ANNUAL INFORMATION FORM

FISCAL YEAR ENDED DECEMBER 31, 2022

March 13, 2023

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this Annual Information Form (the "**AIF**") constitute forward-looking statements and/or forward-looking information (collectively, "**forward-looking statements**") within the meaning of applicable securities laws. This document should be read in conjunction with the Company's other disclosure documents filed with Canadian securities regulatory authorities and commissions.

Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "likely", "intend", "estimate", "project", "anticipate", "believe", "should", "plan", "goal", "seek", "growth strategy", "future", "continue", or similar expressions relating to future periods or suggesting future outcomes or events. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements made in this AIF under the headings "General Business Overview", "Significant Developments – Last Three Fiscal Years", "Risk Factors" and other statements concerning the Company's future objectives, strategies to achieve those objectives, as well as statements with respect to management's expectations regarding beliefs, plans, estimates, goals, strategies, intentions, future growth, results of operations, performance, business prospects, opportunities and industry trends, and similar statements concerning anticipated future events, results, circumstances, performance or expectations. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they reflect management's current beliefs and are based only on information currently available to management. 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 AIF, are inherently subject to significant business, economic and competitive uncertainties and contingencies that are difficult to predict and many of which are outside the Company's control. The Company's estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including, but not limited to, the Company's future growth potential, results of operations, future prospects and opportunities, industry trends, legislative or regulatory matters, future levels of indebtedness, availability of capital and current economic conditions.

Forward-looking statements involve risks and uncertainties that could cause the Company's actual results and financial condition to differ materially from those contemplated by such forward-looking statements. Factors that could cause such differences include, among others, general business and economic uncertainties including the uncertainty in the global economy created by the war in Ukraine, adverse market conditions, the impact of inflation and rising interest rates together with the threats or stagflation or recession, the Company's ability to execute its growth strategies, reliance on third parties for clinical trials, marketing, distribution and commercialization, the impact of changing conditions in the regulatory environment and product development processes, manufacturing and supply risks, increasing competition in the industries in which the Company operates, the Company's ability to meet its contractual obligations, the impact of product liability matters, the impact of litigation involving the Company and/or its products, the impact of changes in relationships with customers and suppliers, the degree or lack of intellectual property protection of the Company's products, the degree of market acceptance of the Company's products, developments and changes in applicable laws and regulations, the effectiveness of mitigation strategies undertaken with respect to the COVID-19 pandemic and the severity, duration, resurgence and impacts of COVID-19 on the economy and the Company, which is highly uncertain and cannot be reasonably predicted,as well as other risk factors included in this AIF under the heading "*Risk Factors*" and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory authorities and commissions. If any risks or uncertainties with respect to the above materialize, or if the opinions, estimates or assumptions underlying the forward-looking statements prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking statements. This list is not exhaustive of the factors that may impact the Company's forward-looking statements. Although management has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other risk factors not presently known or that management believes are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking statements.

CERTAIN REFERENCES

This Annual Information Form is dated March 13, 2023 and, unless specifically stated otherwise, all information disclosed in this form is provided as at December 31, 2022, the end of Crescita's most recently completed fiscal year. This AIF has been prepared by and is the responsibility of management. All dollar amounts are expressed in Canadian dollars, unless otherwise stated.

For an explanation of key terms please refer to the "*Glossary of Terms*" contained in Appendix II to this AIF. Unless otherwise noted, or indicated by context, "Crescita Therapeutics Inc.", "**Crescita**", the "**Company**", "**our**" and "**we**" refers to Crescita Therapeutics Inc. and its direct and indirect subsidiaries.

CORPORATE STRUCTURE

Reorganization and Registered Office

On December 14, 2015, Nuvo Research Inc. ("**Nuvo Research**"), 2487002 Ontario Limited and 2487001 Ontario Limited, each a predecessor company of Crescita, entered into an arrangement agreement (the "**Arrangement Agreement**") in respect of the reorganization of Nuvo Research into two separate publicly traded companies (the "**Reorganization**"), Nuvo Pharmaceuticals Inc. (d/b/a Miravo Healthcare™ ("**Miravo**") and Crescita, each of which would be owned 100% by Nuvo Research's shareholders. The Reorganization was approved by the shareholders of Nuvo Research at a special shareholders' meeting on February 18, 2016 and by the Ontario Superior Court of Justice on February 24, 2016. The Reorganization was completed on March 1, 2016 and Crescita Therapeutics Inc. was formed under the *Ontario Business Corporations Act*.

In general, this AIF does not refer to the Reorganization unless specifically required to provide context. For further information about the Reorganization, please refer to the 2017 Annual Information Form filed on the Company's profile of the System for Electronic Document Analysis and Retrieval) ("**SEDAR**") at www.sedar.com and available on our website at www.crescitatherapeutics.com.

The Company operates through its corporate head office located at 2805 Place Louis-R Renaud, Laval, Québec, H7V 0A3 and maintains a registered office located at 333, Bay Street, Suite 3400, Toronto, Ontario, M5H 2S7.

Subsidiaries

The activities of the Company are conducted either directly or through its subsidiaries. The table below shows the Company's wholly owned subsidiary as at December 31, 2022. Certain subsidiaries whose total assets did not represent more than 10% of the Company's consolidated assets or whose revenue did not represent more than 10% of the Company's consolidated revenue as at December 31, 2022, have been omitted[1]. The subsidiaries that have been omitted represent, as a group, less than 20% of the consolidated assets and revenue of the Company as at December 31, 2022.

Name of Subsidiary	Crescita's Ownership %	Country of Incorporation
Crescita Skin Sciences Inc.[2]	100%	Canada

[1] Based on the Company's annual consolidated audited financial statements for the fiscal year ended December 31, 2022 filed with Canadian securities regulators and which are available at www.sedar.com and on Crescita's website at www.crescitatherapeutics.com.

[2] The Company changed the legal name of its wholly owned subsidiary from "Intega Skin Sciences Inc." to "Crescita Skin Sciences Inc." in September 2021.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of common shares (the "**Common Shares**") and an unlimited number of first and second preferred shares, issuable in series (the "**Preferred Shares**"). As of the date of this AIF, 20,334,153 Common Shares were issued and outstanding, and no Preferred Shares were issued and outstanding.

The following is a description of the material characteristics of the Common Shares and Preferred Shares, as well as descriptions of other instruments that are convertible or exercisable into Common Shares.

Common Shares

The holders of Common Shares are entitled to receive notice of any meeting of the Company's shareholders and to attend and vote thereat, excepting those meetings at which only those holding another class of shares or a particular series are entitled to vote. Each Common Share entitles its holder to one vote. Subject to the rights of those holding Preferred Shares, the holders of Common Shares are entitled to receive on a pro rata basis such dividends as the Board of Directors of the Company (the "**Board**" or "**Board of Directors**") may declare out of funds legally available. In the event of the dissolution, liquidation, winding-up or other distribution of the Company's assets, such holders are entitled to receive on a pro rata basis, all the Company's remaining assets after payment of all liabilities, subject to the rights of the holders of the Preferred Shares. The Common Shares carry no pre-emptive or conversion rights. The full terms of the Common Shares can be found in the articles of arrangement of 2487001 Ontario Limited (a predecessor of Crescita) dated March 1, 2016, a copy of which is available on SEDAR at www.sedar.com.

Preferred Shares

Preferred Shares may be issued from time-to-time in one or more series, the number, designation, rights, privileges, restrictions, and conditions of which would be determined by the Board prior to issuance. The Preferred Shares are entitled to priority over the Common Shares with respect to the payment of dividends and distributions in the event of the dissolution, liquidation or winding-up or other distribution of the Company's assets. Except as required by law, the holders of first preferred shares as a class, and holders of second preferred shares as a class, are not entitled to receive notice of, attend or vote at any meeting of Crescita's shareholders. A full description of the Preferred Shares can be found in the articles of arrangement of 2487001 Ontario Limited (a predecessor of Crescita) dated March 1, 2016, a copy of which is available on SEDAR at www.sedar.com.

Convertible Debentures

In 2017, the Company completed a $1.0 million convertible debenture financing with Bloom Burton Healthcare Lending Trust and Bloom Burton Healthcare Lending Trust II (together the "**Bloom Burton Funds**"). The debentures issued to Bloom Burton Funds (the "**Debentures**") bore interest at 9% payable in cash on a quarterly basis and had a maturity date of June 30, 2022. The Debentures were convertible into Common Shares at the option of the holder at a conversion price of $1.00 per share. Commencing on August 28, 2019, the second anniversary of the issue date, the Company had the option to force the conversion of the Debentures if the closing price of its Common Shares exceeded 150% of the conversion price on 20 trading days in any 30-day period. The Debentures were secured by assets of the Company, ranking in priority behind the Royal Bank of Canada ("**RBC**"). Refer to *Significant Developments – Last Three Fiscal Years – Fiscal 2020.* In May 2022, the Company repaid the Debentures in full. Refer to *Significant Developments – Last Three Fiscal Years – Fiscal 2022 to AIF Filing Date.*

Warrants

In 2017, the Company issued 496,000 common share purchase warrants ("**Warrants**"), of which 396,000 were issued to Knight Therapeutics Inc. ("**Knight**"). Of the Warrants issued to Knight, 216,000 are exercisable at a price of $0.75 per Common Share and the other 180,000 Warrants are exercisable at a price of $1.00 per Common Share, in each case, for a period of six years from August 14, 2017, the date the Warrants were issued. The remaining 100,000 Warrants were issued to Bloom Burton Funds on August 28, 2017 at an exercise price of $0.75 per Common Share for a period of six years from that date.

Shareholder Rights Plan

Crescita's Shareholder Rights Plan initially took effect on March 1, 2016 as part of the Reorganization and was amended at the Company's annual general and special meeting of shareholders held on May 14, 2019, and ratified at the Company's annual general and special meeting of shareholders held on May 12, 2022 (the "**Rights Plan**").

The purpose of the Rights Plan is to provide some protection to Crescita shareholders from the potentially adverse impact of take-over strategies, including the acquisition of control of Crescita by a bidder in a transaction or series of transactions, that do not treat all shareholders equally or fairly or afford all shareholders an equal opportunity to share in any premium paid upon an acquisition of control. The Rights Plan is not intended to prevent all unsolicited take-over bids for Crescita and will not do so, but rather, is designed to encourage potential bidders to make permitted bids or negotiate take-over proposals with the Crescita Board, which the Board considers are in the best interest of Crescita and to protect Crescita Shareholders against being coerced into selling their Common Shares at less than fair value.

Shareholder rights plans continue to be adopted by a large number of publicly held corporations in Canada and the United States. The terms of the Rights Plan are generally similar to those adopted by other major Canadian companies. Pursuant to the terms of the Rights Plan, all rights thereunder will expire unless continuance of the Rights Plan is approved by a majority vote of Independent Shareholders (as defined in the Rights Plan) at the 2025 annual meeting of shareholders and at every third annual meeting of shareholders thereafter. A more detailed summary is included in the Company's Management Information Circular dated March 24, 2022, available at www.sedar.com. The full text of the Rights Plan was filed on SEDAR on March 26, 2020 under Crescita's issuer profile in the filing category "other material contracts".

DIVIDEND POLICY

The declaration of dividends on the Common Shares is at the sole discretion of the Board. The Company has not paid dividends on the Common Shares to date. It is the Board's current policy not to pay dividends in order to preserve cash and it does not expect to pay dividends in the near future. As a result, the return on an investment in Common Shares will depend upon any future appreciation or depreciation in value. There is no guarantee that the Common Shares will appreciate in value or even maintain the price at which they currently trade. The Board is under no obligation to declare dividends and any determination by the Board to declare a dividend will depend on, among other things, the financial condition of the Company and the need to finance its business activities. Restrictions in credit or financing agreements entered into by Crescita or the provisions of applicable law may preclude the payment of dividends by Crescita in certain circumstances.

MARKET FOR SECURITIES, TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol CTX.

The following table provides information on the monthly closing price range and trading volume for the Common Shares on the TSX during the year ended December 31, 2022:

Month	High	Low	Volume
	$	*$*	*000's*
January	0.70	0.63	174
February	0.71	0.66	110
March	0.79	0.61	538
April	0.79	0.70	209
May	0.75	0.66	457
June	0.70	0.61	256
July	0.68	0.60	159
August	0.76	0.62	306
September	0.68	0.61	171
October	0.63	0.60	116
November	0.68	0.63	265
December	0.69	0.63	250

Normal Course Issuer Bid and Cancellation of Shares

On December 15, 2021, the Company announced that the TSX approved the renewal of its normal course issuer bid (the "**NCIB**"), enabling it to purchase up to 1,000,000 Common Shares for cancellation from December 17, 2021, to December 16, 2022.

In connection with its NCIB, the Company adopted an automatic securities purchase plan ("**ASPP**") that contains strict parameters regarding how its Common Shares may be repurchased during times when it would ordinarily not be permitted to purchase Common Shares due to regulatory restrictions or self-imposed blackout periods. Such purchases are executed by the broker on parameters established by the Company prior to the preestablished ASPP period.

The following table provides information on the Common Shares repurchased for cancellation during the years ended December 31, 2022 and December 31, 2021:

For the years ended December 31,	2022	2021
In 000's of CAD, except number of shares and average price	**$**	$
Common Shares repurchased for cancellation[1]	**646,520**	152,904
Weight average purchase price per share	**0.66**	0.66
Total purchase price	**429**	101

[1] The amount of 152,904 for the year ended December 31, 2021 includes 17,080 Common Shares cancelled in fiscal year 2022.

DIRECTORS AND OFFICERS

The following table sets forth the name, municipality of residence, principal occupation, position with the Company, committee membership and role therein, as well as the number of securities beneficially owned directly or indirectly by each director and executive officer of the Company, or over which each of them exercises control or direction as of the date of this AIF.

Directors of the Company hold office until the next annual shareholders' meeting or until successors are duly elected or appointed. The Company's next annual general meeting is scheduled to be held on Tuesday, June 20, 2023 at its corporate head office in Laval, Québec.

Name and Residence	Principal Occupation	Director Since	Committee Membership and Role	Number of Common Shares Beneficially Owned
Daniel N. Chicoine Ontario, Canada	Private Business Investor and Corporate Director	March 2016	Chairman of the Board of Directors	1,057,377
David A. Copeland Ontario, Canada	Private Business Investor and Corporate Director	March 2016	Chair of Audit(1)	95,427
Anthony E. Dobranowski Ontario, Canada	Private Business Investor and Corporate Director	March 2016	Member of Audit(1), Chair of CCGNC(2) and Lead Director	100,000
John C. London Ontario, Canada	Private Business Investor and Corporate Director	March 2016	Member of Audit(1)	193,522
Deborah Shannon-Trudeau Québec, Canada	Entrepreneur, Advisor and Corporate Director	November 2021	Member of CCGNC(2)	nil
Thomas Schlader Québec, Canada	Private Business Investor and Corporate Director	September 2016	Member of CCGNC(2)	36,681
Serge Verreault Québec, Canada	President and Chief Executive Officer	n/a	n/a	661,151
Jose DaRocha Québec, Canada	Chief Financial Officer	n/a	n/a	106,558
François Lafortune Québec, Canada	Executive Vice-President and General Manager	n/a	n/a	nil

(1) Audit refers to the Company's Audit Committee.
(2) CCGNC refers to the Company's Compensation, Corporate Governance, and Nominating Committee.

Each of the directors of the Company has been engaged for more than five years in his or her present principal occupation or in other capacities with the corporation or organization (or predecessor thereof) in which he or she currently holds his or her principal occupation, with the exception of Mr. John London who until 2018 held various senior executive positions at Miravo or its predecessor companies.

Ownership of Securities on the Part of Directors and Officers

As at December 31, 2022, the directors and executive officers of Crescita, as a group, beneficially owned, directly or indirectly, or exercised control or direction of 2,250,716 Common Shares, representing 11.1% of the Common Shares then outstanding.

GENERAL BUSINESS OVERVIEW

Business Overview

Crescita (TSX: CTX and OTC US: CRRTF) is a growth-oriented, innovation-driven Canadian commercial dermatology company with in-house research and development ("**R&D**") and manufacturing capabilities. The Company offers a portfolio of high-quality, science-based non-prescription skincare products and early to commercial stage prescription products. In addition, we own multiple proprietary transdermal delivery platforms that support the development of patented formulations that facilitate the delivery of active ingredients into or through the skin.

Our non-prescription portfolio includes a wide variety of premium quality dermocosmetic products and skincare therapeutics and devices. To qualify as a dermocosmetic, a product must contain active ingredients whose effectiveness against a specific skin concern has been evidenced through clinical studies. Our dermocosmetic products include facial creams, cleansers, exfoliants, masks, serums and suncare, that each serve a different and personalized consumer need. The portfolio's range is designed to address preventive care to the first signs of aging, as well as all primary aesthetic skin concerns.

We serve the Canadian aesthetic market with two product portfolios: (i) dermocosmetic and (ii) medical aesthetics.

(i) Professional aestheticians use our dermocosmetic skincare products to target well-known and common skin concerns, such as mild acne, aging, dehydration, pigmentation, sensitivity, and rosacea, using non-invasive skincare protocols. Our lead dermocosmetic skincare brand is Laboratoire Dr Renaud®.

(ii) Medical aesthetics is a niche market between the cosmetic industry and plastic surgery and includes medical treatments that are focused on improving patients' cosmetic appearance. Qualified doctors and nurses typically perform both non-invasive and minimally invasive procedures or skincare treatments such as chemical peels, advanced retinol facials, microdermabrasion, hyaluronic acid ("**HA**") and neurotoxin injections, and various laser and device treatments. Our primary medical aesthetic brands are Pro-Derm® and Alyria®. We also distribute New Cellular Treatment Factor® ("**NCTF**"), ART FILLER® and Obagi Medical®, all under exclusive distribution in Canada. We also currently sell Pliaglis®, our lead prescription product, in the Canadian physician-dispensed skincare market.

Our national sales force calls on aesthetic practitioners, medical aesthetic clinics and medispas across Canada. In addition, our skincare brands are sold in certain Asian markets, such as Malaysia and South Korea through international distributors, as well as through e-commerce platforms.

Pliaglis utilizes our proprietary phase-changing topical cream Peel technology – refer to *Transdermal Delivery Technologies*. Pliaglis is a topical local anesthetic cream that provides safe and effective local dermal analgesia on intact skin prior to superficial dermatological procedures. The product is currently approved in 26 countries and licensed to eight commercial partners in 40 countries.

In addition, our expertise in topical product formulation and development can be leveraged in combination with our patented transdermal delivery technologies to develop and manufacture creams, liquids, gels, ointments and serums under our contract development and manufacturing organization ("**CDMO**") infrastructure. We provide our services to several North American clients under full current Good Manufacturing Practice ("**cGMP**") conditions. We deliver turnkey solutions, integrating production with in-house R&D, supply chain, and quality control functions. Our integrated approach aims to simplify our clients' supply chain to maximize value, ensuring timely and cost-effective product launches. We also manufacture the majority of our non-prescription skincare products from our 50,000 square-foot production facility.

Operating Segments

The Company has three operating segments: (i) Commercial Skincare; (ii) Licensing and Royalties; and (iii) Manufacturing and Services.

Commercial Skincare

The Commercial Skincare operating segment manufactures and sells branded non-prescription skincare products for the Canadian and international markets. It also commercializes Pliaglis, NCTF and Obagi Medical in Canada. Non-prescription product brands manufactured by the Company include: Laboratoire Dr. Renaud, Pro-Derm and Alyria. These premium skincare lines provide solutions for a wide range of skin concerns such as aging, acne, hydration, pigmentation, and rosacea.

In Canada, our sales force sells our products to aesthetic spas, medispas as well as medical aesthetic clinics using a business to business ("**B2B**") model, while some of our brands are also sold directly to consumers through our online platforms. International markets include the United States ("**U.S.**"), South Korea and Malaysia, where our brands are sold by distribution partners.

Licensing and Royalties

The Licensing and Royalties operating segment derives revenue from licensing the intellectual property related to Pliaglis, our lead prescription product, or for the use of the Company's transdermal delivery technologies, Multiplexed Molecular Penetration Enhancers™ ("**MMPE**") and DuraPeel™, on either an exclusive or non-exclusive basis. The Licensing and Royalties segment may also leverage Crescita's in-house R&D capabilities for the development of new topical products, which may combine its technologies and various selected molecules to fuel future licensing agreements in the non-prescription skincare market. The key revenue streams in the Licensing and Royalties segment include upfront and pre- and post-commercialization milestone payments, royalties determined using the agreed-upon formulas as described in each respective licensing agreement, and product sales under supply agreements with the Company's licensing partners.

Manufacturing and Services

The Manufacturing and Services operating segment includes two main revenue streams: 1) revenue from the sale of topical products manufactured to client specifications under the Company's CDMO infrastructure; and 2) revenue from product development services. Clients in the Manufacturing and Services operating segment use Crescita's CDMO services to manufacture topicals either under a private label or a brand name and may use a combination of our existing formulations or novel formulations, with or without the utilization of our transdermal delivery technologies.

Vision and Growth Strategy

Our vision is to become a Canadian leader in innovative, science-based skincare solutions, providing improved outcomes for all our clients' skincare concerns.

Our corporate growth strategy is comprised of four pillars, each of which is based on the fundamentals of our business model. Together, we refer to these as our "**Four-Pillar Growth Strategy**."

- Pillar 1: Organic Growth
- Pillar 2: Strategic Acquisitions and/or In-licensing Agreements
- Pillar 3: Strategic Out-licensing of Assets
- Pillar 4: Contract Development and Manufacturing Services

Pillar 1: Organic Growth

The first pillar focuses on generating revenue growth from existing commercial activities within our non-prescription and prescription portfolios. We achieve this mainly through the introduction of product innovations and line extensions, which may leverage our patented transdermal delivery technologies, MMPE and DuraPeel, the expansion of our distribution channels and geographic presence. Our in-house R&D and innovation function plays an important role in fueling new product development based on formulation expertise and market intelligence. Since 2021, we strengthened our commercial skincare business mainly by investing in advertising and promotion and adding skilled sales and marketing professionals. We believe that both our investments and people will help us achieve our organic growth ambitions.

Pillar 2: Strategic Acquisitions and/or In-licensing Agreements

The second pillar focuses on the acquisition of dermatology and/or skincare companies or assets, offering product or services portfolios complementary to our own. We also remain open to acquiring niche strategic commercial stage prescription dermatology products. We are continuously evaluating a variety of potential transactions and business opportunities, including potential acquisitions, that could expand our product offering and distribution channels, some of which may be material. A number of negotiations for potential transactions may be in progress at varying stages at any given time, all of which remain subject to the approval of the Board of Directors. There can be no assurance that any of these negotiations will result in a binding transaction. See *Risks Related to the Company's Business*.

Pillar 3: Strategic Out-licensing of Assets

The third growth pillar focuses on: (i) out-licensing our products, including our lead prescription product, Pliaglis, in markets where we have no commercial presence, and (ii) out-licensing our patented transdermal delivery technologies to partners looking for a differentiating factor for topical dermatology or dermocosmetic product development. These technologies have already been tested with several active ingredients, and in those cases, have demonstrated increased skin permeation of the active ingredient versus the control vehicle. We believe that these technologies could be used with other molecules and could potentially increase the efficacy of certain topical products currently sold. The Company may also further leverage its in-house R&D and innovation function to develop products intended for out-licensing which may use MMPE and DuraPeel.

Pillar 4: Contract Development and Manufacturing Services

The fourth growth pillar aims to generate revenue by providing customers with product development and manufacturing services using our in-house R&D and formulation expertise and manufacturing facility. Increasing our plant's manufacturing volumes, generates top line revenue and improves gross margins. Our fully integrated CDMO infrastructure allows Crescita to provide clients with the support activities required to bring their products to market rapidly and efficiently. We are actively seeking new customers and forging partnerships to become a third-party CDMO of choice by offering our customers high quality, cost-effective services from our 50,000-square foot facility. Our manufacturing capabilities range from laboratory to pilot batches to scale-ups.

We deliver innovative turnkey manufacturing of skincare products which integrate production with in-house R&D, supply chain management, regulatory and quality assurance and quality control functions.

Strategic Focus and Business Outlook

Our Four-Pillar Growth Strategy guides our overall strategic initiatives and resource allocation decisions. The success of the strategy depends on management's effective execution of initiatives in each of the pillars. Business development remains the key driver through all our pillars. The execution of accretive collaborative arrangements and acquisitions continue to be critical components of our growth strategy.

The dermocosmetic industry is a mature industry and the competitive landscape has historically made the potential for organic growth modest, especially under the traditional B2B model. We are investing in our commercial skincare and manufacturing infrastructure to grow organically. Our commercial focus will be in three main areas: (1) expand our presence in the medical aesthetics space to capitalize on growth trends in this market, including the higher adoption of minimally invasive and non-invasive aesthetic procedures and heightened awareness through the proliferation of social media; (2) increase our market share in the Canadian spa and medispa markets through improved sales and marketing strategies, including expanding brand awareness by engaging directly with consumers; and (3) actively pursue additional production volumes through partnerships in our Manufacturing and Services segment.

To supplement organic growth initiatives, we are also looking to in-license novel products to enhance our product offering in both the aesthetics and medical aesthetics markets, all of which will help us expand our geographic presence and enable us to better compete in our industry.

In 2023, we intend to pursue our growth through the following strategic initiatives:

(i) Grow our medical aesthetic business with the launch of the ART FILLER range of injectables and continue gaining traction with NCTF;

(ii) Broaden brand presence through new client acquisition with an improved sales approach and market segmentation strategies to position our brands as leaders in the Canadian dermocosmetic market;

(iii) Increase our CDMO customer base and expand existing customer relationships, providing additional production volumes, generating revenue and improving plant utilization;

(iv) Continue our digital initiatives by improving marketing plans for both the e-commerce and business to consumer channels, with better targeted innovations, tailored promotional offers, and loyalty incentives;

(v) Expand our portfolio through strategic licensing agreements and pursue strategic acquisitions allowing us to access specific niche dermocosmetic markets, enhance product capabilities and offerings, or expand our market presence.

With a robust portfolio of assets and a dedicated management team in place, we believe that we are well-positioned to execute our vision and commercial growth strategy in 2023 and beyond.

Impact of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic (the "**Pandemic**"). As a result of the far-reaching impacts of the Pandemic, we have seen and may continue to see disruptions to our operations and performance, such as closures amongst our clients including spas, medispas and medical aesthetic clinics. In addition, the cost of inflation within our supply chain remains high, and further cost increases could have a significant impact on our cost of sales and margins. We are actively assessing measures to mitigate these costs and operational disruptions, including: (i) operational efficiencies; (ii) qualifying additional suppliers; (iii) building inventory of core materials due to extended lead times; and (iv) pricing action.

The extent of the impact of COVID-19 on future periods will depend on developments, including the duration or resurgence of the Pandemic, the related government responses and the impact on the global economy, which are uncertain and cannot be predicted.

Non-Prescription Skincare Product Portfolio

Laboratoire Dr Renaud®

Founded over 70 years ago, Laboratoire Dr Renaud is a pioneer in the Canadian cosmetics industry. The product line was founded in France in 1947 by Dr. Louis Raymond Renaud, a well-known French dermatologist and was launched as a Canadian brand in Montreal in 1963. Laboratoire Dr Renaud is inspired by nature to develop personalized solutions to address daily skin concerns such as: aging, acne, rosacea, pigmentation, dehydration, and sensitivity. With research and innovation at the heart of the brand, Laboratoire Dr Renaud's skincare solutions represent the synergy of science and aesthetics. Products are designed according to the principles of biomimicry which imitate natural processes, making them compatible with the skin. Crescita owns the trademark rights for the skincare line in North America, certain South American countries, and the Pacific Rim as well as the worldwide rights for the formulations. Virtually all the Laboratoire Dr Renaud products are manufactured at the Company's Laval manufacturing facility and can be purchased either through a professional aesthetician or online.

Pro-Derm®

Pro-Derm is a line of high-quality dermocosmetic products destined for the medical aesthetic market including physicians operating medispas and medical aesthetic clinics. Pro-Derm products are used in conjunction with anti-aging medical procedures both pre and post treatment, such as dermal filler injections for lines and wrinkles, facial peels, laser treatments, aesthetic surgery as well as to prevent the undesired effects of aging. Developed by a Canadian team of chemists and a dermatologist, the products are designed to achieve and maintain healthy-looking skin and to optimize cosmetic procedures offered by physicians.

By offering a range of clinically proven effective ingredients, Pro-Derm combines the benefits of both cosmetic and pharmaceutical products. Our formulas are free from parabens, dyes, perfumes, alcohol, mineral oils, and other harsh chemicals, as well as from ingredients of animal origin. Crescita owns the trademark rights for Canada and the worldwide formulations and marketing rights for Pro-Derm. Virtually all the Pro-Derm products are manufactured at our Laval manufacturing facility and can be purchased either through a medispa, a medical aesthetic clinic or online.

Alyria®

Alyria is a dermocosmetic skincare line developed using scientific research to target major skincare concerns. Alyria offers a complete regimen to help patients achieve healthier-looking skin. Alyria products are sold by physicians operating medispas and medical aesthetic clinics and use therapeutic concentrations of high-quality ingredients, delivered through advanced skin optimizing systems. Alyria's portfolio is complementary to our Pro-Derm line and can be purchased throughout Canada in various medispas and medical clinics and online. Crescita owns the trademark rights for Canada, Europe, certain South American countries, and the U.S. In addition, Crescita owns the worldwide marketing rights for Alyria as well as the rights to the product formulations, which are, in some cases, on a non-exclusive basis.

NCTF® Boost 135 HA

NCTF 135 HA is a skin revitalization solution primarily used for the improvement of skin quality and fine lines. Comprising free hyaluronic acid and more than 50 key ingredients including amino acids, vitamins, co-enzymes, and minerals, NCTF is a hydration booster providing the essential ingredients for skin health. Suitable for all generations, it specifically targets age-related skin changes such as dryness, dullness, uneven complexion, dilated pores, and wrinkles. We sell NCTF under our distribution and promotion agreement with Laboratoires FILLMED ("**FILLMED**") to medispas and medical aesthetic clinics across Canada. Since 1978, NCTF has been a leader in skin revitalization with over 4 million bottles sold by FILLMED and its partners around the world annually.

Obagi Medical®

The Obagi Medical product line provides skincare products formulated to minimize signs of aging, address dark spots, hyperpigmentation, fine lines and wrinkles and to protect and enhance skin tone and texture. Some of the most well-known products include the Obagi Nu-Derm Fx® Systems, the Obagi-C® Fx Systems, the Obagi360® System, the CLENZIderm M.D.® Systems and the Professional-C® Collection. We launched the Obagi Medical product line in Canada in April 2022 under our distribution agreement with Obagi Cosmeceuticals LLC ("**Obagi**"). The product line is sold in medispas and medical aesthetic clinics across Canada and online. Refer to *Significant Developments – Last Three Fiscal Years – Fiscal 2022 to AIF Filing Date*.

ART FILLER®

ART FILLER is an exclusive collection of hyaluronic acid-based dermal fillers designed to smooth-out superficial to deep wrinkles, and create or restore the volumes and contours of the face. Developed, manufactured, and launched in 2016 by FILLMED, ART FILLER injectables benefit from the Tri-Hyal® technology, an innovation in the R&D space. The gels are made of non-animal origin hyaluronic acid and feature an optimized equilibrium between free hyaluronic acid, long chains and very long chains of hyaluronic acid. Each product of the range has been developed with consideration of a precise treatment objective. The performance and the tolerance of ART FILLER have been demonstrated through a unique study combining clinical evaluations and instrument-based measurements. We are currently launching the ART FILLER range in the Canadian medical aesthetic market under our distribution and promotion agreement with FILLMED. Refer to Significant Developments – Last Three Fiscal Years – Fiscal 2022 to AIF Filing Date.

Prescription Product Portfolio

Pliaglis®

Pliaglis is a topical local anesthetic cream that provides safe and effective local dermal analgesia on intact skin prior to superficial dermatological procedures. The formulation contains a eutectic mixture of 7% lidocaine and 7% tetracaine that utilizes our proprietary phase-changing topical cream *Peel* technology. The *Peel* technology consists of a drug-containing cream which, once applied to a patient's skin, dries to form a pliable layer that releases the active ingredients into the skin. Pliaglis is applied to intact skin for 20 to 30 minutes prior to superficial dermatological procedures such as dermal filler injections, non-ablative laser facial resurfacing, or pulsed-dye laser therapy and 60 minutes prior to procedures such as laser-assisted tattoo removal.

Following the application period, the pliable layer is easily removed from the skin allowing the procedure to be performed with minimal to no pain. In clinical studies, the mean duration of anesthesia has been shown to be in the range of 7 to 9 hours after the application of Pliaglis.

The product is currently approved in 26 countries and licensed to eight commercial partners in 40 countries. As countries with the highest commercial potential have already been licensed, Crescita's focus is on providing regulatory support to its international partners in countries where Pliaglis is still not approved to ensure timely approval. In the various rest-of-world ("**ROW"**) countries where Pliaglis is approved, we will

provide commercial support. Refer to *Significant Developments – Last Three Fiscal Years and Significant Partnerships*.

Enhanced Formulation of Pliaglis

The Company developed alternate enhanced formulations of Pliaglis with extended patent protection through 2031 in multiple jurisdictions. The alternate formulations also contain 7% lidocaine and 7% tetracaine but possess improved application and removal properties compared to the original formulation of Pliaglis.

On March 31, 2020, the United States Patent and Trademark Office ("**USPTO**") granted U.S. Patent No. 10,603,293 for *Solid-Forming Anesthetic Formulations for Pain Control*, which covers both Pliaglis and enhanced formulations of Pliaglis through January 14, 2031. The new patent was listed in a publication called *Approved Drug Products with Therapeutic Equivalence Evaluations* (commonly known as the "**Orange Book**"), on April 14, 2020 by Taro Pharmaceuticals Inc. ("**Taro**"), the Company's licensing partner in the U.S. The Orange Book identifies drug products approved on the basis of safety and effectiveness by the Food and Drug Administration (the "**FDA**") under the Federal Food, Drug, and Cosmetic Act and related patent and exclusivity information.

On August 25, 2020, the USPTO granted U.S. Patent No. 10,751,305 for *Solid-Forming Topical Formulations for Pain Control*, which covers enhanced formulations of Pliaglis through January 14, 2031. The new patent was listed in the FDA's Orange Book by Taro on September 21, 2020.

Transdermal Delivery Technologies

Crescita has multiple drug delivery platforms supporting the development of patented formulations that deliver active ingredients into or through the skin.

Peel and DuraPeel™

The Peel and DuraPeel technologies are self-occluding, film-forming cream/gel formulations that provide extended-release delivery of the active ingredients to the site of application. The cream/gel contains a drug that, when applied to a patient's skin, forms a pliable layer that releases the active ingredient into the skin for up to 12 hours. The benefits of the Peel and DuraPeel technologies include proven compatibility with a variety of active pharmaceutical ingredients ("**APIs**"). A self-occluding film reduces product transference risk, provides fast drying time, facilitates easy application and removal, and enables application to large and irregular skin surfaces.

While the Peel technology typically involves a single solvent that dries to form a pliable film, the DuraPeel technology involves a two-solvent system which includes: 1) a volatile solvent component that dries to form a self-occluding film and 2) a non-volatile solvent component that remains in the formulation to facilitate prolonged release of the active ingredient from the formulation into the skin.

Peel technology patents have been issued in 22 countries including the U.S., with the latest expiring in 2031. In addition, a patent application is pending in the U.S. DuraPeel patents have been issued in Australia, Canada, Japan and in the U.S. with the latest expiry in 2027.

MMPE™

The MMPE technology uses synergistic combinations of certain specific pharmaceutical excipients included on the FDA's Inactive Ingredients Database ("**IID**") for improved topical delivery of active ingredients into or through the skin. The benefits of this technology include the potential for increased penetration of APIs with the possibility of improved efficacy, lower API concentration and/or reduced dosing. Issued U.S. patents provide intellectual property protection through March 6, 2027. Australian, Mexican and European patents (validated in Germany, France, Ireland, Spain, Italy and the United Kingdom) were issued with term to 2036. In addition, applications are pending in Canada, New Zealand, and in the U.S., with the latest expiry date in 2036.

Product Candidates in Co-Development

In April 2014, Crescita entered into a joint venture with Ferndale Laboratories Inc. ("**Ferndale**") and a leading U.S. contract research organization (a "**CRO**" and together the "**Development Partners**") to develop and formulate two topical dermatology product candidates (the "**Product Candidates**") utilizing our patented MMPE technology. Under this agreement (the "**Original Joint Venture Agreement**"), upon completion of the formulations, the Development Partners would oversee and fund the formulations' advancement through Phase 2 clinical studies, after which, it was anticipated that the Product Candidates would be made available for licensing. However, in 2019, we amended the Original Joint Venture Agreement, including a financial commitment from Crescita to fund our proportionate share of the Phase 3 clinical development costs for CTX-101 to maintain our anticipated share of future licensing proceeds.

CTX-101

CTX-101 is a topical formulation utilizing a corticosteroid in combination with our patented MMPE technology to treat plaque psoriasis. On February 11, 2020, we announced positive topline results from two pivotal Phase 3 clinical trials for CTX-101. The two Phase 3 multi-centre, randomized, vehicle-controlled, double-blind, parallel group trials were conducted in the U.S. using the same study design.

Both studies met the primary endpoint demonstrating that a statistically significant greater number of patients achieved the Investigator's Global Assessment ("**IGAs**") treatment success ($p < 0.001$) at the end of study. The IGA score is a static evaluation by the investigator of the overall assessment of the patient's disease status within the designated treatment area.

These results are based on the Intention to Treat population and study results in the Per Protocol population were also highly significant as were key secondary endpoints for both studies. Our Development Partners are advancing multiple licensing discussions at varying stages with pharmaceutical companies. However, with the current reimbursement challenges for dermatology products in the U.S., securing a licensing partner is more difficult than expected and we have no certainty as to whether current partnering discussions will be successful.

Two U.S. patents claiming certain combinations of particular molecular penetration enhancers together with active drugs in topical formulations were issued on January 1, 2013, as U.S. Patent No. 8,343,962, and May 9, 2017, as U.S. Patent No. 9,642,912. In addition, Australian Patent No. 2016427261 was issued January 19, 2023, Mexican Patent No. 386903 was issued on October 7, 2021 and European Patent No. 3528818 was issued on September 15, 2021, and validated in Germany, France, Ireland, Spain, Italy and the United Kingdom, all with term to 2036. As well, patent applications are pending in Canada, New Zealand, and the U.S., with anticipated terms through 2036.

CTX-102

CTX-102 is a topical formulation also utilizing our patented MMPE technology to treat an undisclosed dermatological skin condition. Initial formulation development efforts for CTX-102 were completed in Q2-18, while an Investigational New Drug ("**IND**") application update was filed on June 25, 2018 including details on the formulations to be evaluated in the first planned Phase 1 vasoconstrictor assay ("**VCA**") study. The IND update was accepted by the FDA and the initial Phase 1 VCA study designed to evaluate the relative potency of several formulations was completed in Q1-19.

The results of the Phase 1 VCA study were encouraging, and a successful pilot Phase 2 study was subsequently completed, providing encouraging feedback on the safety, user response and clinical efficacy of the lead formulation. The CTX-102 development program is currently on hold pending the outcome of the CTX-101 partnering discussions. Accordingly, we have no certainty as to whether such discussions will commence or if commenced, be successful.

In addition to U.S. patent No. 8,343,962, U.S. patent No. 9,642,912, Australian Patent No. 201642726, Mexican Patent No. 386903 and European Patent No. 3528818 (validated in Germany, France, Ireland, Spain, Italy and the United Kingdom) which pertain to both CTX-101 and CTX-102, U.S. Patent No.

10,945,952 was granted March 16, 2021, for *Rinse-Off Compositions and Uses Thereof for Delivery of Active Agents* with term to March 16, 2040. Patent applications are also pending in Canada, Europe, Japan and the U.S. with anticipated term through 2040.

Intellectual Property

The value of the Company's commercial and drug development candidates, and their prospects, depends heavily on establishing and protecting valid intellectual property rights for the prescription drug products and establishing brand identity for the non-prescription products. See *Risk Factors – Patents, Trademarks and Proprietary Technology*.

Patent protection, the confidential nature of the Company's expertise and its trade secrets are intended to provide a period of exclusivity with respect to processes or products developed by, or for, the Company and its exclusive benefit. The Company believes it has taken steps reasonably necessary to protect the confidentiality of its commercially sensitive activities.

The Company owns intellectual property useful for drugs in the dermatology and pain therapeutic areas, including Pliaglis, the enhanced formulations of Pliaglis, MMPE drug formulations and DuraPeel. In addition, the Company holds certain registered trademarks and trademark applications that cover its pipeline and commercial products.

Pliaglis and Enhanced Formulations of Pliaglis

The Company owns patents which cover Pliaglis and enhanced formulations of Pliaglis. For Pliaglis, claims are directed to a formulation for pain control. The Company owns a U.S. Patent granted on March 31, 2020 that expires in 2031.

The Company owns two distinct patent families relating to enhanced formulations of Pliaglis. These families include composition of matter claims and method of use claims for treating pain. The first family has patents granted in Canada, Australia, China, Europe, Hong Kong, Japan, Russia and the U.S. with term to 2030. The second family has patents granted in Australia, Brazil, Canada, Mexico and the U.S with term to 2031. An additional application is pending in the U.S. through 2031.

MMPE Technology

Three related U.S. patents claiming certain combinations of particular molecular penetration enhancers together with active drugs in topical formulations were issued: (1) U.S. Patent No. 8,343,962 issued on January 1, 2013; (2) U.S. Patent No. 9,308,181 issued on April 12, 2016; and (3) U.S. Patent No. 9,642,912 issued on May 9, 2017. In addition, Australian Patent No. 2016427261 was issued January 19, 2023, Mexican Patent No. 386903 was issued on October 7, 2021 and European Patent No. 3528818 was issued on September 15, 2021 all with term to 2036. As well, patent applications are pending in Canada, New Zealand and the U.S., with latest expiry dates in 2036.

DuraPeel Technology

The Company holds several patents covering the DuraPeel technology platform. Claims are directed to composition of matter and methods of use in the treatment of pain, dermatitis, and other conditions. Worldwide, there are five issued patents with latest expiry date in 2027, protecting this technology.

Rinse-Off Technology

The rinse-off technology platform consists of a new technology that allows for enhanced deposition of APIs to the skin, scalp or hair from a topical formulation that is applied and then rinsed off. The technology includes solubilization of an API in a dispersed hydrophobic (oil) phase in an aqueous surfactant matrix that can be rinsed off the skin, scalp or hair and provides improved deposition of the active ingredient on the delivery target (for example, the skin or scalp).

The Company holds a patent and patent applications covering the rinse-off technology platform. Claims are directed to composition of matter and methods of use in the treatment of a disease, disorder or condition. Worldwide, there is one issued U.S. patent to 2040 and Australian, Mexican and European patents through 2036. Patent applications are also pending in Canada, Europe, Japan and the U.S. with anticipated term to 2040. The Rinse-Off Technology is also protected by US patents that cover the MMPE technology.

Pipeline Products

Non-Prescription Skincare Products

The non-prescription skincare business requires that the product lines be rejuvenated from time-to-time with the introduction of new product offerings and innovations, which in some cases utilize our patented transdermal delivery technologies. Crescita has established a multi-disciplinary product development committee that screens and identifies new products to be developed or existing products to be upgraded. These new products are selected based on sales and marketing trends, but also include regulatory, manufacturing and cost considerations. The products under development are usually kept confidential for competitive reasons.

Prescription Drug Products

Crescita has a portfolio of development and commercial stage products and proprietary platform technologies, which include MMPE and DuraPeel. The following table summarizes the Company's key prescription drug products and product candidates and associated intellectual property.

Product	Therapeutic Area	Stage of Development	Intellectual Property[2]
Pliaglis and enhanced formulations of Pliaglis (U.S.)	Local anesthesia prior to superficial dermatological procedures	Commercial	Three Orange Book listed U.S. patents covering Pliaglis and/or enhanced formulations expiring in 2031. Application pending in the U.S. through 2031.
Pliaglis and enhanced formulations of Pliaglis (ROW)	Local anesthesia prior to superficial dermatological procedures	Commercial	Patents granted for enhanced formulation in AU, BR, CA, CN, AT, BE, CH, DE, ES, FR, GB, GR, IT, LU, NL, PL, TR, HK, JP, MX, and RU, with latest expiring in 2031.
CTX-101[1]	Plaque Psoriasis	Phase 3	Patents granted in the U.S. expiring in 2027. Patents granted in AU, MX, DE, FR, IE, GB, ES and IT expiring in 2036. Applications pending in CA, NZ, and U.S. through 2036.
CTX-102[1]	Dermatological skin treatment	Phase 1	Patents granted in the U.S. expiring in 2027. Patent granted in AU, MX, DE, FR, IE, GB, ES and IT expiring in 2036. Applications pending in CA, and NZ, through 2036. U.S. patent for CTX-102 granted through 2040. Applications pending in CA, EP, JP and U.S. through 2040.
Dermatology products utilizing MMPE[3]	Prescription treatments of skin diseases	Pre-clinical	Patent granted in the U.S. expiring in 2027.

1. CTX-101 and CTX-102 are topical products in co-development with the Company's Development Partners which utilize our MMPE technology.
2. Country abbreviations defined as follows: Australia (AU), Brazil (BR), Canada (CA), China (CN), Austria (AT), Belgium (BE), Switzerland (CH), Germany (DE), Spain (ES), France (FR), Great Britain (GB), Greece (GR), Ireland (IE), Italy (IT), Luxembourg (LU), Netherlands (NL), Poland (PL), Turkey (TR), Hong Kong (HK), Japan (JP), Mexico (MX), Russian Federation (RU), United States (U.S.), Rest of World (ROW), Europe (EP).
3. Crescita licensed the MMPE technology to a U.S.-based, major dermatological CRO. The licensee, in this case, will oversee and fund the total cost of the development program.

Manufacturing and Distribution

The Company has a 50,000 square-foot facility located in Laval, Québec, which is where the majority of its non-prescription skincare products, such as Laboratoire Dr Renaud, Pro-Derm, and Alyria are produced. The manufacturing facility complies with the current cGMP regulations administered and enforced by the FDA and is regularly inspected by Health Canada. Since the first quarter 2022, Crescita also distributes its finished goods directly from its facility. Crescita specializes in the custom manufacturing of creams, liquids, gels ointments and serums. Formulations manufactured by or for Crescita include cosmetics, natural health products and products with drug identification numbers ("**DIN**") and are currently sold in the U.S., Canadian and Asian markets. The Company generates revenue, in part, from foreign sales through its international distribution partners, including e-commerce.

Employees

As at December 31, 2022, the Company had 78 full-time employees and contract professionals, including full-time consultants. Crescita employees are not subject to any collective bargaining agreements and are not unionized.

Specialized Skill and Knowledge

The Company's commercial skincare products business specializes in establishing marketing plans and brand identity for its products. The Company also relies on its sales, marketing and regulatory teams in establishing product development targets. The Company will, from time-to-time, enlist outside sales and marketing expertise to help establish sales and marketing plans.

The Company's prescription drug products business specializes in drug development and relies on its ability to design and conduct clinical studies, navigate the regulatory pathway in Canada, the U.S., Europe and the ROW and out-license its products in development. The Company will, from time-to-time, enlist the support of experienced clinical trial, regulatory and legal consultants and will combine those resources with its own expert knowledge to achieve the successful development of its products and the protection of its intellectual property.

Significant Partnerships

Licensing Agreement with Cantabria Labs

In April 2019, we entered into a commercialization license agreement with Cantabria Labs Inc. ("**Cantabria**" and the "**Cantabria Agreement**") for an initial term of 15 years, granting Cantabria the exclusive rights to sell and distribute Pliaglis in Italy, Portugal, France, and Spain (the "**Territories**").

Under the Cantabria Agreement, we are eligible to receive double-digit royalties on the net sales of Pliaglis in the Territories, with minimum guaranteed sales-based royalties per year, and milestones related to the launch and sales performance of Pliaglis in each of the Territories.

Cantabria initially completed the transfer of the manufacturing process and analytical test methods for Pliaglis to its manufacturing facility in Santander, Spain in 2020, allowing it to supply Pliaglis in Europe. In addition, the parties also agreed that Cantabria would supply Pliaglis to Crescita outside the Territories.

Cantabria is promoting Pliaglis through its field force, calling on physicians such as aesthetic doctors and dermatologists. Cantabria currently sells Pliaglis in Italy.

Licensing Agreement with Taro Pharmaceuticals Inc.

In April 2017, we entered into a development and commercialization license agreement with Taro Pharmaceuticals Inc., a subsidiary of Taro Pharmaceutical Industries Ltd., as amended in July 2020 (the "**Taro Agreement**"). Under the terms of the Taro Agreement, Crescita granted Taro an exclusive license to sell and distribute Pliaglis and an enhanced formulation of Pliaglis in the U.S. market.

Pliaglis sales continue to be affected, in part, by certain restrictive amendments to U.S. managed care. Pliaglis and an authorized generic form of the branded "Pliaglis" are sold by third-party distributors directly to pharmacy chains. While management cannot determine the isolated impact of the restrictive amendments on product sales, it has become apparent that they have contributed to the decrease in Pliaglis sales in the U.S. However, under the terms of the Taro Agreement, we are entitled to minimum annual royalties in the amount of US$1,000 per Taro fiscal year, which spans from April 1 to March 31, in periods where Taro does not reach sales targets. Taro is also entitled to terminate the agreement without penalty, subject to a six-month notice period. During the year ended December 31, 2022, the Company recognized minimum annual guaranteed royalties of $1,359 (US$1,000). Other than the minimum guaranteed royalty, no other royalties from Taro were recorded in Fiscal 2022.

SIGNIFICANT DEVELOPMENTS - LAST THREE FISCAL YEARS

Fiscal 2022 to AIF Filing Date

Commercial Skincare:

- In January 2023, the Company launched the ART FILLER injectables (the "**Fillers**") in the Canadian medical aesthetic market through its new dedicated sales force. The ART FILLER collection is an exclusive range of dermal fillers made of HA, designed to smooth out and fill in wrinkles, and create/restore the volumes and contours of the face. Crescita entered into an exclusive Canadian distribution and promotion agreement with FILLMED in 2020. Refer to *Significant Developments – Last Three Fiscal Years – Fiscal 2020***.**
- In June 2022**,** Health Canada approved the following injectables that form part of the ART FILLER collection: 1) Art Filler Universal, used for medium to deep lines and wrinkles and replacement of lost volume; 2) Art Filler Fine Lines, used for fine lines and wrinkles; and 3) Art Filler Contour, mainly used to plump and define face contours.
- In April 2022, the Company launched the Obagi Medical product line in the Canadian skincare market. The Obagi Medical line comprises skincare products intended to restore the skin's natural radiance by improving skin tone and texture and diminishing the appearance of premature aging. Crescita entered into a distribution agreement with Obagi in 2021 for the exclusive rights to promote, distribute and sell the product line in the Canadian skincare market. Refer to *Significant Developments – Last Three Fiscal Years – Fiscal 2021*.

Other Significant Developments:

- In May 2022, the Company repaid in full its $1.0 million outstanding convertible debenture financing with Bloom Burton Healthcare Lending Trust and Bloom Burton Healthcare Lending Trust II, significantly reducing its third-party borrowings. The Debentures bore interest at 9% and had a maturity date of June 30, 2022. Refer to *Description of Capital Structure – Convertible Debentures*.

Fiscal 2021

Licensing and Royalties:

- In December 2021, the Company signed an exclusive commercialization and development license agreement with Egis Pharmaceuticals PLC ("**Egis**"), a pharmaceutical company in Central Eastern Europe ("**CEE**") for the rights to Pliaglis in eight countries comprising: Hungary, Bulgaria, Czech

Republic, Slovakia, Poland, Russia, Latvia and Lithuania (the "**Egis Territories**"). Under the terms of the agreement, Crescita received an upfront payment of $0.9 million (€0.7 million) and is eligible for further cumulative sales and regulatory milestone payments over the term of the agreement. Egis will sell Pliaglis through its own commercial infrastructure in the Egis Territories, where the company is well established. Crescita will be the exclusive supplier of Pliaglis and will also provide regulatory support to Egis in seeking approval for Pliaglis in the Egis Territories. Egis expects to launch Pliaglis in Poland in the second half of 2023 and has submitted the requisite regulatory filing for most of the other Egis Territories, with approval expected in the first quarter of 2024.

- In August 2021, the Company signed an exclusive commercialization and development license agreement with STADA MENA DWC-LLC ("**STADA**"), a subsidiary of STADA Arzneimittel AG, a specialty pharma, generics and consumer healthcare group, for the exclusive rights to Pliaglis in 15 countries in the Middle East and North Africa ("**MENA**") region, comprising: Saudi Arabia, the United Arab Emirates ("**UAE**"), Kuwait, Oman, Qatar, Bahrain, Jordan, Lebanon, Egypt, Algeria, Morocco, Tunisia, Iraq, Libya and Yemen (the "**STADA Territories**"). Under the terms of the agreement, Crescita received an upfront payment and will be the exclusive supplier of Pliaglis. Crescita will also provide regulatory support to STADA for seeking approval for Pliaglis in the STADA Territories. STADA has begun filing initial regulatory submissions in several countries and additional submissions will be made in 2023.

- In June 2021, the Company signed an exclusive commercialization and development license agreement with Croma Pharma GmbH ("**Croma**"), a globally acclaimed pharmaceutical company with specializations in medical aesthetics, ophthalmology, and orthopaedics for the rights to Pliaglis in nine countries including Germany, the United Kingdom, Ireland, Switzerland, Brazil, Romania, Belgium, the Netherlands and Luxembourg (the "**Croma Territories**"). Crescita received an upfront payment and is eligible to receive a combination of cumulative sales and other milestone payments for a total of €1.25 million over the term of the agreement with a potential for further cumulative sales milestones based on tranches of incremental sales. Crescita will be the exclusive supplier of Pliaglis. Croma expects to launch Pliaglis in Germany, Ireland, the United Kingdom and Brazil in the second half of 2023 and will promote Pliaglis directly to physicians through its sales network. Additional launches in other Croma Territories are expected in the fourth quarter of 2023 and in 2024.

Commercial Skincare:

- In April 2021, the Company launched NCTF, a skin revitalization solution primarily used for the improvement of skin quality and fine lines, under its exclusive Canadian distribution and promotion agreement with FILLMED signed in 2020. Refer to *Significant Developments – Last Three Fiscal Years – Fiscal 2020.*

- In September 2021, the Company entered into a distribution agreement with Obagi for the exclusive rights to promote, distribute and sell the Obagi Medical® product line in Canada. The Company launched the Obagi line nationwide through its existing sales network in April 2022. Refer to *Significant Developments – Last Three Fiscal Years – Fiscal 2022 to AIF Filing Date*.

- In September 2021, the Company completed the acquisition of a minority interest in Akyucorp Ltd. d/b/a The Best You®, a privately held network of seven medical aesthetic clinics in Ontario ("**The Best You**"). In consideration for the minority interest, Crescita issued 470,128, or 2.2%, of its Common Shares outstanding at that time, at a price of $0.70 per Common Share for total consideration of $0.3 million. In addition, to support The Best You's growth strategy, the Company invested in a secured convertible promissory note (the "**Convertible Note**") with an initial principal amount of $0.5 million. The Company may be required to invest and additional $0.75 million, contingent on certain events and/or financial indicators being met. The Convertible Note bears interest at variable rates up to 12% based on the annual volume of products purchased by The Best You from the Company and matures on September 2, 2026. It is convertible at Crescita's option into an additional equity interest in The Best You at any time following July 31, 2023 or upon the occurrence of certain events, and mandatorily convertible should The Best You achieve a specified

level of financial performance. In October 2022, the Company acquired an additional interest in the Best You for cash consideration of $61,250.

The Best You clinics, together with their affiliated physicians and specialists, provide private pay cosmetic procedures such as neurotoxin injections, dermal fillers, Limitless Hair Removal™, and platelet-rich plasma ("**PRP**") procedures. The Best You clinics carry a full range of skincare and dermatology products and offer popular cosmetic surgery procedures, including liposuction, breast augmentations, face lifts and blepharoplasty. In addition to aesthetic services, The Best You clinics also provide skin cancer screening and surgical treatments covered by the Ontario Health Insurance Plan via its SkinCancerCare.ca network.

Other Significant Developments:

- The Board appointed Mrs. Deborah Shannon-Trudeau as a director effective November 10, 2021. Mrs. Trudeau has over 30 years' experience in strategy, business development, commercial and manufacturing operations. Formerly, she was Senior Vice-President Licensing and International Business at Trudeau Corporation, a privately held company specializing in the design, development, and distribution of its own branded kitchenware products where she pioneered the development of licensing and strategic partnerships. Mrs. Trudeau is Vice-Chair of the Board and Chair of the Governance Committee of the Royal Canadian Mint. In parallel, she serves on the Board of Birks Group Inc., and CORIM – Conseil des relations internationales de Montréal. She serves as a Director on the Board of Governors at St. Mary's Hospital and served as Vice President of the Board of the Community Foundation of Greater Montreal where she continues to be involved in its development. In 2018, Mrs. Trudeau became the second Canadian to serve for a two-year term as Global President and Chair of the Board of the International Women's Forum ("**IWF**"), headquartered in Washington D.C., an organization counting more than 7,500 women leaders active in 33 countries with a purpose to advance women's leadership. A dedicated IWF advocate for many years, she has served as a mentor/sponsor to many young women professionals and continues to serve on the Global Board of IWF as Director Emeritus. A graduate of Queen's University in Health Sciences, Mrs. Trudeau was recognized as a Canadian Diversity Champion by Women of Influence and as a Women's Executive Network Top 100 honoree.

- In September 2021, the Company amended its existing revolving demand operating credit facility (refer to *Significant Developments – Last Three Fiscal Years – Fiscal 2020*) for a temporary increase in the available amount from $3.5 million to $6.0 million until April 30, 2022. The temporary increase of $2.5 million provided Crescita with additional financial flexibility to fund increases in production volumes in the Manufacturing and Services segment, however, it was not utilized prior to its expiration on April 30,2022.

- Mr. François Lafortune joined Crescita's senior leadership team as Executive Vice-President and General Manager on May 10, 2021. This new senior management position is intended to drive growth within our Commercial Skincare and Manufacturing and Services segments. Mr. Lafortune brings strong collaborative leadership to the role as well as strategic domestic and international managerial experience in the cosmetics industry. Mr. Lafortune has been a long-time lecturer at the Hautes Études Commerciales business school of the Université de Montréal and was Vice-President of Marketing for Groupe Marcelle Cosmetics, General Manager of the Luxury Brands Division of L'Oréal Turkey and Marketing Director for L'Oréal's Europe Region.

Fiscal 2020

Licensing and Royalties:

- In November 2020, the Company entered into an exclusive agreement with Juyou Bio-Technology Co. Ltd ("**Juyou**"), a biotechnology company that develops and sells medical and cosmetic skincare products, for the commercialization and development of Pliaglis and an enhanced formulation of Pliaglis in mainland China. Juyou will be responsible for the overall clinical development and regulatory filings for Pliaglis with the National Medical Products Administration (the "**NMPA**", formerly the China State Food and Drug Administration). As part of the license agreement, Crescita

received an upfront payment of $0.2 million (US$0.1 million) and will be eligible for potential regulatory and sales milestones of up to US$1.0 million and US$1.8 million, respectively. Crescita will be the exclusive supplier of Pliaglis at a pre-determined price. Following the regulatory approval of Pliaglis in China, Crescita will be eligible for tiered double-digit royalties should the product's retail price surpass pre-determined amounts. Under the agreement, Juyou has committed to purchase minimum volumes, failing which it may lose exclusivity or allow the Company to terminate the license agreement.

- In October 2020, the Company entered into a commercialization license agreement with LIV LABORATÓRIOS ("**LIV**"), a division of MINOS Labs, a privately held Mexican group of pharmaceutical, consulting, and regulatory companies. LIV specializes in dermatology solutions and sells directly to physicians. The agreement grants LIV the exclusive rights to distribute and sell Pliaglis in Mexico. Crescita will supply the product under its existing agreement with Cantabria at a pre-determined transfer price per unit. Under the agreement, LIV has committed to purchase minimum volumes failing which it may lose exclusivity or allow the Company to terminate the license agreement. Cofepris, the regulatory health authority in Mexico, has been delayed in granting the marketing authorization ("**MA**") renewal and transfer required for launch. The Company expects LIV to launch Pliaglis in Mexico shortly after the MA renewal and transfer are granted by Cofepris which is expected by the fourth quarter of 2023.

Other Significant Developments:

- In July 2020, the Company entered into an amendment to the Taro Agreement with regard to Pliaglis in the U.S., which entitled the Company to a total one-time cash payment of $5.2 million (US$3.9 million). Refer to *Significant Partnerships.*

- In March 2020, the Company announced the following measures taken in response to the COVID-19 pandemic. See *Impact of Covid-19* and *Risk Factors – Disease Outbreaks*.

    - **Temporary Facility Closure**
      On or around March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. In accordance with the Québec government-mandated shut-down of all non-essential businesses announced shortly after on March 23, 2020, the Company temporarily closed its office and manufacturing facility, which resulted in temporary layoffs affecting plant, sales, and most office personnel, while other employees deemed critical to maintaining basic services during the shutdown worked remotely and with reduced hours. Product distribution through the Company's third-party logistics provider remained operational with reduced capacity.

    - **Cash Conservation Initiatives**
      The Company implemented other cash conservation initiatives to navigate the uncertainties and economic pressures imposed by the COVID-19 pandemic including: (i) the termination of its ASPP in connection with its then active NCIB effective March 24, 2020; as well as (ii) temporary base salary reductions for the executive team, including the Chief Executive Officer (the "**CEO**") and Chief Financial Officer (the "**CFO**"), and fee reductions for all members of the Board ranging between 25% and 40%, in effect from April 1 2020 to June 30, 2020.

    - **Re-Opening of Office and Manufacturing Facility**
      On May 11, 2020 consistent with the recommendations from the Québec provincial government, the Company progressively re-opened its office and manufacturing facility and started rehiring employees that had been temporarily laid off. Full base salaries and fees were also restored for the executive team and for the Board effective July 1, 2020 and rehires were completed along with a return to a five-day workweek.

- **Health and Safety Measures**
  In support of a safe environment, the Company put in place several health and safety measures for its employees and visitors according to the recommendations of public health officials and the CNESST - *Commission des normes, de l'équité, de la santé et de la sécurité du travail*. These measures included but were not limited to: the requirement to always wear masks and social distance, the widespread availability of hand sanitizing stations throughout the Company's building, frequent and thorough disinfection of high-touch surfaces, and the mandatory completion of daily health and safety measures checklists for quality assurance and production personnel.

- In January 2020, the Company secured a $3.5 million revolving credit facility (the "**Facility**") with RBC. The Facility can be drawn for working capital requirements and general corporate purposes and bears interest at RBC's prime rate (6.45% as at December 31, 2022) plus 0.25%. The Facility is secured by a first ranking charge in favour of RBC over the Company's accounts receivable and inventories. Drawings in excess of the first $1.0 million on the Facility are limited to a percentage of the Company's then outstanding accounts receivable and inventory. In September 2021, the Facility was amended for a temporary increase in the amount available to $6.0 million until April 30, 2022, which increase was not utilized prior to its expiration. Refer to *Significant Developments – Last Three Fiscal Years – Fiscal 2021.* At December 31, 2022, the maximum allowed amount of $3.5 million was available under the Facility, which bears no financial covenants, with no amounts yet drawn.

- In January 2020, the Company entered into an exclusive distribution and promotion agreement with FILLMED, a French aesthetic medicine company, for the distribution of the ART FILLER injectables range and the NCTF in Canada. Crescita launched NCTF in April 2021, and launched the ART FILLER range in January 2023 following its approval by Health Canada. Refer to *Significant Developments – Last Three Fiscal Years – Fiscal 2021 and Fiscal 2022 to AIF Filing Date.*

COMPETITIVE CONDITIONS

Non-prescription Skincare Products

The dermocosmetic industry is mature and is subject to intense competition. Our direct competition consists of both Canadian and international premium skincare brands which are mostly independently founded and owned, and that market and sell their products directly to spas, medical aesthetic spas and medical clinics. Some of these competitors are longstanding, have established brands and command a significant share of the market.

The global skincare industry is subject to shifts in consumer trends, preferences, and consumer spending. Our revenue and operating results depend, in part, on our ability to respond to such changes in a timely manner. Our ability to excel in this highly competitive landscape relies on the timely introduction of innovative and on-trend products, as well as our capacity to build and foster strong relationships with the professional aestheticians and healthcare professionals who use and sell our products, as they effectively become the ambassadors of our brands. We believe that our brands offer unique, high-quality products that stay on-trend through our ongoing product innovation cycle. Our in-house product development team, including dermocosmetic formulation experts, works closely with our brand managers, sales, regulatory and manufacturing teams to allow a product to evolve from idea to market.

Consumer awareness of our brands, their perception of our value proposition, the effectiveness and reach of our marketing and promotional activities, amongst other factors, all have a direct impact on our ability to be successful. Some of the major competitors in the skincare industry invest substantially in the promotion of their brands, which, combined with their extensive marketing experience and know-how, allows them to achieve and maintain stronger brand awareness among target consumers. Furthermore, due to their critical mass, such competitors typically have access to favourable terms with regard to marketing, manufacturing, distributing and selling their products, which provides a notable competitive advantage.

We differentiate ourselves from other dermocosmetic companies through what we believe to be our unique competitive strengths:

- Expertise in skin-sciences, with the ability to combine our in-house transdermal delivery technologies with new and existing formulations to introduce innovation into the market;
- Over 250 science-based product formulations, providing the agility to adapt to changing customer preferences;
- In-house R&D and manufacturing facilities for rapid formulation development;
- A fully integrated sales and marketing infrastructure focused on rapid commercialization.

Prescription Drug Products

The pharmaceutical industry is characterized by evolving technology and intense competition. Many companies, including major pharmaceutical and specialized biotechnology companies, are engaged in activities focused on medical conditions that are the same as or similar to those targeted by Crescita. Competition from pharmaceutical, chemical and biotechnology companies, as well as universities and research institutes, is intense and is expected to increase. Many of these organizations engage in substantially more R&D, have greater experience in manufacturing, marketing, and possess greater financial and managerial resources. The Company's branded products may also face competition from generic versions and our success depends upon maintaining our competitive position in the R&D and commercialization of our products.

The American Society of Plastic Surgeons reports that of the over 15 million cosmetic procedures performed in the U.S. each year, 13.4 million (89%) were nonsurgical.[1]

While there are many types of anesthesia used to decrease the pain associated with superficial dermatologic, aesthetic, and laser procedures, the most used are EMLA (lidocaine 2.5% and prilocaine 2.5%), and BLT cream (Benzocaine 20%, Lidocaine 8% and Tetracaine 4%), a compounded topical anesthetic cream.[2] Pliaglis faces competition from other topically applied local anesthetic drug products such as compounded anesthetic creams that are available from certain compounding pharmacies and other prescription anesthetic creams such as EMLA cream.

Compounding is the process by which the pharmacist or doctor combines, mixes or alters pharmaceuticals or other active ingredients to create a custom-made medication in accordance with a prescription. Pliaglis also faces competition from L.M.X 4 and L.M.X 5 sold under the brand names Maxilene 4 and Maxilene 5 in Canada that contain lidocaine in concentrations of either 4% or 5%, non-prescription strengths, and that are available over the counter.

None of the competitors mentioned above offer the unique benefit provided by Pliaglis, its self-occluding properties from the utilization the Company's proprietary *Peel* technology. Pliaglis also contains the highest concentrations of lidocaine and tetracaine approved by the FDA and Health Canada. Refer to *Prescription Product Portfolio.* Management believes that the global market for skin anesthesia is not adequately fulfilled and that Pliaglis addresses an unmet need in this market.

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[1] Jack, M. MD, Pozner, J. MD, Plastic and Reconstructive Surgery Journal, Putting it All Together: Recommendations for Pain Management in Nonsurgical Facial Rejuvenation, https://pubmed.ncbi.nlm.nih.gov/

[2] Zdybski, J. MD, Dermatology Online, Topical Anesthesia in Cosmetic Dermatological Procedures, http://www.odermatol.com/

PRODUCT DEVELOPMENT AND REGULATORY ENVIRONMENT

Non-Prescription Skincare Products

In Canada, topical skincare products can fall into several different categories including cosmetics, natural health products, and drugs. A “cosmetic” (most non-prescription skincare products) is any substance used to clean, improve, or change the appearance of the skin, hair, nails or teeth. Most non-prescription skincare products include beauty preparations (make-up, perfume, skin cream, nail polish) and grooming aids (soap, shampoo, shaving cream, deodorant).

Products containing natural active ingredients that claim to have a therapeutic effect (for example, a topical herbal remedy to speed scar healing) are considered natural health products (“**NHP**”).

Products that claim to have a therapeutic effect (i.e., to prevent or treat disease), or that contain certain active ingredients not allowed in most non-prescription skincare products, are considered to be drugs, for example, topical antibiotic creams. A product that is authorized as a drug has a Drug Identification Number (“**DIN**”) or a Natural Product Number (“**NPN**”) on its label.

Sunscreens may be classified either as natural health products or as drugs, depending on the specific medicinal ingredients they contain. Non-medicinal ingredients must be chosen from the current Natural Health Products Ingredients Database and must meet the limitations outlined in that database, the Food and Drug Regulations (“**FDR**”), the herbs used as non-medicinal ingredients in non-prescription drugs for human use, and/or the current Cosmetic Ingredient Hotlist, when relevant.

Most non-prescription skincare products do not require a product license or regulatory approval prior to being marketed in Canada, but manufacturers must notify Health Canada within 10 days after they first sell a cosmetic in Canada. Cosmetic manufacturers must also review the Cosmetic Ingredient Hotlist to ensure they do not include any substances that are restricted or prohibited in most non-prescription skincare products.

All NHPs sold in Canada require a product license before being marketed and must first undergo a pre-market review where they will be assessed for safety, efficacy, and quality. Any product defined as a drug under the Canadian Food and Drugs Act must undergo a review and approval process similar to that utilized by the FDA in the U.S. upon the submission of a New Drug Submission (“**NDS**”) that contains information about the drug’s safety, effectiveness and quality. Once a drug is approved, the Therapeutic Products Directorate (“**TPD**”) of Health Canada issues a DIN which permits the manufacturer to commercialize the drug in Canada.

Prescription Drug Products

The research, development, manufacturing and marketing of prescription drug products are subject to regulation by the FDA in the U.S., the TPD in Canada, the European Medicines Agency (“**EMA**”) in Europe and comparable regulatory authorities in other foreign countries. The activities which must typically be completed prior to obtaining approval for marketing a new drug product in Canada, the U.S. and European Union (“**E.U.**”) include preclinical studies, filing of an IND or Clinical Trial Application (“**CTA**”), clinical studies in human subjects, and submission of an NDS or equivalent. A potential new drug must first be tested in the laboratory and in several animal species (preclinical or non-clinical studies) before being evaluated in humans (clinical studies). Preclinical studies primarily involve in vitro evaluations of the therapeutic activity of the drug and in vivo evaluations of the pharmacokinetic (“**PK**”), metabolic and toxic effects of the drug in selected animal species. Upon successful completion of the preclinical studies, the drug typically undergoes a series of evaluations in humans, including healthy volunteers and patients with the targeted indication. Phase 1 trials are designed to determine the metabolic and pharmacologic actions of the drug in humans, the side effects associated with increasing doses with a primary focus on drug safety. Phase 2 trials are controlled clinical studies conducted to obtain some preliminary data on the effectiveness and safety of the drug for a particular indication or indications in patients with the disease or condition and helps determine dosage levels, common short-term side effects and risks associated with the drug. Phase 3 trials are typically larger-scale, registration studies conducted to gather additional information about effectiveness and safety

that is needed to evaluate the overall risk-benefit relationship of the drug. The objective of these clinical studies is to demonstrate to the national regulatory authorities in the countries in which it intends to market the new drug that the drug is both effective and safe for its intended use and population. This information is compiled in a New Drug Application ("**NDA**"), a NDS filing, or equivalent which summarizes the safety and efficacy results obtained via preclinical and clinical studies along with relevant chemistry, manufacturing and controls ("**CMC**") information that is reviewed prior to approval. Once the data is reviewed and approved by the appropriate regulatory authorities, such as the TPD, FDA or EMA, the drug is deemed ready for sale.

RISK FACTORS

The following specific risk factors could materially affect the Company's business. An investor should carefully consider these risks when deciding whether to make an investment in the securities of Crescita, together with other information contained in this AIF and the Company's other continuous disclosure documents. Additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect the Company's business. Upon the occurrence of any one or more of the following risks, the Company's business, financial condition, results of operations and consequently, the price of our Common Shares, could be seriously affected.

Risks Related to the Company's Business

Ability to Implement the Company's Growth Strategy

The Company's strategy is to increase revenue through its Four-Pillar Growth Strategy (as described in *Vision and Growth Strategy*). To successfully execute this strategy, the Company must develop and implement effective marketing campaigns for its commercial products and fill its CDMO order backlog with new and existing client orders to grow organically, and aggressively pursue and successfully close business development opportunities to secure strategic acquisitions and/or licensing agreements. The Company must also expand its product offering either by introducing innovative products or by in-licensing complementary products or assets. The successful execution of these strategies is not assured. The inability to do so may limit the overall growth of the Company's business and hinder its cash flow.

Acquisition and Integration of Complementary Assets or Businesses

The Company plans to continue to pursue and evaluate product or business acquisitions that could complement or expand its existing business under its Four-Pillar Growth Strategy. However, it may not be able to identify appropriate acquisition candidates. If an acquisition candidate is identified, the Company will conduct business, legal and financial due diligence with the objective of identifying and evaluating material risks involved in any acquisition. Despite its best efforts, the Company may not detect and or evaluate all such risks.

Crescita may enter into negotiations for an acquisition but determine not to, or be unable to, complete any particular acquisition or other arrangement, which could divert management's attention from the ongoing development of the Company's business, and result in substantial out-of-pocket costs, and other adverse consequences. For example, the market price of the Company's Common Shares may reflect a market assumption that such transactions will occur, and a failure to complete such transactions could result in a general negative perception by the market leading to a decline in the price of its Common Shares. In addition, significant transaction costs may be payable by the Company whether or not such transactions are completed.

Should an acquisition occur, the Company may not be able to successfully integrate the businesses, products, technologies, or personnel that are acquired, or may potentially lose key employees, particularly those of the acquired organizations, all of which may harm its business. Moreover, the Company may never realize the anticipated benefits of an acquisition or forecasted sales.

These acquisitions and other arrangements, even if successfully integrated, may fail to further the Company's business strategy as anticipated or to achieve anticipated benefits and success, expose it to increased competition or challenges with respect to its products or geographic markets, and expose it to

additional or unexpected liabilities associated with an acquired business, product, technology or other asset or arrangement.

In connection with an acquisition, the Company may acquire goodwill and other long-lived assets that are subject to value impairment tests, which could result in future value impairment charges. Finally, to the extent the Company issues Common Shares or other rights to finance any acquisition, existing Company shareholders may be diluted.

Reliance on Third Parties for the Marketing and Commercialization of our Prescription Products

The Company relies on marketing arrangements, including joint ventures, licensing or other third-party arrangements to distribute its products in jurisdictions where does not have geographic presence, resources or expertise. Even if acceptable and timely marketing arrangements are available, the products may not be accepted, or sales may not grow even if initially accepted.

The Company has minimal or no influence on the sales and marketing activities for Pliaglis in the jurisdictions which have been licensed to its commercial partners, as these decisions are or will be made independently by them in each of the territories, when the product gains regulatory approval or is launched. There can be no assurance that the Company's partners will dedicate the necessary resources to successfully market and distribute the Company's products and maximize sales. Our licensing partners may make marketing and other commercialization decisions without our input and may not perform in the anticipated manner. As a result, many of the variables that may affect the Company's results of operations, financial condition and cash flows may not be exclusively within its control. In addition, under these arrangements, disputes could arise with respect to payments that the Company or its partners believe are due under distribution or marketing agreements, or a partner or distributor may develop or distribute products that compete with the Company's products or terminate the relationship.

Moreover, the Company depends on its partners and licensees to comply with all legislation and regulation relating to selling the Company's products in their respective jurisdictions. If any of the Company's partners fails to comply, this could have a material impact on the cash flows of the Company.

License Revenue from a Limited Number of Distribution Agreements

The Company currently generates licensing revenue from a limited number of distribution agreements, which is entirely derived from royalties earned on the global sales of Pliaglis, as well as from sales and development milestones under the various arrangements. In Fiscal 2022, the Company earned $1,800 in licensing revenue, representing 7.7% of the Company's consolidated revenue, of which $1,359 (US$1,000) was from minimum guaranteed royalties under the Taro Agreement. There can be no assurance that Taro will not terminate the Taro Agreement which would terminate the minimum royalty payment. There can be no assurance that the Company's partners' sales and marketing efforts will be successful, or that they will continue to allocate the same level of resources to promote the product and that pharmacies and medical clinics will continue to purchase the product for resale to their own customers. A decrease in our partners' sales, marketing efforts or the loss of a significant partner in a territory could have a materially negative impact on the Company's business conditions and results of operations.

Sales, Marketing and Distribution of Skincare Products

To successfully commercialize its skincare products, the Company must devote sufficient resources to develop and maintain an effective sales, marketing and distribution infrastructure or enter collaborations to perform some or all these activities on behalf of the Company. The Company may be unable to devote the resources necessary to develop and maintain suitable sales, marketing and distribution infrastructure. The Company distributes its skincare products primarily through a network of professional aestheticians, spas, medispas, medical clinics, international distributors and e-commerce platforms. The Company's business would be harmed if any of its customers or distributors became unable or unwilling to distribute the Company's skincare products on terms commercially favourable to the Company. Distribution partners could decide to change their policies or fees, or both, in the future. This could result in their refusal to distribute certain products, or cause higher product distribution costs, lower margins, or the need to find alternative methods of distributing products. Such alternative methods may not exist or may not be economically viable.

Factors that may inhibit the Company's efforts to grow or maintain an internal sales, marketing and distribution infrastructure or its ability to successfully commercialize its skincare products include:

- lack of sufficient financial resources;
- inability to recruit or retain effective sales and marketing personnel;
- inability of marketing and sales personnel to generate and secure demand for its skincare products;
- lack of complementary products, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with maintaining and expanding a sales and marketing team.

Non-prescription Skincare Products Adversely Affected by Factors Impacting our Customers' Businesses

The Company primarily operates using a business-to-business business model. Factors that adversely impact our customers' businesses may have an adverse effect on our business, prospects, results of operations, financial condition, and cash flows. These factors may include, but are not limited to:

- A reduction in consumer traffic and demand for our products at spas or medispas due to economic downturns or changes in consumer preferences;
- Credit risks associated with the financial condition of our customers;
- The effect of consolidation or weakness in the wellness and aesthetics industry, including the closure of customer doors and the resulting uncertainty;
- The changing purchasing habits from spas and retail outlets to online and social media platforms; and
- Inventory reduction initiatives and other factors affecting customer buying patterns, including any reduction in retail space committed to skincare products and retailer practices used to control inventory shrinkage.

E-Commerce and the Use of Social Media

In 2020, the Company launched its first e-commerce platform, through which it sells its dermocosmetic brands directly to consumers. In 2021, the Company added additional resources to build its online presence and will continue to do so in the future.

The usability of, confidentiality of, and customer experience provided by, our online shopping platform is critical to the success and growth of our e-commerce business. Some of our competitors already have e-commerce businesses that are substantially larger and more developed than ours. Moreover, e-commerce is a rapidly changing channel and many of our competitors update their e-commerce business on an ongoing basis to match consumer preferences.

Any extended software disruption of our e-commerce business or a failure on our part to maintain the privacy of customer data and provide an attractive, effective, reliable, user-friendly e-commerce business could expose us to fraudulent transactions, place us at a competitive disadvantage, result in the loss of sales or harm our reputation with customers and could have a material adverse effect on our growth, our business and our results of operations.

In addition, we use the internet and social media networks including Facebook and Instagram to reach consumers and provide education about our products and on important topics related to skincare. Negative commentary regarding us or our products may be posted on social media platforms which could have an adverse effect on our reputation or business. Our target consumers often value readily available information and often act on such information without further investigation and without regard to its accuracy. The harm may be immediate without affording us an opportunity for redress or correction.

Lastly, an increase in the use of social media for product promotion and marketing may cause an increase in the burden on us to monitor compliance of such materials and increase the risk that such materials could contain problematic product or marketing claims in violation of applicable regulations. The inability of or failure by us to timely or properly monitor all product promotion conducted online or through social media or elsewhere may also subject us to regulatory action, lawsuits, liability, fines, or other penalties and have a material adverse effect on our business, financial condition or results of operations.

Potential Product Safety, Efficacy and Liability Concerns

The Company's success depends, in part, on the quality, efficacy and safety of its marketed and commercialized products. If products are found or alleged to be defective or unsafe, whether or not scientifically justified, or if they fail to meet consumer or regulatory standards, the Company could lose sales, be forced to recall or withdraw its products, or become subject to labeling revisions, any of which could have a material adverse effect on the business, prospects, results of operations, financial condition or cash flows. The Company may also be subject to product liability claims associated with the use of its products and there can be no assurance that liability insurance will continue to be available on commercially reasonable terms or at all. Product liability claims might also exceed the amounts or fall outside of such coverage. Product liability claims against the Company, regardless of their merit or potential outcome, could be costly and divert management's attention from other business matters or adversely affect its reputation and the demand for its products.

In addition, certain drug and skincare retailers and distributors require minimum liability insurance as a condition of purchasing or accepting products for retail or wholesale distribution. Failure to satisfy such insurance requirements could impede the ability of the Company or its potential partners in achieving broad retail distribution of its products, resulting in a material adverse effect on the Company.

Personnel

The Company is highly dependent upon a relatively small group of key personnel and other skilled staff for its sales, marketing, manufacturing, scientific research and development departments and executive management teams. The loss of the services of one of more of the Company's skilled staff or senior executive officers could have a material adverse effect on the Company, its operations and its ability to execute its strategy successfully. The Company's anticipated growth may require additional expertise and the addition of new qualified personnel. The Company faces intense competition for such personnel. It may not be able to attract and retain the qualified personnel necessary for the development and growth of its business. The Company does not maintain "key-person" insurance on any of our key employees.

In addition, from time to time, Crescita may enlist the help of temporary workers through various third-party agencies in fulfilling its manufacturing agreements. The Company has observed an increase in manufacturing volumes since 2021, which it anticipates may continue, and in turn, may increase its reliance on third-party agencies. Such third-party agencies may not be able to supply adequately trained manufacturing and packaging staff on a timely basis or at all, given the intense competition for such workers and the overall shortage of personnel in the current labour market.

Reimbursement, U.S. Formulary Listing and Product Pricing for Prescription Drug Products

There can be no assurance that Pliaglis will receive reimbursement coverage in any jurisdiction. In the U.S., Canada and other countries, sales of Pliaglis may depend, in part, upon the availability of reimbursement from third-party payers, which include government health authorities, managed care organizations and other private health insurers. Increasingly, government and other third-party payers are attempting to contain expenditures for new therapeutic products by limiting or refusing coverage, limiting reimbursement levels, imposing high co-pays, requiring prior authorizations, and implementing other measures. Inadequate coverage or reimbursement could adversely affect market acceptance of Pliaglis.

Moreover, the trend toward managed healthcare in the U.S., the growth of organizations such as health maintenance organizations and reforms to healthcare and government insurance programs, could significantly influence the purchase of healthcare services and products, resulting in lower prices and reduced demand for Pliaglis. Furthermore, even after approval for reimbursement for the Company's products is obtained from private health coverage insurers or government health authorities, it may be

removed at any time. In addition, managed care organizations and pharmacy benefit managers in the U.S. typically develop formularies to reduce their cost for medications. Due to their lower costs, generic products are often favored. The breadth of the products covered by formularies varies considerably from one managed care organization to another, and many formularies include alternative and competitive products for treatment of particular medical conditions.

In some countries, particularly the countries of the E.U., the pricing of prescription pharmaceuticals is subject to government control. In these countries, pricing negotiations with governmental authorities can take considerable time and potentially delay the introduction of a product to the market. To obtain reimbursement or pricing approval in some countries, the Company may be required to conduct a clinical trial that compares the cost effectiveness of its product candidate to other available therapies. If reimbursement of the Company's product is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, its business could be adversely affected. In addition, any country could pass legislation or change regulations affecting the pricing of pharmaceuticals before or after a regulatory agency approves any of its product candidates for marketing in ways that could adversely affect the Company.

Manufacturing and Supply Risks

The Company purchases key raw materials necessary for the manufacture of its products from a limited number of suppliers around the world. Increases in the costs of goods, interruptions in supply of product or lapses in quality could adversely impact the Company's margins, profitability and cash flows.

The Company is reliant on its third-party contract manufacturing organizations ("**CMOs**") and suppliers of raw materials and manufacturing components to maintain their facilities in compliance with various countries' regulatory authorities. If the CMO or suppliers fails to maintain compliance with regulatory authorities, they could be ordered to cease manufacturing, which would have a material adverse impact on the Company's business, results of operations, financial condition, and cash flows.

If the relationships with the CMOs or any of the single-sourced suppliers is discontinued or, if any manufacturer is unable to supply or produce required quantities of product on a timely basis or at all, or if a supplier ceases production of an ingredient or component, the operations would be negatively impacted, and the business would be harmed.

In the case of Pliaglis, the Company relies on licensing partners to manufacture the product. There are a limited number of manufacturing facilities qualified and approved to manufacture Pliaglis for the various territories where it is commercialized. A disruption in supply or inability to manufacture and supply the product at one of the qualified facilities could adversely impact the ability of Crescita and our licensing partners to commercialize the product.

More specifically, the Company relies on Taro and Cantabria to maintain the facilities at which they manufacture Pliaglis in compliance with TPD, FDA, EMA, state and local regulations and other regulatory agencies. If they fail to maintain compliance with FDA, EMA or other critical regulations, they could be ordered to cease manufacturing, which would have a material adverse impact on the Company's business, results of operations, financial condition and cash flows. In addition to FDA regulations, violation of standards enforced by the EPA, the OSHA and their counterpart agencies at the state level, could slow down or curtail operations of Taro and Cantabria.

In addition, the FDA and other regulatory agencies require that raw material manufacturers comply with all applicable regulations and standards pertaining to the manufacture, control, testing and use of the raw materials as appropriate. For the APIs or critical raw materials depending on the drug product, this means compliance to cGMPs for APIs and submission of all data related to the manufacture, control and testing of the API for quality, purity, identity and stability, as well as a complete description of the process, equipment, controls and standards used to produce the API. This is usually submitted to the FDA in the form of a drug master file ("**DMF"**) by the manufacturer and referenced by the sponsor of the NDA. The DMF information and data is reviewed by the FDA as a critical component of the approval of the NDA.

As a result, in the case where only one supplier of a particular API or critical raw material meets all the FDA's (or other regulatory agencies') requirements and has a DMF (or similar filing) on file with the FDA, the Company will be at risk should a supplier violate cGMPs, fail an FDA inspection, terminate access to its DMF, be unable to manufacture product, choose not to supply the Company or decide to increase prices. Pliaglis contains the APIs lidocaine and tetracaine and in the past the form of tetracaine used in the product has, at times, been difficult to procure.

In addition, the Company could be subject to various import duties applicable to both finished products and raw materials and it may be affected by other import and export restrictions, as well as developments with an impact on international trade. Under certain circumstances, these international trade factors could affect manufacturing costs, which will in turn affect the Company's margins, as well as the wholesale and retail prices of manufactured products.

Concentration of Manufacturing Capacity

The Company manufactures most of its products, including both cosmetic (NHP) and DIN products, as well as all the products for its CDMO business at its facility in Laval, Québec. This exposes the Company to the following risks, any of which could delay or prevent the commercialization of its products or cause the failure of delivery of products to clients under any of its third-party manufacturing contracts, resulting in higher costs or depriving the Company of potential revenues:

- the Company may encounter difficulties in achieving volume production, quality control and quality assurance, as well as relating to shortages of qualified personnel. Accordingly, the Company might not be able to manufacture enough quantities to meet commercial demand for its products and demands under new and existing CDMO agreements;
- the Company's manufacturing facilities are required to undergo satisfactory cGMPs inspections prior to regulatory approval and are obliged to operate in accordance with Health Canada and other nationally mandated cGMPs, which govern manufacturing processes, stability testing, record keeping and quality standards. Failure to establish and follow cGMPs and to document adherence to such practices, may lead to significant delays in the availability of products manufactured by the Company; and
- changing manufacturing locations would be difficult and the number of potential manufacturers is limited. For some products, changing manufacturers generally requires re-validation of the manufacturing processes and procedures in accordance with E.U. and other nationally mandated cGMPs. Such re-validation would be costly and time consuming. It would be difficult or impossible to quickly find replacement manufacturers on acceptable terms, if at all.

The Company's manufacturing facilities are subject to periodic unannounced inspection by Health Canada and other government agencies, and may be subject to inspection by local, provincial and federal authorities from various jurisdictions to ensure strict compliance with cGMPs and other government regulations. If the Company or a regulatory agency discovers issues with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured, a regulatory agency may impose restrictions relative to that product or the manufacturing facility, including requiring recall or withdrawal of the product from the market or suspension of its manufacturing license.

Failure by the Company to comply with applicable regulations could also result in sanctions being imposed on it, including fines, injunctions, civil penalties, failure of the government to grant review of submissions or market approval of products, delays, suspension or withdrawal of approvals and criminal prosecutions, any of which could materially adversely affect the Company's business.

Shortening Life Cycles and our Ability to Manage Inventory

The competitive nature of the aesthetics industry and rapidly changing consumer preferences require constant product innovation and have led to the shortening of product life cycles. As a result, the Company monitors inventories based on forecasted demand, the estimated market value and shelf life of inventory and historical experience. If the Company misjudges consumer preferences or demands or future sales do not reach forecasted levels, the Company could have excess inventory that may not be needed, may need to be held for a long period-of-time, written down, sold at prices lower than expected or discarded.

If the Company is not successful in managing inventory, the business, results of operations, financial condition or cash flows could be adversely affected.

Need for Additional Financing

At December 31, 2022, the Company had cash and cash equivalents of $8,238, as well as up to an additional $3,500 available under its revolving credit facility, of which no amounts were drawn at year-end. During fiscal 2023, the Company expects to continue incurring expenses and making certain strategic investments as it executes its Four-Pillar Growth Strategy. Additional funding may be required for the development of new products or for future potential acquisitions. Unexpected increases in the Company's costs and expenses due to operational decisions taken by management or factors beyond the Company's control could cause its cash resources to be depleted and profitability may not be achieved.

There can be no assurance that the Company will have enough capital to fund its ongoing operations or develop or commercialize any further products or make product acquisitions without future financings. In addition, the credit ratings that the Company might obtain in connection with any debt financing may make securing debt financing prohibitive. There can be no assurance that additional debt or equity financing will be available on acceptable terms or at all.

If adequate funds are not available, the Company may have to substantially reduce or eliminate planned expenditures, terminate or delay clinical trials for its product candidates, curtail product development programs designed to expand the product pipeline or discontinue certain operations, all of which would have a materially adverse effect on the Company's financial position, results of operations and cash flows.

Inability to Achieve Recurring Profitability

The Company had an accumulated deficit of $40,613 as at December 31, 2022. The Company has incurred losses in the past and may continue to incur losses in the future as a result of its inability to identify and secure recurring revenue streams from its licensing arrangements or from organic growth of its core businesses, or due to increased operating costs including the costs of operating as a public company. There is no guarantee that Crescita will be able to achieve recurring profitability in the future. Crescita has never paid a dividend on its Common Shares and does not expect to do so in the foreseeable future. The Company's inability to achieve and maintain profitability could depress the market price of its shares and could impair its ability to raise capital, expand its business and product pipeline and continue its business operations.

Inability to Meet Debt Commitments

As at the date of this AIF, the Company had no long-term debt obligations on its balance sheet. The Company may incur future debt obligations that might subject it to restrictive covenants that could affect its financial and operational flexibility. Further, any restrictions governing the Company's indebtedness may prevent it from taking actions in the best interest of its business and may make it difficult for Crescita to execute its business strategy successfully or effectively compete with companies that are not similarly restricted.

Disease Outbreaks

The occurrence of an illness that leads to or is anticipated to lead to a local, regional, or national outbreak or epidemic, or to an international outbreak or pandemic, such as Middle East Respiratory Syndrome ("MERS-CoV"), Severe Acute Respiratory Syndrome ("**SARS**"), Ebola ("**EVD**"), H1N1 influenza virus, avian flu, or most notably, the recent novel coronavirus ("**COVID-19**"), or any similar illness, could affect our business.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in governments worldwide, including the Canadian Federal and Provincial governments, enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel restrictions, self-imposed quarantine periods, temporary closures or restrictions of non-essential businesses, limitations on public gatherings, and social distancing guidelines, caused material disruption to businesses globally and in Canada resulting in an economic slowdown. The ongoing COVID-19 pandemic, including the emergence of new variants, and the rapidly evolving reaction of governments and the public in an effort to contain the spread of COVID-19 (and variants thereof) and/or address its impacts have had significant direct and indirect effects on businesses and commerce generally, including disruption

to supply chains, employee base, facilities closures and production suspensions, and significantly increased demand for certain goods and services, such as pandemic-related medical services and supplies, alongside decreased demand for others, such as retail, hospitality, travel and elective surgery.

We sell our dermocosmetic products mainly through a direct sales force that meets face-to-face with spa and medispa owners as well as physicians. Such establishments were considered non-essential by public health authorities throughout the pandemic and were therefore subject to prolonged temporary closures in 2020 and 2021. While vaccination rates have increased in Canada, there remains a risk of lower product sell-through, due to potential closures, should governments reintroduce strict sanitary measures due to COVID-19 variants of concern.

As a result of increased remote working arrangements due to a pandemic, the exposure to, and reliance on, networked systems and the internet has increased. This can lead to increased risk and frequency of cybersecurity incidents (see "*Security and Cyber Security Breaches*").

The extent and duration of the pandemic, the reactions of governments, and the public to that pandemic and the associated disruption to business and commerce generally, and the extent to which these may impact our business, financial condition, cash flows and results of operations in particular, will depend on future developments which are highly uncertain and many of which are outside our control and cannot be predicted with confidence.

Security and Cybersecurity Breaches

The Company has implemented security protocols and systems with the intent of maintaining the physical and electronic security of its operations and protecting its confidential information and information related to identifiable individuals against unauthorized access. Despite the implementation of security measures, the Company's information systems and those of its contractors and consultants on which we rely, are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication electrical failures, cyber-attacks or cyber-intrusions over the internet, and attachments to emails. Cyber-attacks are increasing in frequency, sophistication and intensity and are made by groups and individuals with a wide range of motives and expertise. Cyber-attacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, worms, social engineering, improper modification of information, fraudulent "phishing" e-mails and other means to affect service reliability or threaten data confidentiality, integrity, or availability.

Techniques used in these attacks are often highly sophisticated, change frequently and may be difficult to detect for long periods of time. Unauthorized physical access to one of the Company's facilities, cyber-attacks, or electronic access to its information systems could result in, among other things, unfavourable publicity, litigation by affected parties, damage to sources of competitive advantage, disruptions to its operations, loss of proprietary information, customer information and customers, financial obligations for damages related to the theft or misuse of such information and costs to remediate such security vulnerabilities, any of which could have a substantial impact on the Company's results of operations, financial condition or cash flows.

Hazardous Materials and Environmental Laws

The Company's products involve the use of potentially hazardous materials, and as a result, it is exposed to potential liability claims and costs associated with complying with laws regulating hazardous waste. Product development and manufacturing activities involve the use of hazardous materials, including chemicals, and are subject to federal, provincial and local laws and regulations governing the use, manufacture, storage, handling and disposal of hazardous materials and waste products. Accidental injury or contamination from these materials may occur. In the event of an accident, the Company could be held liable for any damages, which could exceed its available financial resources. In addition, the Company may be required to incur significant costs to comply with environmental laws and regulations in the future.

Impact of Natural Disasters or Other Events that Disrupt our Business Operations

Natural disasters, pandemics or similar events, such as influenza or other pandemic illnesses, blizzards, fires or explosions or large-scale accidents or power outages, could disrupt the Company's supply chains, markets for its products and its operations or otherwise have a material adverse effect on the Company's business, results of operations, financial condition and prospects. If a disaster, power outage or similar event

occurred that prevented us from using all or a significant portion of the Company's facilities or those of its business partners, or that damaged the Company's infrastructure or that otherwise disrupted operations, it may impede our business or operations for a substantial period-of-time.

Scope of International Operations

The Company conducts business internationally, including in the U.S., Europe and Asia, to research, develop, market, distribute or manufacture certain of its products and potential products. The Company may expand such operations in the future. Participation in international markets requires resources and management's attention and subjects the Company to business risks, including the following:

- unique regulatory requirements for approval of its product candidates;
- dependence on local distributors;
- cultural and language differences;
- longer payment cycles and problems in collecting accounts receivable;
- adverse changes in trade and tax regulations;
- absence or substantial lack of legal protection for intellectual property rights;
- difficulty in managing widespread operations including limited access to qualified personnel;
- political and economic instability;
- increased costs and complexities associated with financial reporting;
- currency risks; and
- inflationary pressures.

Similarly, adverse economic conditions impacting the Company's customers or uncertainty about global economic conditions could cause purchases of its products to decline, which could adversely affect the Company's revenues and operating results. The occurrence of any of these or other international factors may cause the Company's international operations to be unsuccessful, could lower the prices at which it can sell its products or otherwise have an adverse effect on its operating results.

Russia-Ukraine Military Conflict

In February 2022, Russian military forces invaded the Ukraine. This ongoing military conflict has provoked strong reactions from the United States, the United Kingdom, the European Union and various other countries around the world, including the imposition of broad financial and economic sanctions against Russia, which may have far reaching effects on the global economy. While the precise effects of the ongoing military conflict and the retaliatory measures that have been taken, or could be taken in the future, remain uncertain, they have already resulted in significant volatility in financial markets, a rise in energy and commodity prices globally, and created worldwide security concerns that could have a lasting impact on regional and global economies.

Crescita has a commercialization and development license agreement for eastern Europe with Egis Pharmaceuticals PLC for the exclusive right to market Pliaglis in the following territories: Hungary, Bulgaria, Czech Republic, Slovakia, Poland, Latvia, Lithuania, and Russia. At this time, Egis has not made any regulatory submissions for Russia, and it is uncertain as to if and when, further steps will be taken by our partner to commercialize Pliaglis in Russia. As for the other territories covered in the agreement, they may be affected by supply chain and inflation concerns as a result of their proximity to the conflict area.

Taxation

The Company operates both locally and outside of Canada. As such, it is subject to the tax laws and regulations of Canadian federal, provincial and local governments, the U.S. and certain other jurisdictions.

Significant judgment will be required in determining the Company's provision for income taxes and claims for investment tax credits ("**ITCs**") related to qualifying SR&ED expenditures in Canada. Various internal and external factors may have favourable or unfavorable effects on future provisions for income taxes and the

Company's effective income tax rate. These factors include, but are not limited to, changes in tax laws, regulations and/or rates, results of audits by tax authorities, changing interpretations of existing tax laws or regulations, changes in estimates of prior years' items, future levels of R&D spending and changes in overall levels of income before taxes. Furthermore, new accounting pronouncements or new interpretation of existing accounting pronouncements can have a material impact on the Company's effective income tax rate.

The Company could be impacted by certain tax treatments for various revenue streams in different tax jurisdictions. The Company may be subject to withholding taxes on certain of its revenue streams. The withholding tax rates that were used were based on the interpretation of specific tax acts and related treaties. If a tax authority has a different interpretation from the Company's, it could potentially impose additional taxes, penalties, or fines. This would potentially reduce the amounts of revenue ultimately received by the Company.

Losses Caused by Fluctuations in Foreign Currency Exchange Rates

Foreign exchange risk exists when the Company receives or makes payments in foreign currencies, such as in U.S. dollars and in Euros. To that extent, fluctuations in the exchange rate of the Canadian dollar relative to other currencies could result in the Company realizing a lower than anticipated profit margin on sales of its products and product candidates than at the time of entering into such commercial agreements. Fluctuations in the value of the Canadian dollar against these foreign currencies can lead to adverse material effects on the Company's financial condition and results of operations and cash flows.

Litigation and Regulation

The Company may in the future become party to litigation, regulatory proceedings or other disputes. These potential claims include but are not limited to product liability, class action lawsuits, patent infringement, personal injury, breach of contract and lost profits or other consequential damage claims.

A significant judgment against the Company or the imposition of a significant fine or penalty or a finding that the Company has failed to comply with laws or regulations or a failure to settle any dispute on satisfactory terms, could have a significant adverse impact on the Company's ability to continue operations. Additionally, lawsuits and investigations can be expensive to defend, whether or not the lawsuit or investigation has merit, and the defense of these actions may divert the attention of the Company's management and other resources that would otherwise be engaged in running the Company's business.

Risks Related to our Industry

Competition

Non-Prescription Skincare Products

The dermocosmetic industry is highly competitive and can change rapidly due to consumer preferences and industry trends. Competition in the dermocosmetic industry is based on brand strength, pricing and assortment of products, point of sale presence and visibility, innovation, perceived value, product availability and order fulfillment, service to the consumer, promotional activities, advertising, special events, new product introductions, e-commerce and mobile commerce initiatives and other activities. It is difficult to predict the timing and scale of the Company's competitors' actions in these areas. The Company's success depends on its products' appeal to a broad range of consumers whose preferences cannot be predicted with certainty and are subject to change, and on its ability to anticipate and respond in a timely and cost-effective manner to market trends through product innovations, product line extensions and marketing and promotional activities. As product life cycles shorten, the Company must continually work to develop, produce, and market product innovations and maintain and enhance the recognition of our brands.

Net revenues and margins on dermocosmetic products tend to decline as they advance in their life cycles, so net revenues and margins could suffer if the Company does not successfully and continuously develop new products. This risk is further compounded by the rapidly increasing use and proliferation of social and digital media by consumers, and the speed with which information and opinions are shared. Constant product innovation also can place a strain on our financial and personnel resources. The Company may incur

expenses in connection with product innovation and development, marketing and advertising that are not subsequently supported by a sufficient level of sales. These factors, as well as new product risks, could have an adverse effect on our business, prospects, results of operations, financial condition or cash flows.

Prescription Drug Products

The pharmaceutical industry is characterized by evolving technology and intense competition. The Company is engaged in areas of research where developments are expected to continue at a rapid pace. Many companies, including major pharmaceutical and specialized biotechnology companies, are engaged in activities focused on medical conditions that are the same as or similar to those targeted by the Company.

The Company's success depends upon maintaining its competitive position in product development and formulation as well as its speed in commercializing its products. Competition from pharmaceutical, chemical and biotechnology companies, as well as universities and research institutes, is intense and is expected to increase. Many of these organizations have substantially greater product development, experience in manufacturing, marketing, financial and managerial resources and they represent significant competition. If the Company fails to compete successfully in any of these areas, its business, results of operations, financial condition and cash flows could be adversely affected.

The intensely competitive environment of the branded products business requires an ongoing, extensive search for medical and technological innovations and the ability to market products effectively, including the ability to communicate the effectiveness, safety and value of branded products for their intended uses to healthcare professionals in private practice, group practices and managed care organizations. There can be no assurance that the Company and its drug development partners will be able to successfully develop medical or technological innovations or that the Company and its licensing partners will be able to effectively market the Company's existing products or any future products.

Additionally, the Company competes to acquire the intellectual property assets that are required to continue to develop and broaden its product portfolio. In addition to in-house product development efforts, the Company seeks to acquire rights to new intellectual property through corporate acquisitions, asset acquisitions, licensing and joint venture arrangements. Competitors with greater resources may acquire assets that the Company seeks, and even if the Company is successful, competition may increase the acquisition price of such assets. The Company's growth may be limited if it fails to compete successfully.

Competition from Generic Products

The Company's branded prescription products may face competition from generic versions, which are generally significantly cheaper than the branded version. In the U.S. and Canada, even if customers have a prescription for our product, a generic version where available, may be required or encouraged in preference to the branded version under third-party reimbursement programs. In addition, a pharmacist may recommend a less expensive product even if that product is less effective or designed for conditions different from what the customer is seeking to treat.

If sales of any of the Company's products that no longer enjoy market exclusivity or are not sufficiently protected by associated intellectual property were to increase substantially, competitors may be more likely to develop generic formulations that compete directly with such products. Generic competition with the Company's branded products would be expected to have a material adverse effect on net sales and profitability of the branded product and of the Company.

Additionally, generic competitors may attempt to market, sell or use generic versions of the Company's products for which the Company has an exclusive license. Where such generic competition emerges, the Company will take all appropriate legal steps to enforce its rights and/or commercial steps to protect its market share, but there can be no guarantee that the Company's market share for such products will not be negatively impacted.

New Product Launches May Fail to Achieve Market Acceptance

Our industry requires that our product lines be regularly rejuvenated with new product offerings and product innovations. Crescita has established a multi-disciplinary product development committee that screens and validates new products to be developed or existing products to be upgraded.

Nonetheless, each new product launch involves risks. For example, the acceptance of new product launches and sales to our network of professional aesthetic and medical aesthetic practitioners, consumers and / or physicians may not be as high as we anticipate, due to lack of acceptance of the products themselves or their price, or limited effectiveness of our marketing strategies. If any product commercialized by the Company does not provide a treatment regimen that is as beneficial as the current standard of care or otherwise does not provide consumer or patient benefits, there is the potential that it will not achieve market acceptance. In addition, our ability to launch new products may be limited by delays or difficulties affecting the ability of our suppliers or manufacturers to timely manufacture, distribute and ship new products or displays for new products or changes in regulatory requirements.

Sales of new products may be affected by inventory management and we may experience product shortages. We may also experience a decrease in sales of certain existing products as a result of newly-launched products. Any of these occurrences could delay or impede our ability to achieve our sales objectives, which could have a material adverse effect on our business, financial condition and results of operations.

As part of our ongoing growth strategy we expect to continue to introduce new products and innovations in our traditional product categories, while also expanding our product launches into adjacent categories in which we may have little to no operating experience, such as injectable neurotoxins, fillers, microneedling devices and mesotherapy. The success of product launches in adjacent product categories could be hampered by our relative inexperience operating in such categories, failure to establish new buyer relationships, the strength of our competitors or any of the other risks referred to above. Furthermore, any introduction of new products or expansion into new product categories may prove to be an operational and financial constraint which inhibits our ability to successfully accomplish such introduction or expansion. New product launches may also encounter difficulties in manufacturing or packaging leading to lower-than-expected margins. Our inability to introduce successful products in our traditional categories or in adjacent categories could limit our future growth and have a material adverse effect on our business, financial condition and results of operations.

Obtaining Government and Regulatory Approval

Non-Prescription Dermocosmetic Products

There are numerous categories of non-prescription dermocosmetic products in the U.S., Canada and in other regions around the world and the classification and regulatory requirements vary by jurisdiction. Some categories of products require a license and others can be sold without prior authorization. There is a risk that the regulatory authorities may not agree with the Company's classification of a given product nor allow it to be marketed based on the regulatory status, product labeling or marketing claims. Regulatory authorities also have the ability to inspect the related manufacturing facilities and can restrict product supply if the facility is deemed to not comply with relevant regulations. Any delay or failure to obtain regulatory approvals or to ensure compliance with relevant regulations for marketed products could adversely affect the Company's business, financial condition and operational results. Non-prescription skincare companies may also be subject to additional regulations covering occupational safety, manufacturing and laboratory practices, environmental protection and hazardous substance control. They may also be subject to existing and future local, provincial, state, federal and foreign regulation.

Canada

All cosmetics sold in Canada must contain appropriate ingredients, be safe to use, and must not pose health risks. They must also meet the requirements of the *Food and Drugs Act* and the *Cosmetic Regulations* which require that cosmetics sold in Canada be manufactured, prepared, preserved, packed, and stored under sanitary conditions. It is the manufacturer's responsibility to ensure that the products meet the requirements for cosmetics under the *Food and Drugs Act* and the *Cosmetic Regulations*. The manufacturer and importer must notify Health Canada that it is selling the product and provide a list of the product's ingredients.

Health Canada assesses all NHPs before allowing them to be sold in Canada. They also check that NHPs are properly manufactured (without contamination or incorrect ingredients) and perform post-market monitoring to make sure that NHP Regulations are being followed. If the product is found to be unacceptable for sale in Canada, Health Canada will take appropriate compliance and enforcement actions as deemed appropriate and the product may be referred to the Health Products and Food Branch ("HPFB") Inspectorate.

Non-compliance with applicable requirements can result in fines and other judicially imposed sanctions including product seizures, injunction actions and criminal prosecutions.

United States

Cosmetic products (most non-prescription skincare products) and ingredients typically do not require FDA approval before they are marketed, but the FDA monitors the safety and marketing claims of marketed cosmetic products. The FDA can inspect manufacturing facilities to determine if proper controls and practices are being followed and they also work with U.S. Customs and Border Protection to examine imported cosmetics. If the FDA believes that a cosmetic product may not comply with the regulations, they can ask a federal court to issue an injunction, request that U.S. marshals seize the products, initiate criminal action, refuse entry of an imported cosmetic, or request that a company recall a product. Failure to comply with regulatory requirements could have a material adverse effect on the Company's business, financial condition and operational results.

Additional Regulatory Considerations

Additional local, provincial, state, federal and foreign regulations may apply in various territories around the world. Any delays in obtaining, or failure to obtain regulatory approvals or to maintain proper compliance with relevant regulations in Canada, the U.S., the E.U. or other foreign countries, may significantly delay the development and commercialization of the Company's products and the receipt of revenues from the sale of its products.

Prescription Drug Products

The research, testing, manufacturing, packaging, labeling, approval, storage, selling, marketing, and distribution of prescription drug products are subject to extensive regulation in the U.S. by the FDA, in Canada by the TPD and by similar regulatory authorities in the E.U. and elsewhere. Despite the time and expense exerted by the Company, failure can occur at any stage. The drug development process is time-consuming, may involve significant delays despite the Company's best efforts and can require substantial cash resources. Even after initial approval has been obtained, further research, including post-marketing studies and surveillance programs may be required. Moreover, regulations are subject to change and the Company cannot predict its ability to meet new or changing regulations. There is also a risk that the Company's products may be subject to recalls if there are product manufacturing or quality issues or be withdrawn from the market due to non-compliance with regulatory requirements.

There can be no assurance that the Company's products will prove to be safe and effective in clinical trials or receive the requisite regulatory approval in any market. Any delay or failure to obtain regulatory approvals could adversely affect the Company's business, financial condition and operational results. Pharmaceutical companies are also subject to additional regulations covering occupational safety, manufacturing and laboratory practices, environmental protection and hazardous substance control. They may also be subject to existing and future local, provincial, state, federal and foreign regulation. Failure to obtain necessary regulatory approvals, the restriction, suspension or revocation of existing approvals or any other failure to comply with regulatory requirements, could have a material adverse effect on the Company's business, financial condition and operational results.

United States

The FDA has substantial discretion in the drug approval process. The FDA may delay, limit or deny approval of a drug candidate for many reasons. The process of receiving FDA approval has become more difficult with the requirement to submit a Risk Evaluation and Mitigation Strategy ("**REMS**") for certain drug products. Even once drug candidates are approved, these approvals may be withdrawn if compliance with regulatory standards is not maintained. In addition, the FDA has the authority to regulate the claims the Company's partners make in marketing its prescription drug products to ensure that such claims are true, not misleading, supported by scientific evidence and consistent with the product's approved labelling.

Failure to comply with applicable requirements can result in fines, suspensions or withdrawal of approvals, product seizures and injunctions against the manufacture, holding, distribution, marketing and sale of a product, and both civil and criminal sanctions.

Canada
The TPD may deny issuance of a Notice of Compliance ("**NOC**") for a NDS if applicable regulatory criteria are not satisfied or they may require additional testing. Product approvals may be withdrawn if compliance with regulatory standards is not maintained. The TPD may require further testing and surveillance programs to monitor a pharmaceutical product which has been commercialized. Non-compliance with applicable requirements can result in fines and other judicially imposed sanctions including product seizures, injunction actions and criminal prosecutions.

Risks Related to Research & Development Activities

Risk Related to Clinical Trials
The Company and its drug development partners must demonstrate, through preclinical studies and clinical trials, that the product being developed is safe and efficacious before obtaining regulatory approval for the commercial sale of the product. The results of preclinical studies and previous clinical trials are not necessarily predictive of future results and the Company's current product candidates may not have favourable results in later testing or trials. Preclinical tests and Phase 1 and Phase 2 clinical trials are primarily designed to test safety, to study pharmacokinetics and pharmacodynamics and to understand the side effects of products at various doses and schedules. Success in preclinical or animal studies and early clinical trials does not ensure that later large-scale efficacy trials will be successful and such success is not necessarily predictive of final results. Favourable results in early trials may not be repeated in later trials and positive interim results do not ensure success in final results. Even after the completion of Phase 3 clinical trials, the FDA, TPD, EMA or other regulatory authorities may disagree with the clinical trial design and interpretation of data and may require additional clinical trials to demonstrate the efficacy of product candidates.

Several companies in the biotechnology and pharmaceutical industries have suffered significant setbacks in advanced clinical trials, even after achieving promising results in earlier trials and preclinical studies. In many cases where clinical results were not favourable, were perceived negatively or otherwise did not meet expectations, the share prices of these companies declined significantly. Failure to complete clinical trials successfully and to obtain successful results on a timely basis could have an adverse effect on the Company's future business and the price of its Common Shares.

The Company's prospects could also suffer if it, or any of its drug development partners, fails to develop and maintain sufficient levels of patient enrolment in its current or future clinical trials. Delays in planned patient enrolment may result in increased costs, and/or delays or termination of clinical trials, which could materially harm the Company's prospects.

Reliance on Third Parties to Conduct Clinical and Preclinical Studies
The Company and its drug development partners rely on third parties such as CROs, medical institutions and clinical investigators to enroll qualified patients, conduct, supervise and monitor its clinical trials, conduct preclinical studies and complete CMC work. The reliance on these third parties for clinical development activities reduces its control over these activities. The reliance on these third parties, however, does not relieve the Company or its drug development partners of their regulatory responsibilities, including ensuring that its clinical trials are conducted in accordance with Good Clinical Practices ("**GCPs**") and that its preclinical studies are conducted in accordance with Good Laboratory Practices ("**GLPs**"). Furthermore, these third parties may have relationships with other entities, some of which may be competitors. In addition, they may not complete activities on schedule or may not conduct preclinical studies or clinical trials in accordance with regulatory requirements or the Company's trial design. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, the Company's ability to obtain regulatory approvals for product candidates may be delayed or prevented.

Inability to Achieve Drug Development Goals
From time-to-time, the Company sets targets and makes public statements regarding its expected timing for achieving drug development goals. These include targets for the commencement and completion of preclinical and clinical trials, studies and tests and anticipated regulatory filing and approval dates. These targets are set based on a number of assumptions that may not prove to be accurate. The actual timing of

these forward-looking events can vary dramatically from the Company's estimates or they might not be achieved at all, due to factors such as delays or failures in clinical trials or preclinical work, scheduling changes at CROs, the need to develop additional data required by regulators as a condition of approval, the uncertainties inherent in the regulatory approval process and delays in achieving manufacturing or marketing arrangements necessary to commercialize product candidates, including out-licensing of product candidates if the Company deems this necessary and limitations are placed on the funds available to the Company. If the Company does not meet these targets, including those which are publicly announced, the ultimate commercialization of its products may be delayed and, as a result, its business could be harmed.

The Company has several product candidates that are at different stages of development and for which additional preclinical and clinical testing are underway or anticipated in the near future. There can be no assurance that preclinical or clinical testing of the Company's product candidates will yield sufficiently positive results to enable progress toward commercialization and any such trials will take significant time to complete. Unsatisfactory results may prompt the Company to reduce or abandon future testing or commercialization of particular product candidates and this may have a material adverse effect on the Company.

Due to the inherent risk associated with product development efforts in the pharmaceutical industry, particularly with respect to new drugs, the Company's product development expenditures may not result in the successful introduction of government approved new pharmaceutical products. Also, after submitting a drug candidate for regulatory approval, the regulatory authority may require additional studies, and as a result, the Company may be unable to reasonably predict the total R&D costs to develop a particular product.

Risks Related to our Intellectual Property

Patents, Trademarks and Proprietary Technology

There can be no assurance as to the breadth or degree of protection that existing or future patents or patent applications may afford the Company or that any patent applications will result in issued patents or that the Company's patents or trademarks will be upheld if challenged. It is possible that the Company's existing patent or trademark rights may be deemed invalid. Although the Company believes that its products do not, and will not, infringe valid patents or trademarks or violate the proprietary rights of others, it is possible that use, sale or manufacture of its products may infringe on existing or future patents, trademarks or proprietary rights of others. If the Company's products infringe the patents or proprietary rights of others, the Company may be required to stop selling or making its products, may be required to modify or rename its products or may have to obtain licenses to continue using, making or selling them. There can be no assurance that the Company will be able to do so in a timely manner, upon acceptable terms and conditions, or at all. The failure to do any of the foregoing could have a material adverse effect on the Company. In addition, there can be no assurance that the Company will have sufficient financial or other resources to enforce or defend a patent infringement or proprietary rights violation action. Moreover, if the Company's products infringe patents, trademarks or proprietary rights of others, the Company could, under certain circumstances, become liable for substantial damages which could also have a material adverse effect.

Regardless of the validity of the Company's patents, there can be no assurance that others will be unable to obtain patents or develop competitive non-infringing products or processes that permit such parties to compete with the Company. The Company may not be able to protect its intellectual property rights throughout the world as filing, prosecuting and defending patents and trademarks on all of the Company's product candidates, products and product names, when and if they exist, in every jurisdiction would be prohibitively expensive and can take several years. Competitors may manufacture, sell or use the Company's technologies and use its trademarks in jurisdictions where the Company or its partners have not obtained patent and trademark protection. These products may compete with the Company's products, when and if it has any, and may not be covered by any of its or its partners' patent claims or other intellectual property rights.

The laws of some countries do not protect intellectual property rights to the same extent as the laws of Canada and the U.S. and many companies have encountered significant problems in protecting and defending such rights in foreign jurisdictions. The legal systems of certain countries, particularly certain

developing countries, do not favour the enforcement of patents, trademarks and other intellectual property protection, particularly those protections relating to biotechnology and pharmaceuticals, which could make it difficult for the Company to stop the infringement of its patents. Proceedings to enforce patent rights in foreign jurisdictions could result in substantial cost and could divert efforts and attention from other aspects of the business.

The pre-trial discovery process, the trial and the appeals process in patent litigation can take several years. The Company could commence a lawsuit against a third party for patent infringement or a lawsuit could commence against the Company with respect to the validity of its patents or any alleged patent infringement by the Company. The cost of such litigation, as well as the ultimate outcome of such litigation, whether or not the Company is successful, could have a material adverse effect on its business, results of operations, financial condition and cash flows.

Ability to Protect Know-How and Trade Secrets

The ability of the Company to maintain the confidentiality of its expertise and trade secrets is essential to its success. Disclosure and use of the Company's expertise and trade secrets, not otherwise protected by patents, are generally controlled under agreements with the parties involved. There can be no assurance however, that all confidentiality agreements are legally enforceable or will be honoured, that others will not independently develop equivalent or competing technology, that disputes will not arise over the ownership of intellectual property or that disclosure of the Company's trade secrets will not occur. To the extent that consultants or other research collaborators use intellectual property owned by others while working with the Company, disputes may also arise over the rights to related or resulting expertise or inventions.

Risks Related to Operating as a Public Company

Compliance with Laws and Regulations Affecting Public Companies

Any future changes to the laws and regulations affecting public companies, may cause the Company to incur increased costs as it evaluates the implications of new rules and implements any new requirements. Delays or a failure to comply with the new laws, rules and regulations could result in enforcement actions, the assessment of other penalties and civil suits.

Any new laws and regulations may make it more expensive for the Company to provide indemnities to the Company's officers and directors and may make it more difficult to obtain certain types of insurance, including liability insurance for directors and officers. Accordingly, the Company may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for the Company to attract and retain qualified persons to serve on its Board of Directors or as executive officers. The Company may be required to hire additional personnel and utilize additional outside legal, accounting and advisory services, all of which could cause general and administrative costs to increase beyond what the Company currently has planned. The Company is continuously evaluating and monitoring developments with respect to these laws, rules and regulations and it cannot predict or estimate the amount of the additional costs it may incur or the timing of such costs.

The Company is required annually to review and report on the effectiveness of its internal control over financial reporting and disclosure controls and procedures in accordance with National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators. The results of this review are reported in the Company's Management's Discussion and Analysis of Results of Operations and Financial Condition for fiscal 2022. The Company's CEO and CFO are required to report on and certify the effectiveness of the Company's internal control over financial reporting.

Management's review is designed to provide reasonable assurance, not absolute assurance, that all material weaknesses existing within the Company's internal controls are identified. Material weaknesses represent deficiencies existing in the Company's internal controls that may not prevent or detect a misstatement occurring which could have a material adverse effect on the quarterly or annual financial statements of the Company.

In addition, management cannot provide assurance that the remedial actions being taken by the Company to address any material weaknesses identified will be successful, nor can management provide assurance that no further material weaknesses will be identified within its internal controls over financial reporting in future years. If the Company fails to maintain effective internal controls over its financial reporting, there is the possibility of errors or omissions occurring or misrepresentations in the Company's disclosures which could have a material adverse effect on the Company's business, its financial statements and the value of the Company's Common Shares.

Public Company Requirements May Strain Resources

As a public company, the Company is subject to the securities laws of the jurisdictions in which it is a reporting issuer and the listing requirements of the TSX. The ever-increasing obligations of operating as a public company will require significant expenditures and will place additional demands on management as the Company complies with the reporting requirements of a public company. The Company may need to hire additional accounting, financial and legal staff with appropriate public company experience and technical accounting and regulatory knowledge.

In addition, actions that may be taken by significant shareholders may divert the time and attention of the Company's Board of Directors and management from its business operations. Campaigns by significant investors to effect changes at publicly traded companies have increased in recent years. If a proxy contest were to be pursued by any of the Company's shareholders, it could result in substantial expense to the Company and consume significant attention of management and the Board of Directors.

In addition, there can be no assurance that any shareholder will not pursue actions to effect changes in the management and strategic direction of the Company, including through the solicitation of proxies from the Company's shareholders.

Risks Related to our Common Shares

Quarterly Fluctuations

The Company's quarterly and annual operating results have fluctuated in the past and are likely to fluctuate in the future. These fluctuations could cause the price of the Company's Common Shares to decline. The nature of the Company's business involves variable factors, such as the timing of launch and market acceptance of the Company's products, the timing and costs associated with product development and regulatory submissions of our products, the costs of maintaining manufacturing facilities operating below capacity and the costs associated with public company and other regulatory compliance. As a result, in some future quarters or years, the Company's financial or operating results may not meet the expectations of securities analysts and investors which could result in a decline in the price of the Company's Common Shares.

Volatility of Share Price

Market prices for securities, including those of the Company, have been historically volatile and subject to substantial fluctuations. The stock market experiences significant price and volume fluctuations unrelated to the operating performance of particular companies. Future announcements concerning the Company or its competitors, including the results of testing, technological innovations, new commercial products, marketing arrangements, government regulations, developments concerning regulatory actions affecting the Company's products and its competitors' products in any jurisdiction, developments concerning proprietary rights, litigation, additions or departures of key personnel, cash flow, public concerns about the safety of the Company's products and economic conditions and political factors in the U.S., the E.U., Canada or other regions may have a significant impact on the market price of the Common Shares. In addition, there can be no assurance that the Common Shares will continue to be listed on the TSX.

The market price of the Company's Common Shares could fluctuate significantly for many other reasons, including for reasons unrelated to the Company's specific performance, such as reports by industry analysts, investor perceptions, or negative announcements by our customers, competitors or suppliers regarding their own performance, as well as general economic and industry conditions. In addition, when the market price

of a company's shares drops significantly, shareholders may pursue securities class action lawsuits against the company. A lawsuit against the Company could result in substantial costs and could divert the time and attention of the Company's management and other resources.

Dilution from further Equity Financing and Declining Share Price

If the Company raises additional funding or completes an acquisition or merger by issuing additional equity securities, such issuance may substantially dilute the interests of shareholders of the Company and reduce the value of their investment. The market price of the Company's Common Shares could decline as a result of issuances of new shares or sales by existing shareholders of common shares in the market or the perception that such sales could occur. Sales by shareholders might also make it more difficult for the Company itself to sell equity securities at a time and price that it deems appropriate.

Absence of Dividends

The Company has not paid dividends on its Common Shares and does not anticipate declaring any dividends in the near future. As a result, the return on an investment in the Company's Common Shares will depend upon any future appreciation in value. There is no guarantee that the Common Shares will appreciate in value or even maintain the price at which they were purchased.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

From time-to-time, during the ordinary course of business, the Company is threatened with litigation, or is named as a defendant in various legal proceedings, including lawsuits based upon product liability, patent infringement, personal injury, breach of contract and lost profits or other consequential damage claims. See *Risk Factors – Litigation and Regulation*. At this time, there are no known material litigation claims facing the Company.

TRANSFER AGENT

The transfer agent and registrar for the Common Shares is TSX Trust Company at its office in Toronto, Ontario.

AUDIT COMMITTEE GOVERNANCE

The Audit Committee of the Board of Directors is composed entirely of independent Directors who meet the independence and experience requirements of National Instrument 52-110 – Audit Committees adopted by the Canadian securities regulators.

The Audit Committee is composed of Mr. David A. Copeland, Chair of the Committee, and Messrs. Anthony E. Dobranowski and John C. London. Mr. Copeland's role and responsibilities as Chair of the Audit Committee are set out in the position description for the chair of the Audit Committee which is provided in Schedule 7 below.

The Audit Committee charter is set out in Schedule 6 to this AIF.

The role and responsibilities of the Audit Committee include:

- Reviewing all public disclosure documents containing audited or unaudited financial information concerning Crescita and ensuring that the Corporation's annual and interim financial statements are fairly presented in accordance with International Financial Reporting Standards ("**IFRS**");
- Ensuring that the Corporation has appropriate systems of internal control over the safeguarding of assets and financial reporting to ensure compliance with legal and regulatory requirements;
- Ensuring that the external audit functions have been effectively carried out and that any matter which the independent auditors wish to bring to the attention of the Board has been addressed;
- Recommending to the Board of Directors the appointment of the external auditor, assessing the external auditor's independence, reviewing the terms of its engagement, conducting an annual auditor's performance assessment, and pursuing ongoing discussions with it;
- Performing such other functions as are usually attributed to audit committees or as directed by the Board of Directors;
- Pre-approving all non-audit services to be provided to the Corporation by the external auditors.
- Establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- Establishing procedures for the confidential and anonymous submission of concerns regarding questionable accounting or auditing matters.

The Audit Committee met 4 times during Fiscal 2022.

Relevant Education and Experience of Audit Committee Members

The members of the Board of Directors who serve on the Audit Committee must be financially literate in accordance with applicable governance standards under applicable securities laws, regulations and stock exchange rules, in the sense of having the ability to read and understand a set of financial statements that represent the breadth and level of complexity of accounting issues such as those which could reasonably be expected to be raised by Crescita's financial statements.

The Board of Directors has determined that all members of the Audit Committee are financially literate. More specifically, Mr. Copeland, the Audit Committee Chair, and Mr. Dobranowski and are considered to be financial experts within the meaning of the Audit Committee's charter because each of them is a Chartered Professional Accountant and a member in good standing of their respective professional orders. In addition, each of Messrs. Dobranowski and Copeland has significant experience in the role of chief financial officer in respect of reporting issuers in Canada. Mr. London is also financially literate. Mr. London acquired his financial literacy primarily while serving as Chief Executive Officer of Miravo, as well as in other senior executive roles throughout his career.

Auditors

The Company's auditor is Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, located at 900 boulevard De Maisonneuve Ouest, Suite 2300, Montréal, Québec, H3A 0A8. Ernst & Young LLP has confirmed that it is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountant of Ontario). Ernst & Young LLP provides tax, financial advisory and, from time to time, may provide other non-audit services to the Company and its subsidiaries. The Company's Audit Committee pre-approves all non-audit services and has concluded that the provision of these non-audit services by Ernst & Young LLP, as provided to date, is compatible with Ernst & Young LLP maintaining its independence.

Audit Fees

The following table outlines the fees paid to Ernst & Young LLP, the Company's auditors, for the years ended December 31, 2022 and 2021.

Fees	Year ended December 31, 2022	Year ended December 31, 2021
Audit Fees	$195,500	$175,000
Audit – Related Fees	$nil	$nil
Tax Fees	$21,900	$24,600
All Other Fees	$nil	$nil
TOTAL	$217,400	$199,600

MATERIAL CONTRACTS

The Company has not entered into any contracts other than in the ordinary course of business in the last fiscal year and up until the date of this AIF. Please refer to Appendix II of this AIF for a full list of material contracts.

ADDITIONAL INFORMATION

The Company will provide to any person, upon request to the Company, (i) a copy of its Annual Information Form, together with a copy of any document incorporated by reference therein, (ii) a copy of the annual consolidated audited financial statements of the Company for the fiscal year ended December 31, 2022 together with the accompanying report of the auditor and a copy of any subsequent interim financial statements, (iii) a copy of the Management Information Circular relating to the annual meeting of shareholders of the Company to be held on June 20, 2023 and (iv) a copy of the Management's Discussion and Analysis for the fiscal year ended December 31, 2022. Additional financial information is provided in the Company's consolidated audited financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2022.

Additional information regarding, among others, directors' and named executive officers' compensation and indebtedness, securities authorized for issuance under equity compensation plans and principal holders of the Company's shares, is included in the Management Information Circular.

The documents mentioned above, as well as other additional information, are available on the Canadian Securities Administrators' website at www.sedar.com and on the Company's website at www.crescitatherapeutics.com. You can also obtain a copy of such documents by contacting Crescita's Investor Relations by sending an e-mail to ir@crescitatx.com.

APPENDIX I - Corporate Governance Documents

The following documents form part of Crescita's corporate governance texts and may be found below, on the page numbers indicated in the Table of Contents above, as well as in the Investors' section of the Company's website:

Schedule A - Corporate Governance Guidelines

Schedule 1 - Board of Directors Charter

Schedule 2 - Position Description for Chair of the Board

Schedule 3 - Position Description for Lead Director of the Board

Schedule 4 - CCGNC Charter

Schedule 5 - Position Description for CCGNC Chair

Schedule 6 - Audit Committee Charter

Schedule 7 - Position Description for Audit Committee Chair

Schedule 8 – Position Description for the Chief Executive Officer

Schedule B - Code of Conduct and Business Ethics

Schedule A - Corporate Governance Guidelines

CORPORATE GOVERNANCE GUIDELINES

INTRODUCTION

The board of directors of the Corporation (the "Board of Directors" or the "Board") is committed to fulfilling its statutory mandate to supervise the management of the business and affairs of the Corporation with the highest standards of ethical conduct and in the best interests of the Corporation, its shareholders, and other stakeholders. The Board, acting on the recommendation of its Compensation, Corporate Governance and Nominating Committee (the "**CCGNC**"), has adopted these corporate governance guidelines to promote the effective functioning of the Board and its committees, to promote the interests of shareholders, and to establish a common set of expectations as to how the Board, its committees, individual directors and senior management should perform their functions.

The following schedules are attached to these guidelines and form a part hereof:

Schedule 1	-	Board of Directors Charter
Schedule 2	-	Position Description for Chairman of the Board
Schedule 3	-	Position Description for Lead Director of the Board
Schedule 4	-	CCGNC Charter
Schedule 5	-	Position Description for CCGNC Chair
Schedule 6	-	Audit Committee Charter
Schedule 7	-	Position Description of Audit Committee Chair
Schedule 8	-	Position Description for Chief Executive Officer

GUIDELINES

Board of Directors' Responsibilities

The business and affairs of the Corporation are managed by or under the supervision of the Board in accordance with applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators. The responsibility of the Board is to provide direction, oversight, and overall stewardship for the Corporation. The Board approves the strategic direction of the Corporation and oversees the performance of the Corporation's business and senior management. The senior management of the Corporation is responsible for presenting long-term strategic plans to the Board for review and approval and for implementing the Corporation's strategic direction.

The Board also expects management to report short-term results and long-term goals, on a frequent and timely basis. The Board receives regular input and reports from management through the President and Chief Executive Officer, as well as from the Vice President Finance and Chief Financial Officer and other members of senior management.

In performing their duties, the primary responsibility of the directors is to exercise their business judgment in what they reasonably believe to be the best interests of the Corporation. In discharging that obligation, directors rely on the honesty and the integrity of the Corporation's senior management and outside advisors and auditors.

In fulfilling its statutory mandate and discharging its duty of stewardship of the Corporation, the Board assumes explicit responsibility for the matters set forth in its Charter.

The Corporation has agreed to indemnify the members of the Board and senior management to the fullest extent permitted by law in respect of claims and liabilities they may become subject to in fulfilling their duties, and, in addition, maintains directors' and officers' liability insurance coverage as a further measure of protection.

Board Size

It is the current view of the Board that the Board should consist of no more than six members to facilitate its effective functioning.

Chairman of the Board

The Chairman of the Board carries out his or her responsibilities in accordance with the position description for the Chairman of the Board.

If the current Chairman of the Board is not independent, in keeping with good corporate governance practices and under the terms of the Corporation's director independence rules, the Board will appoint an independent member of the Board as Lead Director. The Lead Director position is designed to ensure that the Board remains independent of the Corporation's management, and the Lead Director carries out the mandate set out in the Lead Director position description.

Selection of Directors

As provided in the CCGNC's Charter, the CCGNC is responsible for identifying and recommending to the Board of Directors individuals qualified to become members of the Board, based primarily on the following criteria:

- judgment, character, expertise, skills and knowledge useful to the oversight of the Corporation's business,
- diversity of viewpoints, backgrounds, experiences and other demographics,
- business or other relevant experience, and
- the extent to which the interplay of the individual's expertise, skills, knowledge and experience with that of other members of the Board will build a board that is effective, collegial and responsive to the needs of the Corporation.

The CCGNC is also responsible for initially assessing whether a candidate would be independent (and in that process applying the "Categorical Standards for Determining Independence of Directors" that are appended to the Board of Directors Charter) and advising the Board of that assessment.

The Board of Directors, taking into consideration the recommendations of the CCGNC, is responsible for selecting the nominees for election to the Board, for appointing directors to fill vacancies, and determining whether a nominee or appointee is independent.

Committee Membership

Each of the Audit Committee and the CCGNC is composed of no fewer than three members, each of whom satisfy the membership criteria set out in the relevant committee charter. Members of committees are appointed by the Board of Directors upon the recommendation of the CCGNC. A director may serve on more than one committee and committee membership may be rotated periodically as necessary or advisable. The Board, taking into account the recommendation of the CCGNC, designates one member of each committee as chair of that committee. Committee chairs carry out their responsibilities in accordance with their respective position descriptions. Committee chairs may be rotated periodically as well.

Evaluating Board of Directors and Committee Performance

The CCGNC conducts an annual assessment of the effectiveness of the Board, of each of the committees, and of individual directors.

Board and Committee Meetings

The Board and each committee meet as provided in their respective charters.

An agenda for each meeting of the Board and each committee meeting is provided to each director and each member of the relevant committee. Any director or member of a committee may suggest the inclusion of subjects on the agenda of meetings of the Board or a committee. Each director and each member of a committee is free to raise at a meeting of the Board or a committee meeting, respectively, subjects that are not on the agenda for that meeting.

Materials provided to the directors for meetings of the Board and committee meetings provide the information needed for the directors and members of the committee, respectively, to make informed judgments or engage in informed discussions.

To ensure free and open discussion and communication among directors, the independent directors meet in *in camera* sessions (an *in camera* session is a portion of a meeting with no members of senior management or non-independent directors present) after every regularly scheduled meeting of the Board and otherwise as those directors determine. The Lead Director presides at these *in camera* sessions, unless the directors present at such meetings determine otherwise. Any interested party may communicate directly with the Lead Director, who may, in his or her discretion, invite such person to attend and address an *in camera* session.

Unless the chair of a committee otherwise determines, the agenda, materials and minutes for each committee meeting will be available on request to all directors, and all directors will be free to attend any committee meeting. Meetings of a committee often hold an *in camera* session which are limited to committee members and other persons that the committee invites to attend the *in camera* session. At any time in a meeting of a committee, directors who are not members may be asked to leave the meeting to ensure free and open discussion and communication among members of the committee. It is at the Board's discretion as to whether directors who are not members of a committee will be compensated for attending meetings of that committee.

Director Compensation

As provided for in the CCGNC Charter, the form and amount of director compensation will be determined by the Board from time to time upon the recommendation of the CCGNC.

Expectations of Directors

The Board has developed a number of specific expectations of directors to promote the discharge by the directors of their responsibilities and to promote the efficient conduct of the Board.

> ***Commitment and Attendance***. All directors should strive to attend all meetings of the Board and the committees of which they are members. Attendance by telephone or video conference may be used when necessary to facilitate a director's attendance.
>
> ***Participation in Meetings***. Each director should be sufficiently familiar with the business of the Corporation, including its financial statements and capital structure, and the risks it faces, to ensure active and effective participation in the deliberations of the Board and of each committee on which he or she serves.
>
> ***Loyalty and Ethics***. In their roles as directors, all directors owe a duty of loyalty to the Corporation. This duty of loyalty mandates that the best interests of the Corporation take precedence over any

other interest possessed by a director. Directors should conduct themselves in accordance with the Corporation's Code of Conduct and Business Ethics.

Contact with Senior Management and Employees. All directors should be free to contact any of the members of the Corporation's senior management at any time to discuss any aspect of the Corporation's business. The Board expects that there will be frequent opportunities for directors to meet with members of senior management in meetings of the Board and committees, or in other formal or informal settings.

Confidentiality. The proceedings and deliberations of the Board and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director.

Orientation and Continuing Education

Senior management, working with the Board of Directors, will provide appropriate orientation and education for new directors to familiarize them with the Corporation and its business, as well as the expected contribution of individual directors. All new directors will participate in this program orientation and education, which should be completed within four months of a director first joining the Board. In addition, senior management will schedule periodic presentations for the Board to ensure they are aware of major business trends and industry practices as and when required.

Schedule 1 - Board of Directors Charter

CRESCITA THERAPEUTICS INC.
(the "Corporation")

BOARD OF DIRECTORS CHARTER

1. PURPOSE

The board of directors (the "Board of Directors" or the "Board") is elected by the Corporation's shareholders to supervise the management of the business and affairs of the Corporation, in the best interests of the Corporation. The Board of Directors shall:

a) Review and approve the strategic plan and business objectives of the Corporation that are submitted by senior management and monitor the implementation by senior management of the strategic plan. During at least one meeting each year, the Board will review the Corporation's long-term strategic plans and the principal issues that the Corporation expects to face in the future.

b) Review the principal strategic, operational, reporting and compliance risks for the Corporation and oversee, with the assistance of the Audit Committee, the implementation and monitoring of appropriate risk management systems and the monitoring of risks.

c) Ensure, with the assistance of the Compensation, Corporate Governance and Nominating Committee (the "CCGNC"), the effective functioning of the Board and its committees in compliance with applicable corporate governance requirements, and that such compliance is reviewed periodically by the CCGNC.

d) Ensure internal controls and management information systems for the Corporation are in place and are evaluated and reviewed periodically on the initiative of the Audit Committee.

e) Assess the performance of the Corporation's senior management and periodically monitor the compensation levels of such senior management based on determinations and recommendations made by the CCGNC.

f) Ensure that the Corporation has in place a policy for effective communication with shareholders, other stakeholders and the public generally.

g) Review and, where appropriate, approve the recommendations made by the various committees of the Board.

2. COMPOSITION

The Board of Directors collectively should possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight of the Corporation's business. The Board should be comprised of that number of individuals which will permit the Board's effective functioning. It is the current view of the Board that the Board should consist of no more than six members. The appointment and removal of directors shall occur in accordance with the *Business Corporations Act* (Ontario) and the Corporation's by-laws. A majority of the Board should meet the independence requirements of applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators. The Board has adopted a set of categorical standards for determining whether directors satisfy those requirements for independence. A copy of those standards is attached as Appendix A**.** The Board, upon the

recommendation of the CCGNC, shall designate the Chairman of the Board and Lead Director by majority vote of the Board.

3. MEETINGS

a) The Board of Directors shall meet at least four times each year and more frequently as circumstances require.

b) All members of the Board should strive to be at all meetings. The Board may request any member of the Corporation's senior management or any of the Corporation's outside advisors or auditor to attend meetings of the Board.

c) The Board will also meet in camera at each of its regularly scheduled meetings.

d) The Board shall keep minutes of each meeting of the Board.

e) The Board, or any member thereof, may periodically separately meet with senior management and may request any of the Corporation's outside advisors or auditor to attend such meetings.

4. COMMITTEES

a) The Board of Directors may delegate authority to individual directors and committees where the Board determines it is appropriate to do so.

b) The Board expects to accomplish a substantial amount of its work through committees and shall form at least the following two committees: the Audit Committee and the CCGNC.

c) The Board may, from time to time, establish or maintain additional standing or special committees as it determines to be necessary or appropriate.

d) Each committee should have a written charter and should report regularly to the Board, summarizing the committee's actions and any significant issues considered by the Committee.

5. INDEPENDENT ADVICE

In discharging its mandate, the Board shall have the authority to retain (and authorize the payment by the Corporation of) and receive advice from special legal, accounting or other advisors as the Board determines to be necessary to permit it to carry out its duties.

6. ANNUAL EVALUATION

Annually, the Board through the CCGNC shall, in a manner it determines to be appropriate:

a) Conduct a review and evaluation of the performance of the Board and its members and committees, including the compliance of the Board with this Charter. This evaluation will focus on the contribution of the Board to the Corporation and specifically focus on areas in which the directors and senior management believe that the contribution of the Board could be improved.

b) Review and assess the adequacy of this Charter and the position description for the Chairman of the Board and Lead Director and make any improvements the Board determines to be appropriate.

APPENDIX A

CATEGORICAL STANDARDS FOR DETERMINING INDEPENDENCE OF DIRECTORS

For a director to be considered independent under the rules of the Canadian Securities Administrators, he or she must have *no direct or indirect material relationship with the Corporation*, being a relationship that could, in the view of the Board of Directors, reasonably interfere with the exercise of a director's independent judgement.

The Board of Directors, upon the recommendation of the CCGNC, has considered the types of relationships that could reasonably be expected to be relevant to the independence of a director of the Corporation. The Board of Directors has determined that:

1. A director's interests and relationships arising solely from his or her (or any immediate family members'[1]) shareholdings in the Corporation are not, in and of themselves, a bar to independence.

2. Unless a specific determination to the contrary is made by the CCGNC as a result of there being another direct or indirect material relationship with the Corporation, a director will be independent unless currently, or at any time within the past three years, he or she or any immediate family member:

   - Employment: Is (or has been) an officer or employee (or, in the case of an immediate family member, an executive officer) or (in the case of the director only) of the Corporation or any of its subsidiaries (collectively, the "**Corporation Group**") or is actively involved in the day-to-day management of the Corporation;
   - Direct Compensation: Receives (or has received) direct compensation during any twelve-month period from the Corporation Group (other than director fees and committee fees and pension or other forms of deferred compensation for prior service, provided it is not contingent on continued service);[2]
   - Auditor Relationship. Is (or has been) a partner or employee of a firm that is the Corporation's auditor (provided that in the case of an immediate family member, he or she participates in its audit, assurance or tax compliance (but not tax planning practice) and if during that time, he or she or an immediate family member was a partner or employee of that firm but no longer is such, he or she or the immediate family member personally worked on the Corporation's audit;
   - Material Commercial Relationship. Has (or has had), or is an executive officer, employee or significant shareholder of a person that has (or has had), a significant commercial relationship with the Corporation Group;
   - Cross-Compensation Committee Link. Is employed as an executive officer of another entity whose compensation committee (or similar body) during that period of employment included a current executive officer of the Corporation; or
   - Material Association. Has (or has had) a close association with an executive officer of the Corporation.

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[1] A spouse, parent, child, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or (ii) any person (other than domestic employees) who shares that director's home.

[2] Employment as an interim chair or an interim Chief Executive Officer need not preclude a director from being considered independent following the end of that employment. Receipt of compensation by an immediate family member need not preclude a director from being independent if that family member is a non-executive employee.

Notwithstanding the foregoing, no director will be considered independent if applicable securities legislation, rules or regulations expressly prohibit such person from being considered independent.

Schedule 2 - Position Description for Chair of the Board

CRESCITA THERAPEUTICS INC.
(the "**Corporation**")

CHAIRMAN OF THE BOARD OF DIRECTORS

POSITION DESCRIPTION

The Chairman of the Board is a director who is designated by the board of directors of the Corporation (the "Board of Directors" or the "Board") to assist the Board of Directors in fulfilling its duties effectively and efficiently.

The designation of the Chairman of the Board shall take place annually at the first meeting of the Board after the meeting of the shareholders at which directors are elected. In the event that the designation is not so made, the director who is then serving as Chairman of the Board shall continue as Chairman of the Board until his or her successor is appointed.

Chairman of the Board

The responsibilities of the Chairman of the Board include:

- acting as a liaison between the Board and management,
- promoting a thorough understanding by members of the Board and senior management of the duties and responsibilities of the Board,
- recommending procedures to enhance the work of the Board and cohesiveness among directors,
- ensuring that the Board is appropriately involved in approving strategy and supervising senior management's progress against achieving that strategy,
- in connection with meetings of the Board:
    - taking the principal initiative in scheduling meetings of the Board,
    - organizing and presenting the agenda for Board meetings such that,
        - all of the responsibilities assigned to the Board under the terms of its Charter are discharged on a timely and diligent basis, and
        - members of the Board have input into the agendas,
    - monitoring the adequacy of materials provided to the Board by senior management in connection with the Board deliberations,
    - ensuring that members of the Board have sufficient time to review the materials provided to them and to fully discuss the business that comes before the Board, and
    - presiding over meetings of the Board,
- on an annual basis, facilitating the annual performance review and evaluation of the Board and its members in accordance with its Charter and facilitating the assessment of the adequacy of the Charter,

and performing such other functions as may be ancillary to the duties and responsibilities described above and as may be delegated to the Chairman of the Board by the Board from time to time.

Schedule 3 - Position Description for Lead Director of the Board

CRESCITA THERAPEUTICS INC.
(the "**Corporation**")

LEAD DIRECTOR OF THE BOARD

POSITION DESCRIPTION

The lead director (the "Lead Director") is an "independent" director who is designated by the board of directors of the Corporation (the "Board of Directors" or the "Board") in the event the Chairman of the Board is deemed not to meet the "Categorical Standards for Determining Independence of Directors". The Lead Director will assist the Board of Directors in fulfilling its duties independent of management. The Lead Director role also exists to ensure that directors have an independent leadership contact.

The Board of Directors shall review and assess the adequacy of this position description as required from time to time and approve any changes it deems appropriate.

OFFICE

The designation of the Lead Director shall take place annually at the first meeting of the Board after the meeting of the shareholders at which directors are elected. In the event that the designation is not so made, the director who is then serving as Lead Director shall continue as Lead Director until his or her successor is appointed.

REMUNERATION

The Lead Director shall receive such remuneration as the Board may determine from time to time.

INDEPENDENCE

The Lead Director shall meet the Corporation's "Categorical Standards for Determining Independence of Directors", and be free of any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgement as the Lead Director.

RESPONSIBILITIES

The responsibilities of the Lead Director include:

- acting as an independent liaison between the Board and senior management,
- together with the Chairman of the Board, promoting a thorough understanding by members of the Board and management of the duties and responsibilities of the Board,
- together with the Chairman of the Board, recommending procedures to enhance the work of the Board,
- working with the Chairman of the Board to ensure that the Board is appropriately involved in approving strategy and supervising management's progress against achieving that strategy,
- ensuring that independent directors have had adequate opportunities to discuss issues without management present,

- communicating to senior management, as appropriate, the results of private discussions among independent directors,

- together with the Chairman of the Board, in connection with meetings of the Board:

    - scheduling meetings of the Board,

    - organizing and presenting the agenda for Board meetings such that,

        - all of the responsibilities assigned to the Board under the terms of its Charter are discharged on a timely and diligent basis, and

        - members of the Board have input into the agendas,

    - monitoring the adequacy of materials provided to the Board by management in connection with the Board deliberations,

    - ensuring that members of the Board have sufficient time to review the materials provided to them and to fully discuss the business that comes before the Board,

    - presiding over meetings of the Board where the Chairman of the Board is not in attendance, and

    - presiding over executive meetings of the Board, its non-management directors and its independent directors,

- on an annual basis, facilitating the annual performance review and evaluation of the Board and its members in accordance with its Charter and facilitating the assessment of the adequacy of the Charter,

- presiding over meetings of the Corporation's shareholders when the Chairman of the Board is absent or when the Board determines the Lead Director should do so, and

- performing such other functions as may be ancillary to the duties and responsibilities described above and as may be delegated to the Lead Director by the Board from time to time.

Schedule 4 - CCGNC Charter

CRESCITA THERAPEUTICS INC.
(the "Corporation")

COMPENSATION, CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER

1. PURPOSE

The Compensation, Corporate Governance and Nominating Committee (the "**CCGNC**") is appointed by the board of directors of the Corporation ("the Board of Directors" or the "Board") to, when necessary or appropriate, and to the extent not otherwise being considered and addressed by the Board of Directors:

a) recruit, develop and retain senior management;

b) conduct performance evaluations and determine compensation of senior management;

c) develop succession planning systems and processes relating to senior management;

d) develop a compensation structure for the Board and senior management, including salaries, annual and long-term incentive plans and plans involving share options, share issuances and share unit awards;

e) deal with all material benefit plan matters;

f) develop to the Board appropriate corporate governance principles for the Corporation;

g) develop procedures for the conduct of Board meetings, and the proper discharge of the Board's mandate;

h) oversee periodic reviews of the Board's, its committees' and individual directors' performance and the assessment of the Board's and committees' charters;

i) undertake such other initiatives to enable the Board to provide effective corporate governance;

j) develop criteria for selecting new directors;

k) assist the Board by identifying individuals qualified to become members of the Board (consistent with criteria approved by the Board);

l) develop a list of director nominees for the annual meeting of shareholders and for each committee of the Board and the chair of each committee; and

m) make recommendations, if required, to the Board with respect to the matters listed above.

2. REPORTS

a) The CCGNC shall report to the Board on a regular basis, and in any event at least annually.

b) The CCGNC shall prepare a report on the Corporation's system of corporate governance practices for inclusion in the management information circular or other public disclosure documents of the Corporation.

c) The CCGNC also shall prepare a report disclosing the extent (if any) to which the Corporation does not comply with the corporate governance guidelines of applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators.

3. COMPOSITION

a) The members of the CCGNC shall be three directors who are appointed (and may be replaced) by the Board.

b) The appointment of members of the CCGNC shall take place annually at the first meeting of the Board after the meeting of shareholders at which directors are elected. In the event the appointment of members of the CCGNC is not so made, the directors who are then serving as members of the CCGNC shall continue as members of the CCGNC until their successors are appointed.

c) The Board may appoint a member to fill a vacancy that occurs in the CCGNC between annual elections of directors. Any member of the CCGNC may be removed from the CCGNC by a resolution of the Board of Directors. Unless the Chair is appointed by the Board, the members of the CCGNC may designate a Chair by majority vote of the members of the CCGNC.

d) The majority of the members of the CCGNC shall meet the Corporation's "Categorical Standards for Determining Independence of Directors". Each member of the CCGNC shall have or develop an understanding of corporate governance principles and practices.

4. LIMITATIONS ON CCGNC'S DUTIES

In contributing to the Committee's discharge of its duties, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided or representations made, and (iii) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

5. RESPONSIBILITIES

a) The CCGNC shall, when necessary or appropriate, and to the extent not otherwise being considered and addressed by the Board:

i. **Corporate Governance and Compliance**

1. review from time to time the size of the Board and number of directors who are independent for the purpose of applicable requirements,

2. periodically review the adequacy of the Corporate Governance Guidelines and Code of Conduct and Business Ethics of the Corporation and determine any proposed changes to those Guidelines or that Code to the Board for approval,

3. be responsible for granting any waivers from the application of the Corporation's Code of Conduct and Business Ethics and review senior management's monitoring of compliance with that Code,

4. periodically review the practices of the Board (including separate meetings of non-management directors and of independent directors) to ensure compliance with the Corporate Governance Guidelines of the Corporation, periodically review the powers, mandates and performance, and the membership of the various committees of the Board,

5. periodically review the relationship between senior management and the Board with a view to ensuring that the Board is able to function independently of senior management, and

6. make recommendations, if required, to the Board with respect to the matters listed above.

ii. **Compensation**

1. At least annually, review with the Chief Executive Officer the long-term goals and objectives of the Corporation which are relevant to the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives, determine and recommend to the independent directors for approval, the Chief Executive Officer's compensation based on that evaluation, and report to the Board of Directors thereon. In determining the Chief Executive Officer's compensation, the CCGNC shall consider the Corporation's performance, the value of similar incentive awards to Chief Executive Officers at comparable companies, and the awards given to the Chief Executive Officer in past years, with a view to maintaining a compensation program for the Chief Executive Officer at a fair and competitive level, consistent with the best interests of the Corporation,

2. at least annually, in consultation with the Chief Executive Officer, review the compensation of all members of senior management other than the Chief Executive Officer, with a view to maintaining a compensation program for the senior management at a fair and competitive level, consistent with the best interests of the Corporation,

3. periodically review compensation of directors, the Chairman of the Board, the Lead Director and those acting as committee chairs to, among other things, ensure their compensation appropriately reflects the responsibilities they are assuming,

4. fix and determine (and, as it determines to be appropriate, delegate the authority to fix and determine) awards (and the vesting criteria thereof) to employees of stock or stock options pursuant to any of the Corporation's equity-based plans now or from time to time in effect or otherwise as permitted by applicable legislation, regulatory requirements and policies of the Canadian securities administrators and applicable stock exchanges and exercise such other power and authority as may be permitted or required under those plans,

5. in co-operation with the Corporation's senior management, oversee the human resources policies and programs which are of strategic significance to the Corporation,

6. review all executive compensation and corporate governance related disclosure prior to public disclosure by the Corporation,

7. periodically review with the Board the succession plans relating to the senior positions and make selections of individuals to occupy these positions, and

8. make recommendations, if required, to the Board with respect to the matters listed above.

iii. **Director Candidates**

1. review periodically the competencies, skills and personal qualities required of directors to add value to the Corporation in light of the opportunities and risks facing the Corporation and the Corporation's proposed strategies, the need to ensure that a majority of the Board is comprised of individuals who meet the independence requirements of applicable legislation and stock exchange requirements, and the policies of the Board with respect to director tenure, retirement and succession and director commitments,

2. in co-operation with the Corporation's senior management, oversee an appropriate orientation and education for any new directors in order to familiarize them with the Corporation and its business,

3. actively seek individuals qualified (in context of the Corporation's needs and any formal criteria established by the Board) to become members of the Board for recommendation to the Board of Directors,

4. review the membership and allocation of directors to the various committees of the Board, and the chairs thereof,

5. establish procedures for the receipt of comments from all directors to be included in a periodic assessment of the Board's performance,

6. if the need should arise, approve the engagement of independent advisors for individual directors at the expense of the Corporation, and

7. make recommendations, if required, to the Board with respect to the matters listed above.

6. MEETINGS

a) The CCGNC shall meet at least twice per year and more frequently as circumstances require. All members of the CCGNC should strive to be at all meetings. The CCGNC may request any member of the Corporation's senior management or any of the Corporation's outside advisors to attend meetings of the CCGNC.

b) The CCGNC may periodically separately meet with senior management and may request any of the Corporation's outside advisors to attend such meetings.

c) The CCGNC will also meet in camera at each of its regularly scheduled meetings.

d) The CCGNC shall keep minutes of each meeting of the CCGNC.

e) Quorum for the transaction of business at any meeting of the CCGNC shall be a majority of the number of members of the CCGNC or such greater number as the CCGNC shall by resolution determine. The powers of the CCGNC may be exercised at a meeting at which a quorum of the CCGNC is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that

resolution at a meeting of the CCGNC. Each member (including the Chair) is entitled to one (but only one) vote in CCGNC proceedings.

f) Meetings of the CCGNC shall be held from time to time and at such place as a member of the CCGNC may request upon 48 hours prior notice. The notice period may be waived by a quorum of the CCGNC.

g) The CCGNC may delegate authority to individual members and subcommittees of its members where the CCGNC determines it is appropriate to do so.

7. INDEPENDENT ADVICE

In discharging its mandate, the CCGNC shall have the authority to retain (and authorize the payment by the Corporation of) and receive advice from special legal or other advisors as the CCGNC determines to be necessary to permit it to carry out its duties. The CCGNC shall have the sole authority to appoint and, if appropriate, terminate any consultant used to identify director candidates and to approve the consultant's fees and other retention terms.

8. ANNUAL REVIEWS AND EVALUATIONS

Annually, the CCGNC shall, in a manner it determines to be appropriate:

a) On behalf of the Board, review and assess the adequacy of the Board Charter and the position descriptions for the Chairman of the Board and Lead Director and recommend to the Board any improvements to the Board Charter or the position descriptions that the CCGNC determines to be appropriate.

b) On behalf of the Board, conduct a review and evaluation of the performance of the Board and its members and committees, including the compliance of the Board with its Charter. This evaluation will focus on the contribution of the Board to the Corporation and specifically focus on areas in which the directors and senior management believe that the contribution of the Board could be improved.

c) Review and assess the adequacy of the CCGNC Charter and the position description for its Chair and recommend to the Board any improvements to this Charter or the position description that the CCGNC determines to be appropriate.

d) Conduct a review and evaluation of the performance of the CCGNC and its members, including the compliance of the CCGNC with this Charter.

e) Facilitate a review and assessment by the Audit Committee of the adequacy of its Charter and the position description for its Chair and recommend to the Board any improvements to the Audit Committee Charter or the position description that the CCGNC and the Audit Committee determine to be appropriate.

f) On behalf of the Audit Committee, conduct a review and evaluation of the performance of the Audit Committee and its members, including the compliance of the Audit Committee with its Charter.

Schedule 5 - Position Description for CCGNC Chair

CRESCITA THERAPEUTICS INC.
(the "**Corporation**")

CHAIR OF THE COMPENSATION, CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

POSITION DESCRIPTION

The chair (the "**Chair**") is a member of the Compensation, Corporate Governance and Nominating Committee (the "**CCGNC**"), designated by the board of directors of the Corporation (the "Board of Directors" or the "Board") to assist the CCGNC in fulfilling its duties effectively and efficiently in accordance with the written charter of the CCGNC (the "Charter").

This position description is subject to and shall be interpreted in a manner consistent with the Corporation's constating documents and any applicable legislation (including the *Business Corporations Act* (Ontario) and the rules and policies of the stock exchange on which the Corporation's securities are listed), all as may be amended or amended and restated from time to time.

The Board of Directors shall review and assess the adequacy of this position description as required from time to time and approve any changes it deems appropriate.

OFFICE

The designation of the Chair shall take place annually at the first meeting of the Board of Directors after the meeting of the shareholders at which directors of the Board are elected. In the event the designation of Chair is not so made, the director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

REMUNERATION

The Chair shall receive such remuneration as the Board may determine from time to time.

INDEPENDENCE

The Chair shall meet the Corporation's "Categorical Standards for Determining Independence of Directors", and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgement as the Chair of the CCGNC.

RESPONSIBILITIES

The Chair will provide leadership to the CCGNC in discharging its mandate as set out in the Charter, including by promoting:

- a thorough understanding by members of the CCGNC and senior management of the duties and responsibilities of the CCGNC,
- cohesiveness among members of the CCGNC, and
- promoting honest and ethical decision making by members of the CCGNC.

The Chair shall be the liaison between the CCGNC, the Board and the Corporation's senior management, promoting open and constructive discussions between members of the CCGNC and each of these parties.

In connection with meetings of the CCGNC, the Chair shall be responsible for:

- recommending procedures to enhance the work of the CCGNC,
- taking the principal initiative in scheduling meetings of the CCGNC,
- organizing and presenting the agenda for CCGNC meetings such that:
    - all of the responsibilities assigned to the CCGNC under the terms of its Charter are discharged on a timely and diligent basis, and
    - members of the CCGNC have input into the agendas,
- monitoring the adequacy of materials provided to the CCGNC by senior management in connection with the CCGNC's deliberations,
- ensuring that members of the CCGNC have sufficient time to review the materials provided to them and to fully discuss the business that comes before the CCGNC,
- presiding over meetings of the CCGNC, and
- reporting to the Board on the activities of the CCGNC as contemplated in the Charter.

On an annual basis, the Chair will facilitate:

- the performance review and evaluation of the CCGNC and its members in accordance with the Charter,
- a review and assessment of the adequacy of the Charter and this position description, and following such review and assessment, make a recommendation to the Board with respect to any changes the CCGNC deems appropriate,
- the performance review and evaluation of the performance of the Board and its members and committees, and
- a review and assessment of the adequacy of other Corporate Governance documents (including the Board Charter, the Audit Committee Charter, the position descriptions for the Chairman of the Board, the Lead Director and the Chair of the Audit Committee, and the Code of Business Conduct and Ethics) and after such review and assessment, make a recommendation to the Board with respect to any changes the CCGNC deems appropriate.

The Chair shall perform such other functions as may be ancillary to the duties and responsibilities described above.

Schedule 6 - Audit Committee Charter

CRESCITA THERAPEUTICS INC.
(the "Corporation")

AUDIT COMMITTEE CHARTER

1. PURPOSE

a) The purpose of the Audit Committee (the "Committee") is to assist the board of directors of the Corporation (the "Board of Directors" or the "Board") in fulfilling its responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures and the quality and integrity of the consolidated financial statements of the Corporation and its affiliates. The Committee is also responsible for oversight of the audit process.

b) The Committee's principal responsibility is one of oversight. The fundamental responsibility for the company's financial statements and disclosures rests with management and the external auditor.

c) In fulfilling its responsibilities, the Committee will have unrestricted access to management and employees of the Corporation, as well as to the external auditor. The Committee will select, retain, oversee, terminate and approve the fees of any external advisor that the Committee deems necessary, including any legal or accounting advisor, to assist it in fulfilling its responsibilities. The Corporation will provide appropriate funding, as determined by the Committee, for any such engagement.

d) The Committee may also investigate any matter with full access to all books, records, facilities, management and employees of the Corporation.

e) More specifically the purpose of the Committee is to satisfy itself that:

i. The Corporation's annual financial statements are fairly presented in accordance with International Financial Reporting Standards ("IFRS") and to recommend to the Board whether the annual financial statements should be approved.

ii. The information contained in the Corporation's quarterly financial statements, annual report and other financial publications, such as management's discussion and analysis is complete and accurate in all material respects and to recommend to the Board whether these materials should be approved.

iii. The Corporation has appropriate systems of internal control and financial reporting to ensure compliance with legal and regulatory requirements.

iv. The external audit functions have been effectively carried out and that any matter which the independent auditors wish to bring to the attention of the Board has been addressed. The Committee will also review the qualifications and independence of the external auditors and recommend to the Board the appointment of external auditors and their remuneration.

2. COMPOSITION AND TERMS OF OFFICE

a) Following each annual meeting of the Corporation where directors are elected, the Board shall appoint three or more directors to serve on the Committee. Such appointees shall not be officers or employees of either the Corporation or its affiliates. Each member of the Committee must be "independent" as defined by National Instrument 52-110 – Audit Committees, as it may be amended or replaced from time to time ("NI 52-110") and free of any relationship that could, or could reasonably be perceived to, in the opinion of the Board, interfere with the exercise of independent judgment as a member of the Committee. All members of the Committee must be financially literate and be able to read and understand fundamental financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements, including the Corporation's balance sheet, income statement and cash flow statement, or develop that capability within a reasonable time after appointment.

b) The chair of Committee (the "Chair") shall be appointed by the Board and shall not be an officer or employee of the Corporation or its affiliates. The Chair shall be a "financial expert" having an understanding of IFRS and financial statements, internal controls and procedures for financial reporting and, ideally, shall have served as the principal financial officer for another business entity.

c) No members of the Committee shall receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Corporation or its affiliates.

d) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director of the Corporation. Each member of the Committee shall hold office until the close of the next annual meeting of the Corporation or until the member resigns or is replaced, whichever first occurs. The Board shall fill vacancies on the Committee by election from among the Board as soon as practicable prior to the next scheduled meeting of the Committee. If and whenever a vacancy exists on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

e) The Committee will meet at least four times per year. The meetings will be scheduled to permit timely review of the interim and annual financial statements of the Corporation and its affiliates. Additional meetings may be held as deemed necessary by the Chair or as requested by any member of the Committee or by the external auditors.

f) Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon prior notice to each of the other Committee members. If all members consent, and proper notice has been given or waived, a member or members of the Committee may participate in a meeting of the Committee by means of telephone, electronic or other such communication facilities as to permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.

g) A quorum for the transaction of business at all meetings of the Committee shall be a majority of the members of the Committee. Questions arising at any meeting shall be determined by a majority of votes of the members of the Committee present, except where only two members are present, in which case any question shall be decided unanimously.

h) The Committee may invite such directors, officers and employees of the Corporation as it may see fit from time to time to attend meetings of the Committee and assist in the discussion and consideration of the business of the Committee, but without voting rights.

i) The Committee shall keep regular minutes of proceedings and shall cause them to be recorded in books kept for that purpose and shall report the same to the Board at such times as the Board may, from time to time, require.

j) The Committee shall choose as its secretary such person as it deems appropriate.

k) Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request to the secretary of the Committee.

l) The external auditors shall be given notice of, and have the right to appear before and to be heard at, every meeting of the Committee, and shall appear before the Committee when requested to do so by the Committee.

3. RESPONSIBILITIES

a) Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board:

i. ***Financial Reporting Control***. The Committee shall:

1. review reports from senior officers of the Corporation, outlining any significant changes in financial risks facing the Corporation;

2. review the management letter of the external auditors and responses to suggestions made;

3. review any new appointments to senior positions of the Corporation or its affiliates, with financial reporting responsibilities;

4. obtain assurance from the external auditors regarding the overall control environment and the adequacy of accounting system controls; and

5. obtain annually a report from the Chief Executive Officer and the Chief Financial Officer on the adequacy of the Corporation's internal controls and disclosure controls and procedures.

6. assess the overall effectiveness of the internal control and risk management frameworks through discussions with management and the external auditors and assess whether recommendations made by the external auditors have been implemented by management.

ii. ***Interim Financial Statements***. The Committee shall:

1. review interim financial statements with officers of the Corporation prior to their release and recommend their approval to the Board. This will include a detailed review of quarterly and year-to-date results;

2. review the Corporation's management's discussion and analysis accompanying interim financial statements; and

3. review the press releases accompanying interim financial statements.

iii. ***Annual Financial Statements and Other Financial Information***. The Committee shall:

1. review any changes in accounting policies or financial reporting requirements that may affect the current year's financial statements;

2. obtain summaries of significant transactions and other potentially difficult matters whose treatment in the annual financial statements merit advance consideration;

3. obtain draft annual financial statements in advance of the Committee meeting and assess, on a preliminary basis, the reasonableness of the financial statements in light of the analyses provided by officers of the Corporation;

4. review any pending or threatened litigation, claims and assessments that could have a material effect upon the financial position or operating results of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Committee;

5. discuss the annual financial statements and the auditors' report thereon in detail with officers of the Corporation and its auditors;

6. review the annual report and other annual financial reporting documents, including management's discussion and analysis and press release;

7. provide to the Board a recommendation as to whether the annual financial statements should be approved;

8. review insurance coverage including directors' and officers' liability coverage ; and

9. review the Corporation's Annual Information Form and ensure compliance with Form 52-110F1 – Audit Committee Information Required in an AIF.

iv. ***External Audit Terms of Reference, Reports, Planning and Appointment***. The Committee shall:

1. ensure that the external auditor explicitly acknowledges that they are ultimately and directly accountable to the Board and the Committee as representatives of the shareholders;

2. review the audit plan with the external auditors;

3. specify its expectations of the external auditors, including the expected relationship between the external auditors and the Committee;

4. discuss in private with the external auditors matters affecting the conduct of their audit and other corporate matters, including:

   - the quality (not only acceptability) of IFRS accounting principles;
   - the quality of internal controls;
   - the appropriateness of financial statement disclosures;
   - the relationships between the external auditors and the Corporation, its management or employees;
   - the risks or exposures facing the Corporation; and
   - any other matters the external auditors may wish to bring to the attention of the Committee.

5. recommend to the Board each year the retention or replacement of the external auditors. This process shall include establishment of criteria for and an ongoing assessment of the continued independence of the external auditor. If there is a plan to change auditors, review all issues related to the change and the steps planned for an orderly transition;

6. where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, ensure that there is an agreed course of action leading to the resolution of such matters; and

7. annually review and recommend for approval to the Board the terms of engagement and the remuneration of the external auditors.

v. ***Other Matters***. The Committee shall:

1. pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor or delegate such pre-approval of non-audit services to a member or certain members of the Committee, provided that the member or members shall notify the Committee at each Committee meeting of the non-audit services approved since the last Committee meeting;

2. review periodically management reports assessing the adequacy and effectiveness of the Corporation's disclosure controls and procedures;

3. establish procedures for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and the related management's discussion and analysis;

4. establish procedures for the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and

5. establish procedures for the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

4. LIMITATIONS ON COMMITTEE'S DUTIES

In contributing to the Committee's discharge of its duties, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management of the Corporation as to the non-audit services provided to the Corporation by the external auditor, (iv) financial statements of the Corporation represented to them by a member of management or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with IFRS, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

5. MEETINGS

a) The Committee shall meet at least four times per year and more frequently as circumstances require. All members of the Committee should strive to be at all meetings. The Committee may request any member of the Corporation's senior management or any of the Corporation's outside advisors or auditor to attend meetings of the Committee.

b) The Committee, or any member thereof, may periodically separately meet with senior management and may request any of the Corporation's outside advisors or auditor to attend such meetings.

c) The Committee will also meet in camera at each of its regularly scheduled meetings.

d) Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine. The powers of the Committee may be exercised at a meeting at which a quorum of the

Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each member (including the Chair) is entitled to one (but only one) vote in Committee proceedings.

e) The Committee shall keep minutes of each meeting of the Committee.

f) Meetings of the Committee shall be held from time to time and at such place as a member of the Committee may request upon 48 hours prior notice. The notice period may be waived by a quorum of the Committee.

g) The Committee may delegate authority to individual members and subcommittees of its members where the Committee determines it is appropriate to do so.

6. INDEPENDENT ADVICE

In discharging its mandate, the Committee shall have the authority to retain, at the expense of the Corporation, special advisors as the Committee determines to be necessary to permit it to carry out its duties.

7. ACCOUNTABILITY

a) The Committee shall report to the Board at its next regular meeting all such action it has taken since the previous report.

b) The Committee is empowered to investigate any activity of the Corporation and all employees are to co-operate as requested by the Committee. The Committee may retain persons having special expertise to assist it in fulfilling its responsibilities.

c) The Committee is authorized to request the presence at any meeting, but without voting rights, of a representative from the external auditors, senior management, legal counsel or anyone else who could contribute substantively to the subject of the meeting and assist in the discussion and consideration of the business of the Committee, including directors, officers and employees of the Corporation.

8. ANNUAL REVIEW AND EVALUATION

Annually, the Committee shall, in a manner it determines to be appropriate:

a) review and assess the adequacy of this Charter and the position description for the Chair of the Committee and make recommendations to the Compensation, Corporate Governance and Nominating Committee of the Board (“CCGNC”) for any improvements the Committee determines to be appropriate.

b) Annually, through the CCGNC, conduct a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter.

Schedule 7 - Position Description for Audit Committee Chair

CRESCITA THERAPEUTICS INC.
(the "**Corporation**")

CHAIR OF THE AUDIT COMMITTEE

POSITION DESCRIPTION

The chair (the "Chair") is a member of the Audit Committee, designated by the board of directors of the Corporation (the "Board of Directors" or the "Board") to assist the Audit Committee in fulfilling its duties effectively and efficiently in accordance with the written charter of the Audit Committee (the "Charter").

The Board of Directors shall review and assess the adequacy of this position description as required from time to time and approve any changes it deems appropriate.

OFFICE

The designation of the Chair shall take place annually at the first meeting of the Board after the meeting of the shareholders at which directors of the Board are elected. In the event the designation of Chair is not so made, the director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

REMUNERATION

The Chair shall receive such remuneration as the Board may determine from time to time.

INDEPENDENCE

The Chair shall meet the Corporation's "Categorical Standards for Determining Independence of Directors", and be free of any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgement as the Chair of the Audit Committee.

RESPONSIBILITIES

The Chair will provide leadership to the Audit Committee in discharging its mandate as set out in its Charter, including by promoting:

- a thorough understanding by members of the Audit Committee and senior management of the duties and responsibilities of the Audit Committee, and
- cohesiveness among members of the Audit Committee.

The Chair shall be the liaison between the Audit Committee, the Board and the Corporation's senior management, promoting open and constructive discussions between members of the Committee and each of these parties.

In connection with meetings of the Audit Committee, the Chair shall be responsible for:

- recommending procedures to enhance the work of the Committee,
- taking the principal initiative in scheduling meetings of the Audit Committee,
- organizing and presenting the agenda for Audit Committee meetings such that:

  - all of the responsibilities assigned to the Audit Committee under the terms of its Charter are discharged on a timely and diligent basis, and

  - members of the Audit Committee have appropriate input into the agendas,

- monitoring the adequacy of materials provided to the Audit Committee by senior management and the independent auditors in connection with the Audit Committee's deliberations,
- ensuring that members of the Audit Committee have sufficient time to review the materials provided to them and to fully discuss the business that comes before the Audit Committee, and
- presiding over meetings of the Audit Committee.

On an annual basis, the Chair will facilitate:

- the performance review and evaluation of the Audit Committee and its members in accordance with its Charter, and
- a review and assessment of the adequacy of the Charter and this position description, and following such review and assessment, make a recommendation to the Board with respect to any improvements the Audit Committee deems appropriate.

The Chair shall perform such other functions as may be ancillary to the duties and responsibilities described above and as may be delegated to the Chair by the Audit Committee or the Board from time to time.

Schedule 8 - Position Description for the Chief Executive Officer

CRESCITA THERAPEUTICS INC.
(the "**Corporation**")

CHIEF EXECUTIVE OFFICER

APPOINTMENT AND TERM

- The board of directors of the Corporation (the "Board of Directors" or the "Board") shall appoint the chief executive officer (the "CEO") of the Corporation for such term or terms as the Board deems advisable.
- The performance of the CEO shall be evaluated at least annually by the Board. The CEO may be removed or replaced at any time by the Board.

GENERAL STATEMENT OF RESPONSIBILITIES

1. The CEO shall be directly accountable to the Board for all activities of the Corporation and shall report to the Board and to the respective committees of the Board (the "Board Committees") as requested from time to time by the Chairman of the Board and the Chairs of the Board Committees.

2. The CEO shall have the primary responsibility and decision-making authority for the day-to-day management of the business and affairs of the Corporation. The CEO shall provide leadership and vision for the effective management and profitability of the Corporation, including the development of short-term and long-term strategies with the goal of increasing shareholder value and the growth of the Corporation and for conformity with corporate policies adopted by the Board.

3. In discharging his/her responsibilities, the CEO will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly, ethically, in good faith and in compliance with applicable laws with a view to the best interests of the Corporation. In general terms, the CEO will:

    a. in consultation with the Board of the Corporation, define the strategic plan(s) and principal objective(s) of the Corporation;

    b. carry out the management of the business and affairs of the Corporation with the goal of achieving the Corporation's principal objective(s) as defined in consultation with and approved by the Board; and

    c. discharge the duties imposed by the Board and applicable laws.

SPECIFIC RESPONSIBILITIES

Without limiting the generality of the responsibilities of the CEO as described above, the CEO shall have the following specific responsibilities. The CEO shall:

1. Leadership and Vision

a. Establish with the Board the vision and values of the Corporation with a focus on creating value for the shareholders;

b. Communicating on behalf of the Corporation with shareholders, other stakeholders, government entities and the public;

c. Develop in consultation with the Board, and recommend to the Board for adoption, a short-term and long-term strategic plan consistent with the vision and values of the Corporation;

d. Identify business opportunities which are consistent with the vision, values and strategic plan of the Corporation;

e. Set the tone for the Corporation so as to promote and foster an ethical and responsible culture that supports the attainment of the Corporation's strategic and operational objectives; and

f. Provide the executive leadership necessary to guide and inspire the employees of the Corporation to ensure the long-term success of the Corporation and to promote the Corporation's goal of profitability and growth in an ethical and responsible manner.

2. Business Management

a. Manage the Corporation in accordance with the strategic plan adopted by the Board and within the limits of authority delegated to the CEO by the Board from time to time;

b. Develop annual objectives and periodic business, capital and operating plans and budgets for the Corporation that are consistent with the strategic plan of the Corporation, recommend such objectives, plans and budgets to the Board for adoption, monitor corporate performance relative to the foregoing and provide periodic reports to the Board on such performance;

c. Ensure the efficient acquisition and allocation of the financial, human and other resources required by the Corporation to achieve its strategic plan and objectives;

d. Recommend to the audit committee and the board the adoption of, and oversee the implementation of, effective internal controls, monitoring and performance standards and systems relative to the utilization of all corporate resources;

e. Ensure appropriate and timely disclosure of material information with respect to the Corporation's business and affairs; and

f. Participate in the marketing of the Corporation to investors and oversee the capital-raising activities of the Corporation as approved by the Board.

3. Human Resources Management

a. Develop and maintain an effective organizational structure that reflects operational needs and defines the authority and responsibility of management; and

b. Manage the human resources of the Corporation, including:

i. succession planning and development processes for the CEO, senior and other management;

ii. put in place an executive team and other senior management as required for corporate success, including making recommendations to the Board for the appointment of the executive officers;

iii. counsel and monitor the performance of the executive officers;

iv. make recommendations to the Board on salary levels, bonuses, and equity-based compensation for the executive officers, as well as equity-based compensation for employees of the Corporation; and

v. ensure the Corporation implements the necessary human resources policies to attract, retain and motivate employees as required for corporate success.

4. Governance and Risk Management

a. Ensure the development of processes and policies necessary or useful for the Corporation to achieve its strategic plan and objectives, and recommend processes and policies to the Board for approval, as appropriate;

b. Oversee the development of, the implementation of, and compliance with, appropriate systems, including those to:

i. ensure socially responsible and ethical behaviour of the Corporation and its employees;

ii. identify and manage the principal business risks of the Corporation and implement appropriate systems, processes and procedures to monitor and mitigate such risks;

iii. ensure the integrity of the Corporation's internal control, management information systems and financial reporting;

iv. ensure high standards of safety, health, environmental protection and quality that are compliant with all relevant laws and regulations and maintain the Corporation's high standards of social responsibility;

v. ensure disclosure controls and procedures that are compliant with all relevant laws and regulations; and

vi. ensure compliance with all applicable laws and regulatory requirements.

5. Board Relations

a. Work in close collaboration with the Chairman of the Board, the Chair of each Board Committee and the Lead Director to:

i. bring decisions to be made by the Board and Board Committees and other matters of importance to the Board's and Board Committees' attention in a timely manner; and

ii. set Board and Board Committee agendas and provide timely and relevant information to the Board and Board Committees so as to enable the Board and Board Committees to effectively discharge their obligations in accordance with their respective charters; and

b. Ensure, in collaboration with the Chairman of the Board, there is an effective relationship between management and the Board.

6. External Relationship Management

a. Serve as the Corporation's chief spokesperson, and communicate and promote positive relationships with the shareholders of the Corporation, customers and external stakeholders including financial institutions, local communities where the Corporation and its subsidiaries operate, government agencies, regulators, legislators, non-governmental organizations, and the public at large;

b. Identify and, in an ethical and responsible manner, develop and leverage business relationships supporting the attainment of the strategic plan and objectives of the Corporation; and

c. Represent the Corporation in industry associations, where appropriate, to advance the interests of the Corporation.

7. Other

a. Carry out any other appropriate duties and responsibilities assigned by the Board from time to time.

b. The CEO may delegate certain operational duties to and receive reports and recommendations from any member of the executive team of the Corporation. Such delegation shall not relieve the CEO from his/her responsibilities.

Schedule B - Code of Conduct and Business Ethics

CRESCITA THERAPEUTICS INC.
(the "Corporation")

CODE OF CONDUCT AND BUSINESS ETHICS

PURPOSE OF THIS CODE

The Code of Conduct and Business Ethics of Crescita Therapeutics Inc. (the "Company" or "Crescita") is intended to document the principles of conduct and ethics to be followed by all directors, officers, consultants and employees of Crescita and its Subsidiaries (collectively and individually referred to as "Crescita Personnel"). Its purpose is to:

- Promote honest and ethical conduct;
- Promote avoidance of conflicts of interest;
- Promote full, fair, accurate, timely and understandable disclosure of information to our shareholders and the public;
- Promote compliance with the laws, rules and regulations that apply to us;
- Promote the prompt internal reporting to an appropriate person of violation of the Code.

This code and its provisions will be reviewed annually by Crescita Personnel who will confirm they have read the code and will follow the guidelines set out.

WORKPLACE

Non-Discriminatory Environment

Crescita provides equal employment opportunities to all persons. The Company does not discriminate against Crescita Personnel or potential employees or directors based on race, color, religion, sex, gender identity, national origin, age, disability, political affiliation, or any other grounds prohibited by law.

Crescita is committed to ensuring fair employment, including equal treatment in hiring, promotion, training, compensation, termination, and corrective action and will not tolerate discrimination by its employees.

A Work Environment Free of Harassment

Crescita is committed to a policy of preventing demeaning, offensive, or harassing behaviour against any fellow employee or any other persons with whom they come in contact in the course of their employment.

DRESS CODE

Crescita employees are expected to dress in a professional, neat, and appropriate manner for their work environment and to perform their work within the policies in place at their Crescita location. Each Crescita location will establish a suitable dress code and standard working hours policy.

HEALTH AND SAFETY, ENVIRONMENTAL

Environmental

Crescita is committed to sound environmental management. The Company aims to meet or exceed all environmental legislation, regulations, permits and licenses. Crescita is committed to conducting business in a manner that minimizes any adverse effects of its operations on the environment.

Health and Safety

Crescita makes every effort to provide a safe and healthy working environment. The Company has adopted a number of policies related to health and safety matters which aim to meet or exceed industry standards and applicable government codes, standards, and regulations. Inspections are conducted by the local Health and Safety Committee to ensure compliance with the standards and regulations.

Information and Communication Systems

All electronic and telephonic communications systems and all communication and information transmitted by, received from, or stored in these systems are the property of Crescita and, as such, are to be used primarily, if not exclusively, for job-related purposes. Any personal use or use for non-Company business is subject to this policy, and must be incidental, occasional, and kept to a minimum. Management has the right and the duty to control the Company's electronic communications systems and their use.

All original messages and information generated on or handled by Crescita's electronic communications systems, including back-up copies, are considered the property of Crescita.

Crescita reserves the right to monitor the contents of electronic communications to support operational, maintenance, auditing, security, and investigative activities. Management reserves the rights to access, monitor, and disclose all messages for all purposes, including those that may be related to actual or potential claims and litigation.

Use of the internet should be primarily, if not exclusively, for job related purposes. Crescita employees are prohibited from using internet access to stream audio and video due to the significant use of bandwidth these activities require and the associated cost. Crescita reserves the right to monitor internet usage by Crescita personnel.

Crescita employees are prohibited from participation in internet news groups, chat rooms and bulletin/message boards unless they are related to the business operations or activities of Crescita.

Guidelines:

To ensure that the use of electronic and telephonic communications systems and business equipment is consistent with Crescita's legitimate business interests, the following guidelines will be followed:

- Any use of Crescita's name or service marks outside the course of the user's employment without the express written authorization of management is prohibited.
- No media advertisement, internet page, electronic bulletin board posting, electronic mail message, voice mail message, or any other public representation about Crescita or on behalf of Crescita may be issued unless it has been approved in writing by an authorized spokesperson, as identified in Crescita's Corporate Disclosure Policy.
- Under no circumstances will information of a confidential, sensitive, or otherwise proprietary nature be placed or posted on the Internet or otherwise be disclosed to anyone outside the Company.
- The electronic mail system is not to be used in ways that are disruptive or offensive to others, or in ways that are inconsistent with the professional image of the Company.
- Display or transmission of sexually explicit images, messages, cartoons, or any communication that can be construed as harassment or disparagement of others based on their race, national origin, sex, age, disability, or other inappropriate purpose is prohibited.

- Any use of the electronic mail system to solicit outside business ventures, to disclose confidential, sensitive, or proprietary information, or for any other inappropriate purpose is also prohibited.
- The information systems will be used exclusively for the transmission of business-related information. The systems will not be used to solicit or address others regarding commercial, religious, or political causes, or for any other solicitations that are not work related, except as approved by management.
- Installing or running any software that is not approved or provided by Crescita or downloading non-job-related material is prohibited because many popular screen savers, games, and other online materials are often used to transmit viruses and other malware designed to compromise system security and stability.
- For security purposes, users may not share their account or password information with any other person. System accounts are to be used only by the assigned user of the account for authorized purposes. Users must take all necessary precautions to prevent unauthorized access to online services.

All users are personally accountable for messages that they create or forward using Crescita's electronic or telephonic communications systems. Misrepresenting, obscuring, suppressing, or replacing a user's identity on an electronic communications system is prohibited. The practice of "spoofing", which is the creation of electronic communications so that they appear to be from someone else, is prohibited. The username, electronic mail address, organizational affiliation, time and date of transmission, and related information included with electronic messages or online postings must always reflect the true originator, time, date, and place of origin of the messages or online postings, as well as the true content of the original message.

Users with questions about how Crescita's systems and information can be used securely and appropriately should contact the IT Department.

Any violation of this policy will result in appropriate disciplinary action, up to and including termination of employment and the exercise of other legal remedies that may be available to the Company.

Social Media

Social media, including popular online services and applications such as LinkedIn, Facebook, Instagram, Twitter, WhatsApp, blogs on Blogger, WordPress, and other sites, that enable users to create and share content or to participate in social networking are potentially disruptive to Crescita's operations and access to and use of social media must adhere to the following principles:

- Social media must not be used on Company time or using Company computers unless it is related to Crescita's business.
- When using social media employees must not represent or imply that they are expressing the opinion of the Company.
- When using social media Crescita Personnel must never disclose any confidential or proprietary information belonging to the Company.
- When using social media Crescita Personnel need to be mindful of their responsibilities to the Company and their co-workers. Any social media content which is contrary to any aspect of Company policy, is strictly forbidden.

THIRD PARTY RELATIONSHIPS

Conflicts of Interest and Fair Dealings

Crescita Personnel will ensure that no conflict of interest exists between their personal interests and those of Crescita. Crescita Personnel are committed to conducting their business affairs with honesty and integrity. In dealing with customers, suppliers, contractors, competitors, existing and potential business partners and

other Crescita employees, Crescita Personnel are required to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of Crescita.

Competition

Crescita competes in an ethical manner in compliance with laws that prohibit restraints of trade, unfair practices, or abuse of economic power. The Company's policy prohibits Crescita Personnel from entering into or discussing any unlawful arrangement or understanding that may result in illegal business practices or illegal anticompetitive behaviour. Crescita Personnel do not slander competitors or their products, improperly seek competitor information or attempt to influence suppliers illegally.

Ethical Business Conduct

Crescita Personnel practice appropriate business judgment in extending business courtesies and do not accept or offer bribes, favours, or kickbacks for the purpose of securing business transactions. In addition, Crescita Personnel will not solicit any cash, gifts, or free services from any Crescita customer, supplier, or contractor for their or their immediate family's or friends' personal benefit.

Crescita Personnel, other than an authorized spokesperson identified in Crescita's Corporate Disclosure Policy, are not authorized to respond to any inquiries from the public, e.g., the investment community or the media, unless specifically asked to do so by an authorized spokesperson.

Directorships

Officers or directors of Crescita shall not act as a director or officer of any other corporation without prior disclosure to the Crescita Board of Directors. Employees who are not officers or directors shall not act as a director or officer of any other corporation without prior disclosure to and approval of the Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO"). However, prior approval is not required to serve on boards of charities or non-profit organizations or in private family businesses that have no relation to the Company and its businesses.

LEGAL COMPLIANCE

Compliance with Laws

The Company expects Crescita Personnel to make every effort to become familiar with and comply with laws, rules and regulations affecting their activities and to ensure that those individuals reporting to them are aware of these laws, rules, and regulations.

The Company's policy is to meet or exceed all applicable governmental requirements regarding its activities.

If employees are unsure as to the applicability of any law, they should refer the matter to their supervisor. Where necessary, management may refer the question to Crescita's Board.

Insider Trading

It is illegal for Crescita Personnel to purchase or sell Crescita shares based on information that has not been previously disclosed to the public (referred to as "Insider Information") or to improperly disclose Insider Information to any third party. Crescita Personnel are required to comply with the Company's Corporate Disclosure Policy as well as Crescita's Insider Trading Policy.

Public Disclosure of Significant or Material Insider Information

Crescita complies with all applicable securities laws and regulations to ensure that significant or material, inside information is disclosed using proper authority and in accordance with the law. Crescita Personnel must comply with Crescita's Corporate Disclosure Policy which is designed to ensure that full, fair, accurate, understandable, and timely disclosure of significant or material inside information is provided in reports and documents filed with securities regulatory authorities and in other materials made available to the investing public.

INFORMATION, RECORDS AND PROPERTY

Financial Reporting

Crescita complies with all financial reporting and accounting rules and regulations applicable to the Company, including regulatory, tax, financial reporting, and other legal requirements. The Company's financial records serve as a basis for managing the business and are crucial for meeting obligations to employees, customers, investors, and others. Crescita Personnel who make entries into financial records or who issue regulatory or financial reports, have a responsibility to fairly present all information in a truthful, accurate and timely manner.

Record Retention

Crescita maintains all records in accordance with laws and regulations regarding retention of business records. The term "business records" covers a broad range of files, reports, business plans, receipts, policies and communications, in paper as well as analog or digital and electronic formats.

Protection of Company Assets

The use of Crescita property for individual profit or any unlawful unauthorized personal or unethical purpose is prohibited. Crescita information, technology, intellectual property, buildings, land, equipment, machines, software, and cash must be used for business purposes only, except as provided by Crescita policy or as approved by the responsible manager.

Crescita Personnel shall not intentionally damage or destroy the property of Crescita nor commit theft.

Crescita Personnel are required to sign a Confidentiality Agreement when they are hired. Crescita Personnel must comply with all provisions of this agreement.

Crescita Personnel must follow all policies and procedures outlined in Crescita's Purchasing Guidelines and Expense Report Guidelines when ordering any goods or services for Crescita.

COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

Employees are required to comply with the Code of Conduct and Business Ethics and the underlying policies and procedures. Anyone who has a concern about what constitutes ethical conduct or whether a certain course of action violates the Code of Conduct and Business Ethics is expected to raise the concern immediately with their supervisor or the CFO. Any actual, possible, or suspected violation must be reported immediately. Employees are strictly prohibited from taking retribution against another employee for reporting a violation.

Alternatively, if a Crescita employee is uncomfortable raising the concern with their supervisor or with the CFO, they may report their concerns on a confidential basis via mail, e-mail, or telephone by using Crescita's confidential incident reporting service: **EthicsPoint - Crescita Therapeutics Inc**. The incident reporting service (often referred to as a Whistleblower Hotline) is provided by an outside agency in accordance with securities law requirements. Incident reports are provided to appropriate management personnel without revealing the identity of the incident reporter and without information that might allow management to identify the incident reporter. If the concern is not resolved to the satisfaction of the Crescita Personnel after the completion of all steps typically used by the reporting agency, the incident report will be brought to the attention of the Lead Director of the Crescita Board of Directors.

There will be no reprisals against Crescita Personnel for good faith reporting of compliance concerns or violations of Company policy.

NON-COMPLIANCE WITH THE CODE OF CONDUCT AND BUSINESS ETHICS

Non-compliance with the Code may be subject to disciplinary action up to and including termination for cause.

APPENDIX II

Material Contracts and Glossary of Terms

The following is a listing of Crescita's Material Contracts and a Glossary of Terms used throughout this AIF.

Material Contracts

- The First Amendment dated July 27, 2020 to the Taro Agreement, between Intega Skin Sciences Inc. (now Crescita Skin Sciences Inc.), Crescita Therapeutics Inc. and Taro Pharmaceuticals Inc. See *Significant Partnerships – Licensing Agreement with Taro Pharmaceuticals Inc.*
- The Development and Commercialization License Agreement dated April 21, 2017, between Crescita Therapeutics Inc. and Taro Pharmaceuticals Inc. See *Significant Partnerships – Licensing Agreement with Taro Pharmaceuticals Inc.*
- The Amended and Restated Rights Agreement dated March 20, 2019 between the Company and AST Trust Company, described under "*Description of Capital Structure – Shareholder Rights Plan*".

Glossary of Terms

Active Pharmaceutical Ingredient	An Active Pharmaceutical Ingredient (API) is any substance or mixture of substances intended to be used in the manufacture of a drug product. Such substances are intended to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment or prevention of disease or to affect the structure and function of the body.
Chemistry, Manufacturing and Controls (CMC)	Chemistry, Manufacturing and Controls (CMC) constitutes that part of pharmaceutical development that deals with the nature of the drug substance (API) and drug product, the manner in which both are made, and the manner by which the manufacturing process is shown to be in control. CMC considerations include formulation development, manufacturing process and equipment, container-closure system (packaging), stability evaluation and shelf life (storage condition) and specifications for raw materials/components and the finished drug product.
Clinical Trials	The regulated process by which new drugs proceed after discovery through to acceptance for marketing to patients. The term most correctly refers to the period during which new compounds are tested in human subjects and encompasses the several phases as outlined under "*Product Development and Regulatory Environment*".
Contract Manufacturing Organization	A Contract Manufacturing Organization (CMO) manufactures products under contract for other companies.
Contract Development and Manufacturing Organization	A Contract Manufacturing and Development Organization (CDMO) develops and manufactures products under contract for other companies.
Contract Research Organization	A Contract Research Organization (CRO) is a company that conducts research on behalf of a pharmaceutical or biotechnology company.
Drug Master File	A Drug Master File (DMF) is a submission to the FDA that may be used to provide confidential, detailed information about facilities, processes or articles employed in the manufacturing, processing, packaging, and storing of one or more human drugs. Neither law nor FDA regulations require the submission of a DMF. A DMF is submitted solely at the discretion of the holder.
Efficacy	Capacity for producing a desired result or effect.
European Medicines Agency	The European Medicines Agency (EMA) regulates the research, development, manufacture and marketing of pharmaceutical products
Good Clinical Practices and Good Laboratory Practices	Good Clinical Practices (GCP) and Good Laboratory Practices (GLP) are standards for the conduct of clinical trials (including laboratory studies) the data from which are expected to be submitted to a regulatory agency such as the FDA. In the case of GLP these practices are defined by regulation. GCP have arisen from general accepted clinical practices within the industry.
Good Manufacturing Practices	Good Manufacturing Practices (GMP), i.e. guidelines established by the governments of various countries, including Canada and the U.S., to be used as a standard in accordance with the World Health Organization's Certification Scheme on the quality of pharmaceutical products.
Investigational New Drug Application	An investigational New Drug application (IND) which must be filed and accepted by the FDA before human clinical trials may begin.
In vitro	A test that is performed in vitro is one that is done in glass or plastic vessels in the laboratory.
In vivo	In the living body or organism. A test performed on a living organism.
Lidocaine	A common local anesthetic drug, when used topically, relieves pain by blocking signals at the nerve endings in skin and underlying tissues.
Marketing Authorization	A marketing authorization ("MA") is the process of reviewing and assessing the evidence to support a medicinal product such as a drug, in relation to its marketing, finalized by granting of a license to be sold.
Multiplexed molecular penetration enhancers	Multiplexed molecular penetration enhancers (MMPEs) are cocktails or combinations of MPEs that modify the permeability of the stratum corneum.

Molecular penetration enhancers	Molecular penetration enhancers (MPEs) are molecules that interact with the molecules comprising the stratum corneum so as to modify its permeability.
New Drug Application	New Drug Application (NDA), a document containing preclinical, clinical and chemistry, manufacturing and control data collected on a drug. An NDA is submitted to the FDA in order to obtain approval to market a prescription drug in the U.S.
Preclinical studies	Those studies generally completed prior to human clinical trials.
Risk Evaluation and Mitigation Strategy	A Risk Evaluation and Mitigation Strategy (REMS) is a strategy to manage a known or potential serious risk associated with a drug. A REMS may be required by the FDA and can include a Medication Guide, Patient Package Insert, a communication plan, an education plan, and even restricted marketing, to assure safe use of the drug.
Tetracaine	A local anesthetic drug that can be administered by local injection or by topical application to conjunctiva, mucosae and skin. When used topically, relieves pain by blocking signals at the nerve endings in skin and underlying tissues.
Therapeutic Products Directorate	The Therapeutic Products Directorate (TPD) is the division within Health Canada that reviews New Drug Submissions.
United States Food and Drug Administration	The U.S. Food and Drug Administration (FDA), an agency within the Department of Health and Human Services, the U.S. government's principal agency for protecting the health of all Americans, which is among other responsibilities charged with regulating pharmaceutical products in the U.S.