

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Nuvo Pharmaceuticals Inc. (the “Company”)
6733 Mississauga Road, Unit 610
Mississauga, Ontario
Canada L5N 6J5

Item 2. Date of Material Change

June 26, 2019

Item 3. News Release

Attached as Schedule “A” is a copy of the press release relating to the material change, which was disseminated on June 26, 2019 through the newswire services of Cision. A copy of the news release is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Item 4. Summary of Material Change

On June 26, 2019, the Company announced that it had agreed to an amendment to its financing agreement with certain funds managed by Deerfield Management Company, L.P., to provide, among other things, for a payment deferral mechanism in the event that VIMOVO U.S. market exclusivity is lost and to extend the maturity date in respect of its US\$6.0 million bridge loan by 6 months to December 31, 2020.

The amendment will allow the Company to defer a portion of the mandatory minimum quarterly prepayments by the difference between one quarter of the existing US\$7.5 million minimum annual royalty due from VIMOVO sales in the U.S. and the actual amount of royalties received in the applicable quarter in the event VIMOVO U.S. market exclusivity is lost earlier than had been expected prior to the United States Court of Appeals decision related to U.S. patents 6,926,907 and 8,557,285 covering VIMOVO. The amount of any prepayment so deferred would, until repaid in accordance with the amendment, be subject to an interest rate of 12.5% per annum.

Item 5. Full Description of Material Change

For a full description of the material change, please see the press release attached hereto as Schedule “A”, which press release forms an integral part of this material change report.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Jesse Ledger
President & Chief Executive Officer
(905) 691-5805

Item 9. Date of Report

July 3, 2019

SCHEDULE “A”



Nuvo Pharmaceuticals™ Announces Director Election Results of its Annual General Meeting and Updates to the Facility Agreement with Deerfield

MISSISSAUGA, ON, June 26, 2019 - Nuvo Pharmaceuticals Inc. (Nuvo or the Company) (TSX: NRI; OTCQX: NRIFF) a Canadian-focused healthcare company with global reach and a diversified portfolio of commercial products, today announced that at its 2019 Annual Meeting of Shareholders held on June 25, 2019 in Mississauga, all nominees listed in the management proxy circular dated May 16, 2019 were elected as directors of the Company.

The detailed results of the votes by proxy are as follows:

Director Nominees	NUMBER OF SHARES		PERCENTAGE OF VOTES CAST	
	FOR	WITHHELD	FOR	WITHHELD
Daniel Chicoine	4,787,155	625,499	88.44	11.56
David A. Copeland	4,966,452	446,202	91.76	8.24
Anthony E. Dobranowski	4,966,286	446,368	91.75	8.25
Robert Harris	4,870,462	542,192	89.98	10.02
John C. London	4,787,016	625,638	88.44	11.56

“On behalf of the Company and the entire Board of Directors, I want to thank Dr. Jacques Messier, our outgoing director, for his contributions to the Board over the past 15 years,” commented Rob Harris, Nuvo’s Executive Chairman.

Deerfield Financing Agreement Amendment

As a result of the previously announced United States Court of Appeals decision related to the United States patents 6,926,907 and 8,557,285 covering VIMOVO (the ‘907 and ‘285 Patents), and the potential future financial implications thereof to Nuvo, Deerfield Management Company, L.P. (Deerfield) and certain of its affiliated funds, as lenders, and the Company have agreed to an amendment to its financing agreement to provide, among other things, for a payment deferral mechanism in the event that VIMOVO U.S. market exclusivity is lost and an extension of the maturity date in respect of its US\$6.0 million bridge loan by 6 months to December 31, 2020.

The amendment will allow Nuvo to defer a portion of the mandatory minimum quarterly prepayments by the difference between one quarter of the existing US\$7.5 million minimum annual royalty due from VIMOVO sales in the U.S. and the actual amount of royalties received in the applicable quarter in the event VIMOVO U.S. market exclusivity is lost earlier than had been expected prior to the United States Court of Appeals

decision. The amount of any prepayment so deferred would, until repaid in accordance with the amendment, be subject to an interest rate of 12.5% per annum.

"This amendment to our Facility Agreement with Deerfield provides Nuvo with the flexibility we need to continue to invest in growth focused activities in the event we are not able to maintain VIMOVO U.S. market exclusivity," commented Jesse Ledger, Nuvo's President and CEO.

About Nuvo Pharmaceuticals Inc.

Nuvo (TSX: NRI; OTCQX: NRIFF) is a Canadian-focused healthcare company with global reach and a diversified portfolio of commercial products. The Company targets several therapeutic areas, including pain, allergy and dermatology. The Company's strategy is to in-license and acquire growth-oriented, complementary products for Canadian and international markets and to out-license select products in global markets. Nuvo's head office is located in Mississauga, Ontario, Canada, its international operations are located in Dublin, Ireland and its 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 (FDA). For additional information, please visit www.nuvopharmaceuticals.com.

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. 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. 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 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 March 28, 2019 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 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.

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For further information: Investor Relations: Email: ir@nuvopharm.com