Miravo Healthcare™ Announces Second Quarter 2021 Results

- Q2 2021 Adjusted Total Revenue - $19.9 million -
- Q2 2021 Adjusted EBITDA - $7.4 million -
- Blexten Canadian Prescriptions Increased 26% Year-Over-Year -
- Cambia Canadian Prescriptions Increased 17% Year-Over-Year -

Miravo to Host Conference Call/Audio Webcast August 9th at 11:00 a.m. ET

Mississauga, Ontario, Canada – August 9, 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 and six months ended June 30, 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 and six months ended June 30, 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 June 30, 2021 include the following:

- Adjusted total revenue[(1)] was $19.9 million, an increase of 11% compared to $18.0 million for the three months ended June 30, 2020.
- Adjusted EBITDA[(1)] was $7.4 million, a decrease of 3% compared to $7.6 million for the three months ended June 30, 2020.
- Revenue related to Blexten® and Cambia® was $9.2 million, an increase of 46% compared to revenue of $6.3 million for the three months ended June 30, 2020. Total Canadian prescriptions of Blexten and Cambia increased by 26% and 17% respectively compared to the three months ended June 30, 2020.
- The Company repaid $3.0 million (US$2.5 million) of the Amortization Loan to Deerfield Management Company, L.P. (Deerfield).
- As at June 30, 2021, cash and cash equivalents were $27.3 million.

Six months ended June 30, 2021 include the following:

- Adjusted total revenue[(1)] was $34.5 million, a decrease of 7% compared to $37.0 million for the six months ended June 30, 2020.
- Adjusted EBITDA[(1)] was $11.7 million, a decrease of 25% compared to $15.6 million for the six months ended June 30, 2020.

- Revenue related to Blexten and Cambia was $14.8 million, an increase of 21% compared to revenue of $12.2 million for the six months ended June 30, 2020. Canadian prescriptions of Blexten and Cambia increased by 25% and 13% respectively compared to the six months ended June 30, 2020.

- The Company repaid $6.6 million (US$5.4 million) of the Amortization Loan to Deerfield.

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

Business Update

- In July 2021, Nuvo Pharmaceuticals (Ireland) DAC trading as Miravo Healthcare (Miravo Ireland) entered into an exclusive license and supply agreement with SK Chemicals Co., Ltd. (SK Chemicals) for the exclusive right to commercialize Suvexx® in the Republic of South Korea. Miravo Ireland will receive up to €1.1 million in upfront consideration, regulatory and sales-based milestone payments, as well as royalties on net sales of Suvexx in South Korea and revenue pursuant to the supply of product.

- In May 2021, the Company announced the appointment of Mary Ritchie to its Board of Directors. Ms. Ritchie is the President and Chief Executive Officer of Richford Holdings Ltd., an accounting and investment advisory services firm based in Edmonton, Alberta. Ms. Ritchie has over 30 years of experience in both the public, private and not-for-profit sectors and is a Fellow of CPA Alberta. She is a member of the board of directors and audit committees of Alaris Royalty Corp. (TSX) and EnWave Corporation (TSXV). She has been a past director on a number of boards, including the Canada Pension Plan Investment Board, Industrial Alliance Insurance, Financial Services Inc. (TSX), iA Financial Corporation Inc. (TSX) and IPL Plastics Inc. (TSX) and a past member of the RBC Global Asset Management's independent oversight committee.

- 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.

"Our key promoted brands, Blexten and Cambia, continued their solid performance and demonstrated year-over-year gains in prescription and revenue growth. New Blexten prescriptions now represent 1 in 4 new antihistamine prescriptions nationally, and 1 in 3 new antihistamine prescriptions in Ontario, Alberta, and British Columbia. Our recently launched Suvexx and NeoVisc® brands are performing according to plan and are steadily growing market share," said Jesse Ledger, Miravo's President & CEO. "Our international business also continues to expand with our recently announced Suvexx licensing agreement for South Korea. This represents our first Suvexx license partner for Asia and, once approved, will introduce Suvexx as a treatment option in a rapidly growing acute migraine market. This transaction is another example of our team executing on our business development objectives."

Second Quarter 2021 Financial Results

Adjusted total revenue was $19.9 million and $34.5 million for the three and six months ended June 30, 2021 compared to $18.0 million and $37.0 million for the three and six months ended June 30, 2020. The $1.9 million increase in adjusted total revenue in the current quarter was primarily attributable to an increase of $4.3 million in the Commercial Business segment and an increase of $0.7 million of revenue from the Production and Service Business segment, slightly offset by a decrease of $3.1 million of revenue in the Licensing and Royalty Business segment. Adjusted total revenue attributable to the Commercial Business segment increased during the current quarter due to an increase in sales of the Company's promoted products (Blexten, Cambia, Suvexx and Neovisc), as well as an increase in sales of the Company's mature products. The Production and Service Business segment adjusted total revenue increased as a result of

an increase in the Company's Pennsaid® product sales, slightly offset by the strengthening of the Canadian dollar against the U.S. dollar, which decreased the value of U.S. denominated sales compared to the three months ended June 30, 2020. Adjusted total revenue decrease in the Licensing and Royalty Business segment as a result of a decrease in royalty earned on U.S. net sales of Vimovo due to a competitor launching a generic version of Vimovo in March 2020, as well as a decrease in amounts billed to customers for existing contract assets. In the comparative quarter, the Company received a $2.4 million (US$1.8 million) milestone from Takeda Pharmaceutical Co., Ltd. related to the use of its Yosprala intellectual property in Japan.

Adjusted EBITDA was $7.4 million and $11.7 million for the three and six months ended June 30, 2021 compared to $7.6 million and $15.6 million for the three and six months ended June 30, 2020. During the three months ended June 30, 2021, increases in gross profit from the Company's Commercial Business and Production and Service Business segments was more than offset by an increase in general and administrative expenses, as well as a decrease in the contribution from the License and Royalty Business segment due to a decline in the U.S. Vimovo royalty and a decrease in amounts billed to customers for existing contract assets.

Non-IFRS Financial Measures

The Company discloses non-IFRS measures (such as adjusted total revenue and adjusted EBITDA) 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. 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. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS.

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	
	2021	2020	**2021**	2020
in thousands	**$**	$	**$**	$
Total revenue	**19,787**	15,530	**34,209**	39,891
Add:				
Amounts billed to customers for existing contract assets	**113**	2,516	**240**	2,564
Deduct:				
Revenue recognized upon recognition of a contract asset	**-**	-	**-**	(5,496)
Adjusted total revenue	**19,900**	18,046	**34,449**	36,959

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 June 30		Six Months ended June 30	
	2021	2020	**2021**	2020
in thousands	**$**	$	**$**	$
Net income (loss)	**9,147**	(1,967)	**(8,842)**	(3,696)
Add back:				
Income tax expense	**1,317**	212	**1,573**	1,594
Net interest expense	**2,479**	3,015	**5,065**	6,115
Depreciation and amortization	**2,028**	2,366	**4,104**	4,715
EBITDA	**14,971**	3,626	**1,900**	8,728
Add back:				
Amounts billed to customers for existing contract assets	**113**	2,516	**240**	2,564
Stock-based compensation	**135**	53	**240**	158
Deduct:				
Revenue recognized upon recognition of a contract asset	**-**	-	**-**	(5,496)
Other Expenses (Income):				
Change in fair value of derivative liabilities	**(6,871)**	3,484	**11,518**	5,901
Change in fair value of contingent and variable consideration	**(483)**	(254)	**(1,099)**	1,875
Foreign currency loss (gain)	**(563)**	(2,110)	**(1,277)**	2,587
Inventory step-up	**-**	339	**35**	701
Other losses (gains)	**78**	(8)	**174**	(1,382)
Adjusted EBITDA	**7,380**	7,646	**11,731**	15,636

Management to Host Conference Call/Webcast

Management will host a conference call to discuss the results today (Monday, August 9, 2021) at 11:00 a.m. ET. To participate in the conference call, please dial 416 764 8688 or 1 888 390 0546. Please call in 15 minutes prior to the call to secure a line. You will be put on hold until the conference call begins.

A taped replay of the conference call will be available two hours after the live conference call and will be accessible until midnight on August 16, 2021 by calling 416 764 8677 or 1 888 390 0541 / replay passcode: 457561#.

A live audio webcast of the conference call will be available through www.miravohealthcare.com. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to hear the webcast.

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.