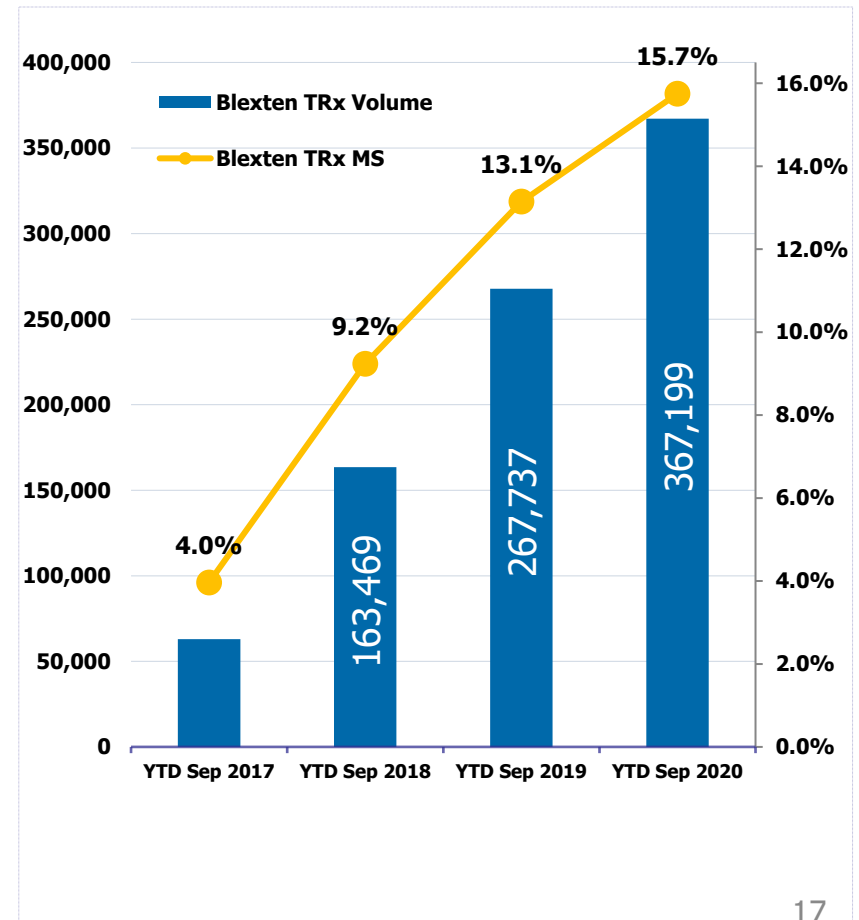
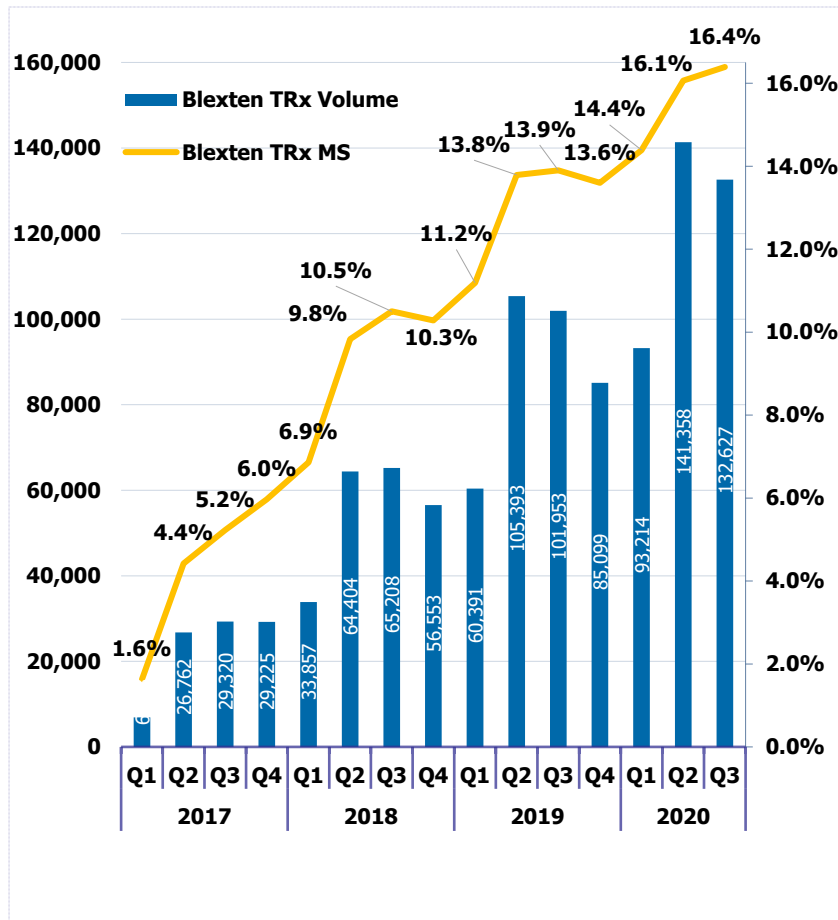


Blexten Pediatric

- 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
- The Blexten pediatric dossier was accepted for review by Health Canada in August 2020
- Regulatory decision anticipated by mid-2021

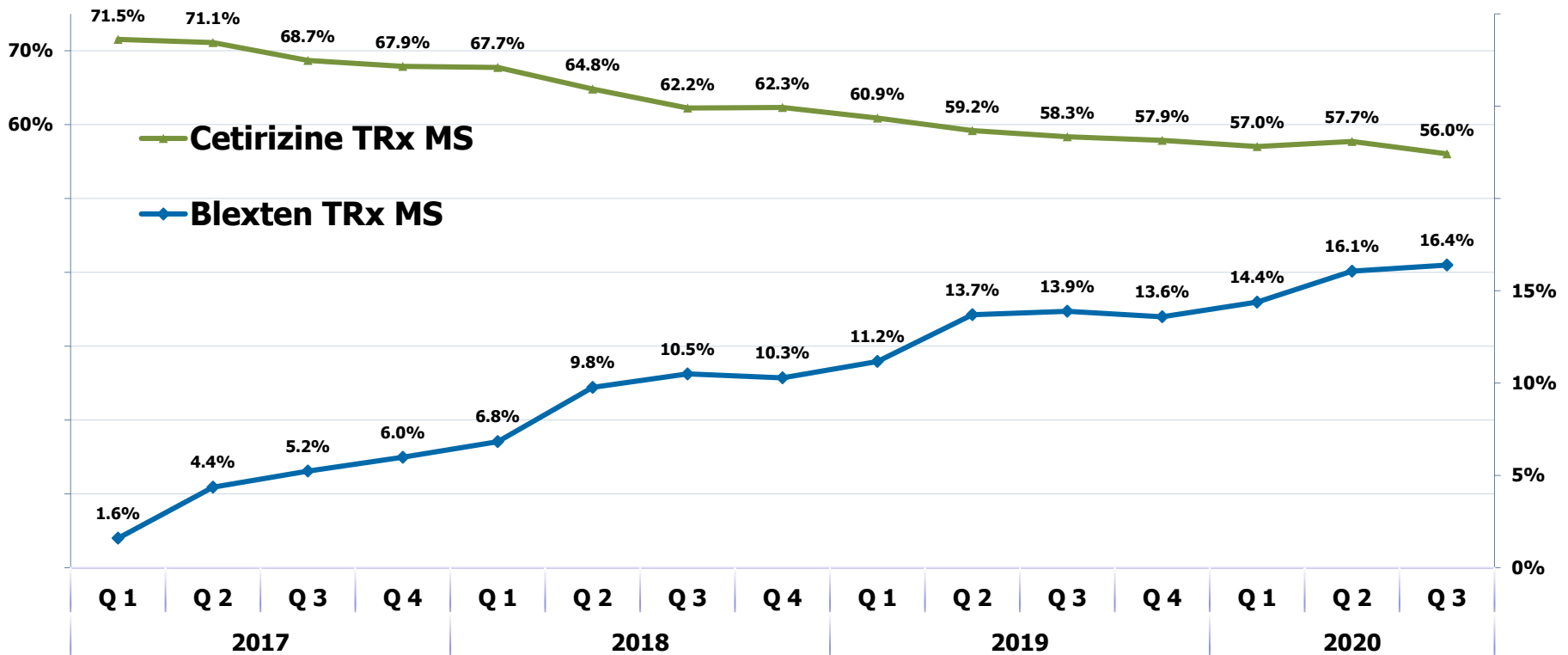
- NeoVisc is a viscosupplement used to replenish the synovial fluid in the joints of patients with osteoarthritis
 - a new low volume (1 x 4ml vs. 1 x 6ml), single injection presentation called NeoVisc One[®]
 - a new triple injection presentation called NeoVisc+[®] (3 x 2ml)
- Aralez Canada has been selling NeoVisc in Canada for over 10 years
- Health Canada approval received in late September - commercial launch of 2 new SKUs of NeoVisc in Canada anticipated for late 2020/early 2021

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

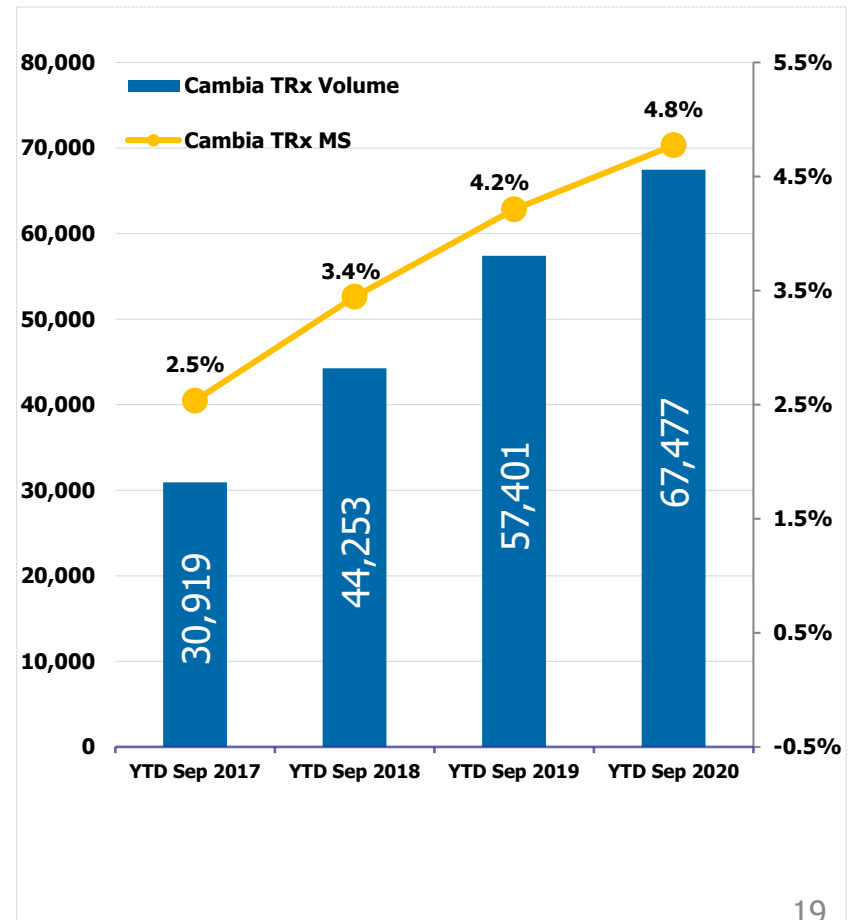
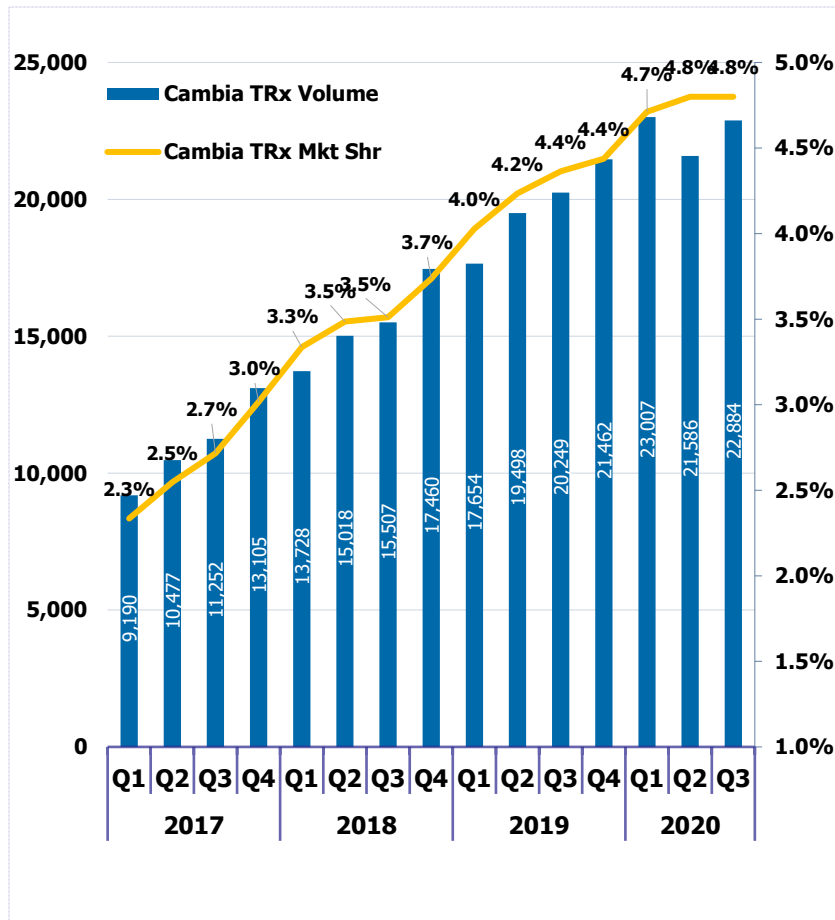


Blexten Continues to Take Market Share from Cetirizine

Since Blexten's launch Cetirizine has lost 15.5% TRx Market Share



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



International 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, received marketing authorization for Pennsaid 2% from Swissmedic
 - Pre-launch activities underway – commercial launch Jan 2021
 - Nuvo will earn royalties on net sales of Pennsaid 2% in Switzerland
 - Nuvo will earn revenue on finished product supply to Gebro

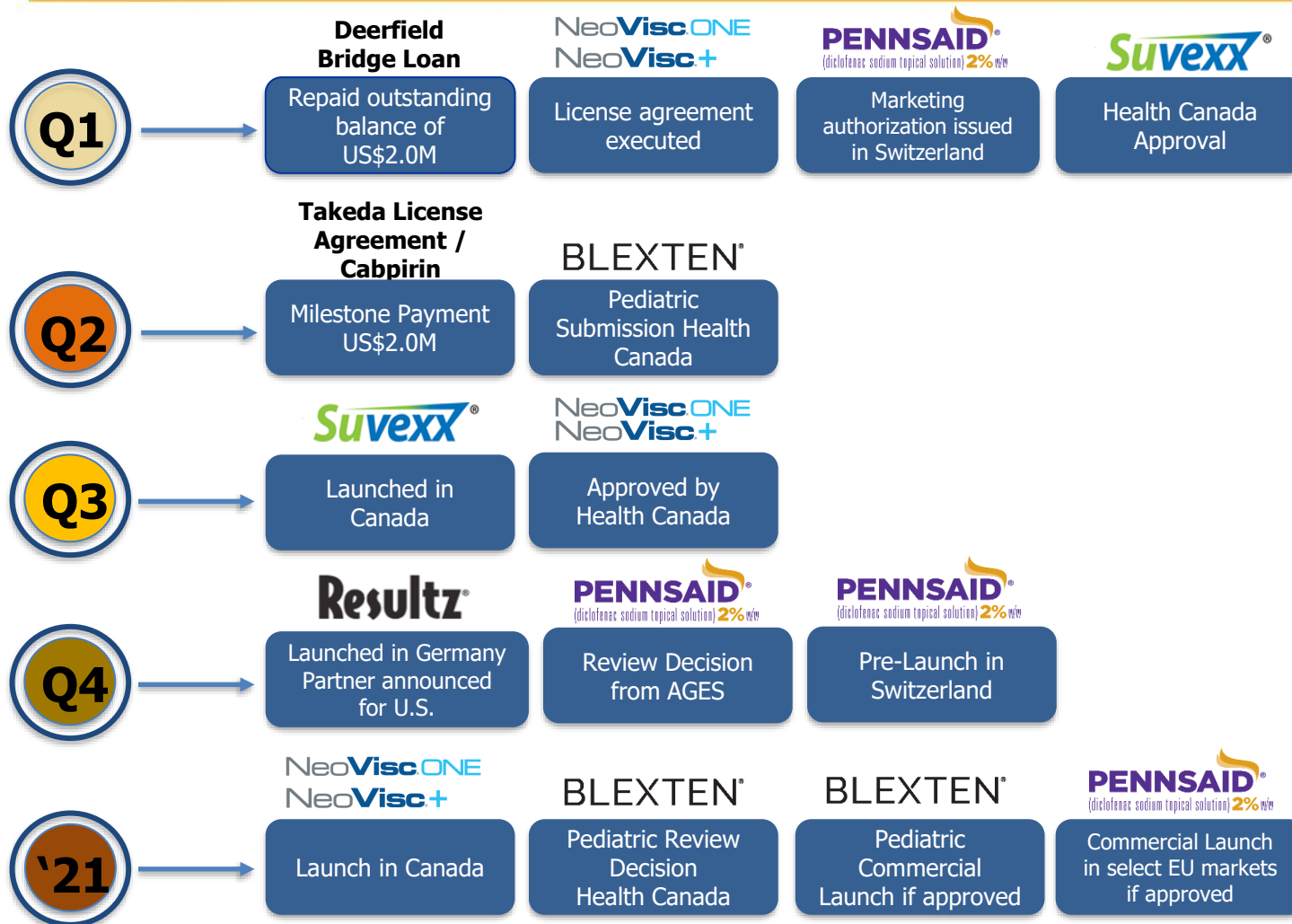


Resultz

- Resultz was launched by Heumann, the licensee in Germany in October 2020
 - Nuvo will earn royalties on net sales of Resultz in Germany
 - Nuvo will earn revenue on finished product supply to Heumann

20

Milestones 2020 & Beyond



Nuvo Investment Highlights

- Nuvo is a diversified specialty pharmaceutical business with more than 20 revenue generating products
- Growth driven by:
 - Continued expansion of existing product sales
 - Near-term new product launches
 - New Business Development activity to build a sustainable pipeline
- Key revenue generating product portfolio protected by IP and long-term partnerships
- YTD 2020 - Adjusted Total Revenue of \$54 million and Adjusted EBITDA of \$22 million
- Cash Provided by Operating Activities – YTD 2020 \$17 million
- Attractive 3.5% coupon rate on debt financing with a clear path to debt repayment



22

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 September 30		Nine months ended September 30	
	2020	2019	2020	2019
in thousands	\$	\$	\$	\$
Total revenue	16,601	18,823	56,492	49,953
Add:				
Amounts billed to customers for existing contract assets	68	66	2,632	5,127
Deduct:				
Revenue recognized upon recognition of a contract asset	-	-	(5,496)	-
Adjusted total revenue	16,669	18,889	53,628	55,080

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		Nine months ended	
	September 30	2019	September 30	2019
	2020	2019	2020	2019
in thousands	\$	\$	\$	\$
Net income (loss)	(2,832)	4,425	(6,528)	3,817
Add back:				
Income tax expense (recovery)	(7)	(151)	1,587	(1)
Net interest expense	2,904	3,166	9,019	7,163
Depreciation and amortization	2,250	2,349	6,965	7,234
EBITDA	2,315	9,789	11,043	18,213
Add back:				
Amounts billed to customers for existing contract assets	68	66	2,632	5,127
Stock-based compensation	50	112	208	343
Deduct:				
Revenue recognized upon recognition of a contract asset	-	-	(5,496)	-
Other Expenses (Income):				
Change in fair value of derivative liabilities	5,240	(3,890)	11,141	(31,471)
Change in fair value of contingent and variable consideration	(289)	(205)	1,586	(640)
Contract asset impairment	-	-	-	23,621
Foreign currency loss (gain)	(1,146)	201	1,441	(1,517)
Inventory step-up	358	1,580	1,059	4,104
Other losses (gains)	(31)	131	(1,413)	892
Adjusted EBITDA	6,565	7,784	22,201	18,672