

**Crescita Therapeutics™ Announces 2017  
Third Quarter Results and Appoints New CFO**

Mississauga, Ontario, Canada – November 10, 2017 – Crescita Therapeutics Inc. (TSX:CTX) (Crescita or the Company), a commercial dermatology company with a portfolio of non-prescription skincare products and prescription drug products for the treatment and care of skin conditions, diseases and their symptoms, today announced its financial and operational results for the third quarter ended September 30, 2017 and the appointment of a new Chief Financial Officer (CFO).

**Key Developments of the Third Quarter 2017**

- Reduced Q3-17 operating loss to \$1.5 million from \$2.9 million in the same quarter of the prior year;
- Received a US\$0.5 million milestone payment from Taro Pharmaceuticals Inc. (Taro) upon the issuance of the Flexicaine composition patent from the United States Patent and Trademark Office;
- Ended the quarter with \$8.8 million of cash;
- Amended the Knight loan, freeing up \$8.6 million of previously restricted cash;
- Reduced debt by \$3.1 million in the quarter;
- Completed convertible debenture financing with Bloom Burton Funds for proceeds of \$1.0 million;
- Completed the acquisition of Alyria® from Sanofi Consumer Health Inc. - a skincare line using scientific research;
- Received positive topline results from a Phase 2 clinical trial (The Trial) studying the efficacy of the Mical 1 formulation in patients with plaque psoriasis. The Trial was conducted by our partner, Ferndale Laboratories, Inc., in conjunction with a leading U.S. Contract Research Organization;
- Entered into a Mutual Release agreement with all but one (0.3%) of the former shareholders of INTEGA pursuant to which the former INTEGA shareholders forfeited their rights to any future payments from Crescita under the INTEGA purchase agreement;

*“It was a successful quarter as we reduced losses, reduced debt, increased available cash and closed an exciting acquisition.” said Serge Verreault, Crescita’s President. “We are very excited to continue improving Crescita’s operations and achieving our goal of profitability and positive cash flow.”*

**Corporate Developments**

Crescita appointed Jose DaRocha as Chief Financial Officer effective November 7, 2017. Mr. DaRocha is a Chartered Professional Accountant and is an accomplished finance executive with over 25 years of experience with increasing levels of responsibility in multinational public corporations in both the cosmetic and pharmaceutical industries. His track-record includes finance, accounting and reporting, business development and financial systems implementations.

*“I am truly delighted to welcome Mr. DaRocha as our new CFO.” said Serge Verreault, Crescita’s President. “We believe that his hands-on business experience in the cosmetic and pharmaceutical industries makes him an ideal candidate to help transform Crescita into a highly successful company and deliver shareholder value.”*

The Company would like to thank Ms. Muneerah Kanji, MBA, CPA, CA, for all her contributions and efforts during her tenure with the Company as Interim CFO. Ms. Kanji has been pivotal in providing financial leadership through the integration of the INTEGA acquisition and will be staying with the Company until a full transition has been completed.

### Third Quarter Financial Results

**Note:** All figures are in Canadian dollars. The Q3-2017 Management's Discussion and Analysis (MD&A), interim condensed consolidated financial statements and accompanying notes can be found on [www.crescitatherapeutics.com/investors](http://www.crescitatherapeutics.com/investors) and have been filed with SEDAR.

<i>In thousands except per share data and number of shares</i>	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
Product Sales	<b>1,966</b>	924	<b>5,966</b>	924
Out-licensing revenue	<b>675</b>	21	<b>3,466</b>	72
Services revenue	<b>79</b>	118	<b>226</b>	260
<b>Revenue</b>	<b>2,720</b>	1,063	<b>9,658</b>	1,256
<b>Operating expenses</b>	<b>4,227</b>	3,948	<b>13,715</b>	11,016
<b>Loss from operations*</b>	<b>(1,507)</b>	<b>(2,885)</b>	<b>(4,057)</b>	<b>(9,760)</b>
<b>Other income (expenses)</b>	<b>1,050</b>	115	<b>1,008</b>	(303)
<b>Loss from continuing operations</b>	<b>(457)</b>	(2,707)	<b>(3,049)</b>	(10,000)
<b>Net loss from discontinued operations</b>	<b>(56)</b>	(343)	<b>(157)</b>	(2,187)
<b>Net loss</b>	<b>(513)</b>	(3,050)	<b>(3,206)</b>	(12,187)
<b>Net loss from continuing operations per share</b>	<b>(0.03)</b>	(0.19)	<b>(0.22)</b>	(0.82)
<b>Weighted average number of common shares</b>				
<b>Basic and diluted</b>	<b>14,003</b>	13,903	<b>13,958</b>	12,234
<b>Cash and Cash equivalents</b>	<b>8,755</b>	15,031	<b>8,755</b>	15,031

\* Loss from operations is a non-IFRS measure used by the Company's management to assess its performance. Loss from operations is defined as total revenue less total operating expenses.

#### **Cash and Cash Equivalents**

Available cash and cash equivalents were \$8.8 million as at September 30, 2017 compared to \$9.8 million at December 31, 2016. The restriction on cash held as short-term investments at December 31, 2016 was released as part of the Knight loan renegotiation during the quarter.

#### **Revenue**

Total revenue, consisting of product sales, out-licensing and services revenue, for the three and nine months ended September 30, 2017 was \$2.7 million and \$9.7 million compared to \$1.1 million and \$1.3 million for the three and nine months ended September 30, 2016. The year-over-year increase in revenue related to a milestone payment received from Taro in relation to the Flexicaine composition patent issued of US\$0.5 million (\$0.6 million), as well as the full quarter's impact of product sales of non-prescription skincare products resulting from the INTEGA acquisition.

#### **Operating Expenses**

Total operating expenses for the three and nine months ended September 30, 2017 were \$4.2 million and \$13.7 million compared to \$3.9 million and \$11.0 million for the three and nine months ended September 30, 2016. The increase in operating expenses related primarily to the full three and nine months' impact of INTEGA's operations

including product costs, as well as costs related to the restructuring of the business. The Company continues its focus on rationalizing its cost structure.

### **Other Income (Expenses)**

During the quarter, the Company renegotiated the terms of the original Knight loan. The difference in the fair value of the amended loan and the carrying value of the original loan resulted in the reported non-recurring, non-cash gain of \$1.1 million, net of transaction costs. The prior period amounts consist of foreign currency gains (losses) on the settlement of foreign currency denominated balances.

### **Net Loss from Continuing Operations**

Net loss from continuing operations was \$0.5 million for the three months ended September 30, 2017 compared to \$2.7 million in the comparative quarter of 2016. The year-over-year improvement was primarily driven by the non-recurring non-cash gain on the renegotiation of the Knight loan, the milestone payment received in relation to the Flexicaine patent issuance and to the incremental gross margin on INTEGA's operations. For the current nine - month period, net loss from continuing operations was \$3.0 million, compared to \$10.0 million in the comparable nine months of 2016. The year-over-year improvement was primarily due to the same factors as for the quarter, as well as to the up-front payment received in the second quarter from Taro for the exclusive U.S. rights for Pliaglis.

### **About Crescita Therapeutics Inc.**

Crescita (TSX:CTX) is a publicly traded, Canadian commercial dermatology company with a portfolio of non-prescription skincare products for the treatment and care of skin conditions and diseases and their symptoms and prescription drug products for the treatment of pain. Crescita owns multiple proprietary drug delivery platforms that support the development of patented formulations that can facilitate the delivery of active drugs into or through the skin. For additional information, please visit [www.crescitatherapeutics.com](http://www.crescitatherapeutics.com).

### **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, 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. Crescita'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 Crescita's actual results and financial condition to differ materially from those indicated in the forward-looking statements include, the risk factors included in Crescita's most recent Annual Information Form dated March 29, 2017 under the heading "Risks Factors", and as described from time to time in the reports and disclosure documents filed by Crescita with Canadian securities regulatory agencies and commissions. These and other factors should be considered carefully, and readers should not place undue reliance on Crescita'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 Crescita 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, Crescita 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.*

### **FOR MORE INFORMATION, PLEASE CONTACT:**

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