



Miravo Healthcare™ Announces First Quarter 2021 Results

- Q1 2021 Adjusted Total Revenue - \$14.5 million -
- Q1 2021 Adjusted EBITDA - \$4.4 million -
- Blexten Canadian Prescriptions Increased 22% Year-Over-Year -
- Cambia Canadian Prescriptions Increased 9% Year-Over-Year -

Miravo to Hold Virtual Annual Meeting May 17th at 9:00 a.m. ET

Mississauga, Ontario, Canada – May 17, 2021 – Nuvo Pharmaceuticals Inc. (TSX:MRV; OTCQX:MRVFF) d/b/a Miravo Healthcare (Miravo or the Company), a Canadian-focused healthcare company with global reach and a diversified portfolio of commercial products, today announced its financial and operational results for the three months ended March 31, 2021. For further details on the results, please refer to Miravo’s Management, Discussion and Analysis (MD&A) and Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2021, which are available on the Company’s website (www.miravohealthcare.com). All figures are in Canadian dollars, unless otherwise noted.

Key Developments

Three months ended March 31, 2021 include the following:

- Adjusted total revenue⁽¹⁾ was \$14.5 million, a decrease of 23% compared to \$18.9 million for the three months ended March 31, 2020.
- Adjusted EBITDA⁽¹⁾ was \$4.4 million, a decrease of 45% compared to \$8.0 million for the three months ended March 31, 2020.
- Revenue related to Blexten® and Cambia® was \$5.6 million, a decrease of 7% compared to revenue of \$6.0 million for the three months ended March 31, 2020. Total Canadian prescriptions of Blexten and Cambia increased by 22% and 9% compared to the three months ended March 31, 2020.
- The Company repaid \$3.6 million (US\$2.9 million) of the Amortization Loan to Deerfield Management Company, L.P. (Deerfield).
- As at March 31, 2021, cash and cash equivalents were \$23.8 million.

⁽¹⁾ Non-International Financial Reporting Standards (IFRS) financial measure defined by the Company below.

Business Update

- As a result of the COVID-19 pandemic, the Company has made changes to operations to promote a healthy and safe environment for its employees, while the business continues to supply global partners, wholesalers, pharmacies, and ultimately patients, with its healthcare products. The possibility of future supply disruptions resulted in forward buying linked to the COVID-19 pandemic, which increased revenue in the three months ended March 31, 2020. It is anticipated that the COVID-19 pandemic may continue to impact the timing of revenue in future quarters and the Company will monitor market dynamics accordingly.
- In April 2021, the Company filed and obtained a receipt for a final base shelf prospectus with the securities regulatory authorities in each of the provinces of Canada (the Prospectus). The Company has filed the Prospectus to maintain financial flexibility and to have the ability to offer the securities on an accelerated basis

pursuant to the filing of prospectus supplements. The Prospectus is valid for a 25-month period, during which time the Company may offer and issue, from time-to-time, common shares, preferred shares, debt securities, warrants and subscription receipts, or any combination thereof, having an aggregate offering value of up to \$40 million.

- In February 2021, Nuvo Pharmaceuticals (Ireland) DAC trading as Miravo Healthcare (Miravo Ireland) entered into an exclusive license and supply agreement (the License Agreement) with The Mentholatum Company for the right to commercialize the Resultz[®] formula and technology in the United States under the Mentholatum[®] brand. Miravo Ireland will earn revenue from The Mentholatum Company pursuant to the License Agreement. It is anticipated that The Mentholatum Company will launch Resultz during the summer of 2021. Resultz is currently manufactured by the Company's contract manufacturing partner in Europe.
- In January 2021, the Company launched NeoVisc[®] ONE 4 mL and NeoVisc[®] + 2 mL in Canada. Both NeoVisc+ and NeoVisc ONE were issued a Medical Device License by Health Canada in September 2020 for the treatment of pain and improvement of joint functionality in patients affected by degenerative (age-related changes) or mechanical arthropathy (related to overuse) of the knee.
- In January 2021, the Company's exclusive partner for Pennsaid[®] 2% in Switzerland, Gebro Pharma AG (Gebro Pharma), launched the product into the Swiss market, generating net sales and related royalty revenue for Miravo.

"Our key promoted brands, Blexten and Cambia, continued their solid performance and demonstrated year-over-year gains in prescription growth. New prescriptions of Blexten (a measure of new patients to the product) grew by 17% compared to Q1 2020. Wholesaler and pharmacy buying patterns reverted to more traditional levels, as we did not see a repeat of the forward buying that occurred in Q1 2020 in response to the uncertainty around the COVID-19 pandemic. Our recently launched Suvexx and NeoVisc brands are performing according to plan and are already achieving meaningful market share. Feedback from healthcare providers and patients in relation to both products has been encouraging. In a recent market research study conducted for our marketing team, 95% of physicians surveyed, expect to increase the number of Suvexx prescriptions for their migraine patients," said Jesse Ledger, Miravo's President & CEO. "We remain optimistic that with the accelerated roll out of COVID-19 vaccination programs across Canada and around the world, patients will gain improved access to healthcare providers during the remainder of the year and we anticipate this will result in demand for products across all our business segments."

First Quarter 2021 Financial Results

Adjusted total revenue was \$14.5 million for the three months ended March 31, 2021 compared to \$18.9 million for the three months ended March 31, 2020. For the three months ended March 31, 2021, the decrease in the Licensing and Royalty Business segment was primarily due to a \$2.2 million decrease of the royalty earned on U.S. net sales of Vimovo due to a competitor launching a generic version of Vimovo in March 2020. During the three months ended March 31, 2021, the Company received a royalty of 10% based on U.S. net sales of Vimovo. In subsequent quarters, this royalty is anticipated to decrease to 5% of U.S. net sales of Vimovo due to a royalty step-down provision in Miravo Ireland's license agreement with Horizon Therapeutics plc that is anticipated to be triggered as a result of continued generic competitor market share gains. Adjusted total revenue attributable to the Commercial Business segment declined during the three months ended March 31, 2021, as an increase in sales related to certain promoted products was more than offset by a decline in revenue from the segment's mature products. During the comparative quarter, the possibility of future supply disruptions resulted in forward buying linked to the COVID-19 pandemic, which increased revenue in the Company's Commercial Business segment in the three months ended March 31, 2020. The Production and Service Business segment revenue decreased as a result of a decline in the Company's Resultz product sales.

Adjusted EBITDA was \$4.4 million for the three months ended March 31, 2021 compared to \$8.0 million for the three months ended March 31, 2020. The decrease in the current quarter was primarily attributable to a decrease in gross profit and an increase in sales and marketing expenses, slightly offset by a decrease in general and administrative expenses.

Non-IFRS Financial Measures

The Company discloses non-IFRS measures (such as adjusted total revenue, adjusted EBITDA, adjusted EBITDA per share and cash value of loans) that do not have standardized meanings prescribed by IFRS. The Company believes that shareholders, investment analysts and other readers find such measures helpful in understanding the Company's financial performance and in interpreting the effect of the Aralez Transaction and the Deerfield Financing on the

Company. Non-IFRS 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.

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 March 31, 2021	Three Months ended March 31, 2020
in thousands	\$	\$
Total revenue	14,422	24,361
Add:		
Amounts billed to customers for existing contract assets	127	48
Deduct:		
Revenue recognized upon recognition of a contract asset	-	(5,496)
Adjusted total revenue	14,549	18,913

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 EBITDA, plus amounts billed to customers for existing contract assets, inventory step-up expenses, 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 March 31, 2021	Three Months ended March 31, 2020
in thousands	\$	\$
Net income (loss)	(17,989)	(1,729)
Add back:		
Income tax expense	256	1,382
Net interest expense	2,586	3,100
Depreciation and amortization	2,076	2,349
EBITDA	(13,071)	5,102
Add back:		
Amounts billed to customers for existing contract assets	127	48
Stock-based compensation	105	105
Deduct:		
Revenue recognized upon recognition of a contract asset	-	(5,496)
<i>Other Expenses (Income):</i>		
Change in fair value of derivative liabilities ⁽¹⁾	18,389	2,417
Change in fair value of contingent and variable consideration (gain)	(616)	2,129
Foreign currency loss (gain)	(714)	4,697
Inventory step-up	35	362
Other gains (losses)	96	(1,374)
Adjusted EBITDA	4,351	7,990

⁽¹⁾ The Company's derivative liabilities are measured at fair value through profit or loss at each reporting date. As a result of the increase in the share price in the current quarter and an increase in the volatility of the Company's shares, amongst other inputs, the value of the Company's derivative liabilities increased and the Company recognized a net non-cash \$18.4 million loss on the change in fair value of derivative liabilities for the three months ended March 31, 2021.

Virtual Annual Meeting of Shareholders

Miravo's 2021 Annual Meeting of Shareholders (Meeting) will be held as an online meeting only. The Meeting will take place on Monday, May 17, 2021 (today) at 9:00 a.m. Registered shareholders can attend the Meeting online, vote shares electronically if they have not voted by proxy in advance of the Meeting in accordance with the proxy instructions, and submit questions during the Meeting. You will need to have your 16-digit Control Number (the Control Number) to participate in the Meeting. If you are a shareholder and do not have a Control Number or if you are not a Miravo shareholder, you can attend the Meeting as a guest, but you will not be able to vote at the Meeting.

The link to participate in the Meeting is: www.virtualshareholdermeeting.com/mrv2021. If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call the technical support number that will be posted on the Virtual Shareholder Meeting log in page.

About Miravo Healthcare

Miravo is a Canadian focused, healthcare company with global reach and a diversified portfolio of commercial products. The Company's products target several therapeutic areas, including pain, allergy, neurology and dermatology. The Company's strategy is to in-license and acquire growth-oriented, complementary products for Canadian and international markets. Miravo's head office is located in Mississauga, Ontario, Canada, the international operations are located in Dublin, Ireland and the Company's manufacturing facility is located in Varennes, Québec, Canada. The Varennes facility operates in a Good Manufacturing Practices (GMP) environment respecting the U.S, Canada and E.U. GMP regulations and is regularly inspected by Health Canada and the U.S. Food and Drug Administration. For additional information, please visit www.miravohealthcare.com.

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Forward-Looking Statements

This press release 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.

Forward-looking statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances, including the anticipated receipt of certain milestone and royalty payments, the anticipated launch of certain products and the potential impact of COVID-19. 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 press release, are inherently subject to significant business, economic and competitive uncertainties and contingencies and may prove to be incorrect. 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 outcome of ongoing patent litigation in relation to VIMOVO with respect to the '996 and '920 Patents, the potential impact of COVID-19 on the Company's operations, business and financial results and other factors, many of which are beyond the control of the Company. Additional factors that could cause the Company'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 the Company's most recent Annual Information Form dated March 5, 2021 under the heading "Risks Factors", and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory agencies and commissions. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. 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 press release. 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 press release are qualified by these cautionary statements.