



**Nuvo Pharmaceuticals Inc.™ Acquires Global ex-U.S. Product Rights
and existing Royalty Streams to Resultz®
from Piedmont Pharmaceuticals LLC**

*- US\$7.0 million purchase price funded from existing cash -
- Immediately accretive acquisition -*

Mississauga, Ontario, Canada – January 2, 2018 – Nuvo Pharmaceuticals Inc. (Nuvo or the Company) (TSX: NRI; OTCQX: NRIFF), a commercial healthcare company with a portfolio of commercial products and pharmaceutical manufacturing capabilities, today announced it has acquired the global, ex-U.S. (the Territory) rights to Resultz® (50% isopropyl myristate, 50% cyclomethicone D5 topical solution lice and egg removal kit) from Piedmont Pharmaceuticals LLC (Piedmont). The transaction includes existing royalty streams in the Royalty Markets (as defined below) and all product and intellectual property (IP) rights in the Territory.

Resultz is a commercial-stage, best-in-class, clinically proven, safe, non-pesticide, over-the-counter (OTC) treatment for head lice. This market-leading product is currently sold in several European markets, including France, Spain, Portugal, Belgium, Ireland and the United Kingdom, as well as Canada, Russia, Australia and Israel (collectively the Royalty Markets), through a network of existing license agreements and partners that will be assumed by Nuvo. Aggregate net sales of Resultz in the Royalty Markets, for the twelve months ending September 2017, were approximately US\$16.0 million generating royalty payments of approximately US\$1.5 million. Resultz is currently approved for sale under its European Conformity (CE) mark as a class 1 medical device, but not yet partnered or launched in all remaining E.U. territories, including the key markets of Germany, Italy, the Netherlands, Scandinavia and Greece. The current head lice market in the remaining E.U. territories was valued at approximately US\$150 million in 2016. Resultz has not been partnered or approved in most rest of world markets, including the Middle East and Africa, Latin America and Asia Pacific (outside of Japan and Australia). However, the European CE mark is recognized in many of these markets and may facilitate class 1 medical device registration procedures via local partners. With a global head lice prevalence of approximately 6%, the market opportunity for Resultz in all non-Royalty Markets is attractive and growing. This transaction is immediately accretive and provides Nuvo with an additional global product that, alongside existing manufacturing partners, can be produced at Nuvo's Varennes, Québec manufacturing site.

"This is an exciting day for Nuvo," said Jesse Ledger, Nuvo's President & CEO. "The addition of the Resultz brand to our global product portfolio is an example of the disciplined transactions we are pursuing to make Nuvo a more diversified and profitable company. Resultz checks all of the boxes for an ideal new Nuvo product: it is approved, has commercialized-generating royalty revenue, broad global IP protection, provides significant opportunity for global geographic expansion and revenue growth and can be manufactured in our Varennes, Québec facility."

Purchase Agreement Details

Under the terms of the agreement, Nuvo has paid US\$7.0 million on close to Piedmont. The transaction also includes a single-digit royalty payable by Nuvo on net sales generated from non-Royalty Markets through 2023 and potential added future consideration in the form of payments for achieving certain aggregate annual net sales-based milestones.

Stifel, Nicolaus & Company, Incorporated acted as exclusive financial advisor to Piedmont Pharmaceuticals LLC in this transaction.

About Resultz

Resultz is a pesticide-free pediculicide rinse which was originally developed by Piedmont that addresses the challenge of increasing pesticide resistance in lice and concerns about patient safety through exposure to pesticides. In as little as a 5-minute application (the shortest treatment time for head lice products), Resultz acts to disrupt the wax covering of the head louse resulting in their dehydration and death. Resultz lice and egg removal kit facilitates removal of lice, nymphs and nits with efficacy of up to 100%. If necessary, a second application approximately 7-10 days later will eliminate any remaining lice. The Resultz lice and egg removal kit and its unique physical mechanism of action allows Resultz to work

even with pesticide resistant super lice. Resultz is indicated for treating both children and adults. It has an excellent safety profile and contains active ingredients commonly found in many cosmetic products. Resultz was first launched as a medical device in the United Kingdom and Ireland in 2005 and more than ten million patients have been treated globally to-date. Current global licensees include Reckitt Benckiser Group PLC, Aralez Pharmaceuticals Inc. and Lapidot Medical. Resultz is also pending registration in Japan, where the local license is held by Sato Pharmaceutical Co. Ltd. Resultz is protected by a robust portfolio of 40 issued patents globally.

About Piedmont Pharmaceuticals LLC

Piedmont Pharmaceuticals is committed to continuing to grow the Resultz Brand globally. It is closely affiliated with Piedmont Animal Health LLC which at one time was a wholly owned subsidiary. Piedmont Animal Health is a Greensboro, N.C.-based companion animal pharmaceutical development and marketing company focused on inventing and developing innovative technologies to address veterinary healthcare needs. Piedmont's founders have developed, launched, and/or marketed over 20 FDA Rx companion animal products for dogs, cats, and horses, including four innovative products developed and launched in the U.S. by Piedmont Animal Health in the last four years. The company is currently developing a broad range of convenient and long-acting medications, including ones focusing on the therapeutic areas of pain management and anti-infectives.

About Nuvo Pharmaceuticals Inc.

Nuvo (TSX: NRI; OTCQX: NRIFF) is a commercial healthcare company with a portfolio of commercial products and pharmaceutical manufacturing capabilities. Nuvo has three commercial products that are available in a number of countries; Pennsaid 2%, Pennsaid and the heated lidocaine/tetracaine patch. Pennsaid 2% is sold in the U.S. by Horizon Pharma plc (NASDAQ: HZNP) and is available for partnering in certain other territories around the world. Nuvo manufactures Pennsaid for the global market and Pennsaid 2% for the U.S. market at its FDA, Health Canada and E.U. approved manufacturing facility in Varennes, Québec. For additional information, please visit www.nuvopharmaceuticals.com.

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Forward-Looking Statements

This Press Release contains "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the Company's current beliefs, expectations and assumptions regarding the future of its business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the Company's control. Nuvo's actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, readers should not rely on any of these forward-looking statements. Important 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 March 1, 2017 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. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and none of Nuvo or any other person assumes responsibility for the accuracy and completeness of these forward-looking statements.

Any forward-looking statement made by the Company in this Press Release is based only on information currently available to it and speaks only as of the date on which it is made. Except as required by applicable securities laws, Nuvo undertakes no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.