First Quarter 2025 Interim Report

Management's Discussion and Analysis

May 13, 2025

Basis of Presentation

This Management's Discussion and Analysis of the financial position and results of operations ("MD&A") is the responsibility of management and has been reviewed and approved by Crescita's board of directors (the "Board of Directors"). This MD&A has been prepared in accordance with the requirements of the Canadian Securities Administrators ("CSA"). While the Board of Directors is ultimately responsible for approving the MD&A, it carries out this responsibility mainly through the oversight of its Audit Committee, which has been appointed by the Board of Directors and is composed entirely of independent and financially literate directors.

Throughout this document, Crescita Therapeutics Inc. is referred to as "Crescita", "we", "our" or "Company". This MD&A provides information that management believes is relevant to an assessment and understanding of the consolidated results of operations, cash flows and financial condition of the Company. The following information should be read in conjunction with Crescita's Condensed Consolidated Interim Financial Statements and the notes thereto for the three months ended March 31, 2025 and 2024 (the "Q1-25 Financial Statements", "Q1-25", and "Q1-24", respectively) which have been filed on the Company's profile on the System for Electronic Document Analysis and Retrieval+ ("SEDAR+"). Crescita's accounting policies are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information relating to the Company, including its most recently filed Annual Information Form ("AIF"), can be found on SEDAR+ at www.sedarplus.ca.

Materiality of Disclosures

This MD&A includes information we believe is material to investors. We consider something to be material if it results in or would reasonably be expected to result in a significant change in the market price or value of our shares, or if it is likely that a reasonable investor would consider the information important in making an investment decision.

All amounts in this MD&A are expressed in thousands of Canadian dollars ("CAD"), unless otherwise noted. This MD&A contains "forward-looking information". Refer to *Forward-looking Information*. The Company uses non-IFRS and key financial measures in this MD&A. Refer to the *Non-IFRS and Key Financial Measures*, and the *EBITDA and Adjusted EBITDA Reconciliation* sections of this MD&A.

Highlights and Key Business Developments

Financial Highlights

Q1-25 vs. Q1-24
• Revenue was $3,537 compared to $4,996, a decrease of $1,459;
• Gross profit was $1,747 compared to $2,411, a decrease of $664;
• Operating expenses were $2,809 compared to $3,142, a decrease of $333;
• Net loss was $(932) compared to $(626), an increase of $306;
• Adjusted EBITDA[1] was $(679) compared to $(325), an increased loss of $354;
• Ending cash of $8,538 compared to $9,273, a decrease of $735 for the quarter.

[1] Adjusted EBITDA is a non-IFRS measure. Refer to the *Non-IFRS and Key Financial Measures*, *and* the *EBITDA and Adjusted EBITDA Reconciliation* sections of this MD&A.

Key Business Developments

For the quarter ended March 31, 2025 and up to the date of this MD&A:

Repurchases under our Normal Course Issuer Bid ("NCIB")

In Q1-25, we repurchased 76,094 common shares through our NCIB at a weighted average purchase price per share of $0.57 for total cash consideration of $43. Refer to *Normal Course Issuer Bid*.

Forward-looking Information

Certain statements in this MD&A constitute forward-looking statements and/or forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws. All information in this MD&A, other than statements of current and historical fact, represents forward-looking information and is qualified by this cautionary note.

Forward-looking information may relate to the Company's future financial outlook and anticipated events or results and may include information regarding the Company's financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans, objectives, and expectations. Such information is provided for the purpose of presenting information about management's current expectations and plans relating to the future and allowing investors and others to get a better understanding of the Company's anticipated financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as: "outlook", "objective", "anticipate", "intend", "plan", "goal", "seek", "believe", "aim", "project", "estimate", "expect", "strategy", "future", "likely", "may", "should", "will", "growth strategy", "future", "prospects", "continue", and similar references 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 information.

Examples of forward-looking information include, but are not limited to, statements made in this MD&A under the headings "Key Business Developments", "Outlook and Liquidity Update", and "Vision and Growth Strategy", including statements regarding the Company's objectives, plans, goals, strategies, growth, performance, operating results, financial condition, business prospects, opportunities and industry trends, and similar statements concerning anticipated future events, results, circumstances, performance or expectations.

Forward-looking information is neither historical fact nor assurance of future performance. Instead, it reflects management's current beliefs, expectations and assumptions and is based only on information currently available to us. Forward-looking information is necessarily based on a number of estimates and assumptions that, while considered reasonable by management of the Company as of the date of this MD&A, are inherently subject to significant business, economic, and competitive uncertainties and contingencies that are difficult to predict and many of which are outside of our control.

The Company's estimates, beliefs and assumptions, which may prove to be incorrect, include various assumptions regarding, among other things: the Company's future growth potential, results of operations, future prospects and opportunities; the Company's ability to retain and recruit, as applicable, customers, members of management and key personnel; industry trends; legislative or regulatory matters, including expected changes to laws and regulations and the effects of such changes; future levels of indebtedness; availability of capital; the Company's ability to secure additional capital and source and complete acquisitions; the Company's ability to maintain and expand its market presence and geographic scope; economic and market conditions, including the imposition of and adverse changes to tariffs and other trade protection measures; the impact of currency exchange and interest rates; the Company's ability to maintain existing financing and insurance on acceptable terms; the Company's ability to execute on, and the impact of, its environmental, social and governance initiatives; the impact of competition; and the Company's ability to respond to changes to its industry and the global economy.

Forward-looking information involves risks and uncertainties that could cause Crescita's actual results and financial condition to differ materially from those contemplated by such forward-looking information. Important factors that could cause such differences include, among others:

- economic and market conditions, including factors impacting global supply chains such as pandemics, geopolitical conflicts and tensions, and trade protection measures, like the imposition of tariffs and retaliatory tariffs by the United States and Canada;
- the impact of inflation and fluctuating interest rates;
- the Company's ability to execute its growth strategies;
- the degree or lack of market acceptance of the Company's products;
- reliance on third parties for marketing, distribution and commercialization, and clinical trials;
- the impact of variations in the values of the Canadian dollar in relation to the U.S. dollar and Euro;
- the impact of the volatility in financial markets;
- the Company's ability to retain members of its management team and key personnel;
- 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 of intellectual property protection of the Company's products;
- developments and changes in applicable laws and regulations, and;
- other risk factors described from time to time in the reports and disclosure documents filed by Crescita with Canadian securities regulatory agencies and commissions, including the sections entitled "Risk Factors" in the Company's most recent annual MD&A and AIF.

If any risks or uncertainties with respect to the above materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. This list is not exhaustive of the factors that may impact the Company's forward-looking information. Although management has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, 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 information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information, which speaks only as of the date provided, and is subject to change after such date. Except as required by applicable securities laws, the Company undertakes no obligation to publicly update any forward-looking information, whether written or oral, that may be provided from time to time, whether as a result of new information, future developments or otherwise.

Non-IFRS and Key Financial Measures

We report our financial results in accordance with IFRS. However, we use certain non-IFRS financial measures to assess our Company's performance. We believe these to be useful to management, investors, and other financial stakeholders in assessing Crescita's performance.

The non-IFRS measures used in this MD&A do not have any standardized meaning prescribed by IFRS and are therefore not comparable to similar measures presented by other issuers. These measures should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS.

The following are the non-IFRS and key financial measures used by management alongside their respective definitions:

Profitability	• **EBITDA *(non-IFRS)*** – is defined as earnings before interest, income taxes, depreciation of property, plant and equipment and amortization of right-of-use asset and intangible assets. A reconciliation of EBITDA to its closest IFRS measure can be found under the *EBITDA and Adjusted EBITDA Reconciliation* sections of this MD&A. • **Adjusted EBITDA *(non-IFRS)*** – is defined as earnings before interest, income taxes, depreciation of property, plant and equipment and amortization of right-of-use asset and intangible assets, foreign exchange (gains) losses, share of (profit) loss of associates, fair value (gains) losses, share-based compensation, restructuring, acquisition-related and integration costs, and goodwill and intangible asset impairment, as applicable. Management believes that Adjusted EBITDA is an important measure of operating performance and cash flow and provides useful information to investors as it highlights trends in the underlying business that may not otherwise be apparent when relying solely on IFRS measures. A reconciliation of Adjusted EBITDA to its closest IFRS measure can be found under the *EBITDA and Adjusted EBITDA Reconciliation* section of this MD&A. • **Income (loss) before income taxes** – is a measure of income or loss generated by the Company during the period.
Liquidity	• **Cash provided by (used in) operating activities** – is a measure of cash generated from or used in managing our day-to-day business operations. We believe that operating cash flow is indicative of financial flexibility, allowing us to execute our growth strategy.

Reporting Segments

We have three reportable segments: (i) Commercial Skincare; (ii) Licensing and Royalties; and (iii) Manufacturing and Services. This reflects how the chief operating decision maker evaluates the performance of the business in accordance with IFRS 8 – *Operating Segments* ("IFRS 8").

Commercial Skincare
The Commercial Skincare ("Skincare") reportable segment generates revenue from the commercialization of our branded non-prescription skincare products in Canada and in certain international markets. Non-prescription products manufactured and sold by the Company include the following brands: Laboratoire Dr Renaud® ("LDR"), Pro-Derm®, Alyria® and Aquafolia®, acquired in June 2024. These premium skincare lines provide solutions for a range of common skin concerns such as aging, acne, hydration, pigmentation, and rosacea. We also sell Pliaglis®, MicronJet™, NCTF® Boost 135 HA, ART FILLER® and Obagi® Medical in Canada.

Our sales force calls on aesthetic spas, medispas as well as medical aesthetic clinics in Canada under a business-to-business ("B2B") model. In addition, our skincare brands are sold in the U.S., and in Hong Kong, South Korea and Malaysia, through distributors, as well as through various online platforms, while Alyria, a direct-to-consumer ("DTC") brand is also sold in select retail outlets.

Licensing and Royalties
The Licensing and Royalties ("Licensing") reportable segment derives revenue from licensing the intellectual property (the "IP") related to Pliaglis and would include any revenue from licensing the IP for the use of our transdermal delivery technologies, Multiplexed Molecular Penetration Enhancers™ ("MMPE") and DuraPeel™ (the "Technologies"), in the development of topical formulations. While we may still do so from time to time, leveraging our Technologies to fuel our licensing pipeline is no longer a strategic focus for the Company. The key revenue streams in the Licensing 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 ("Manufacturing") reportable segment includes two main revenue streams: 1) revenue from the sale of topical products manufactured to client specifications under our contract development and manufacturing organization ("CDMO") infrastructure; and 2) revenue from product development services. Clients in the Manufacturing segment use our services to manufacture topicals either under a private label or a brand name and may use a combination of Crescita's existing formulations, their own formulations or novel formulations.

Refer to the *Revenue by Segment* and *Gross Profit by Segment* sections of this MD&A and to Note 4 - *Segmented Information* to our Q1-25 Financial Statements.

Outlook and Liquidity Update

Our objectives when managing our liquidity and capital structure are to maintain enough cash to fund our operations, including organic growth initiatives, to pursue strategic licensing deals and acquisitions as part of our growth strategy, and to meet contractual obligations as they become due. As of March 31, 2025, Crescita had working capital (defined as current assets minus current liabilities) of $8,972 including a cash balance of $8,538. Our cash and other current assets at March 31, 2025 were sufficient to meet our current accounts payable, accrued liabilities, lease and other obligations. In addition, we have a revolving demand credit facility (the "Facility") for an authorized amount, subject to margin requirements, of $3,500. Based on our accounts receivable and inventory values at quarter end, the total amount available under the Facility was $2,081. The Facility bears no financial covenants, and no amounts have yet been drawn.

Our ability to generate sufficient revenue to reach sustained profitability depends on the successful execution of our growth strategy. The ability to raise additional financing for future activities may be impaired, or such financing may not be available on favourable terms, due to conditions beyond our control. This exposure is further discussed in the *Risks Factors* section of this MD&A and our most recent AIF.

Normal Course Issuer Bid

On September 24, 2024, we announced that the TSX approved the proposed NCIB to purchase up to a maximum of 1,478,854 Common Shares for cancellation starting September 27, 2024 and ending September 26, 2025, or such earlier date as the Company completes its purchases pursuant to the NCIB or provides notice of termination. Under its previous NCIB, ended August 30, 2024, the Company repurchased and cancelled 1,188,017 Common Shares at a weighted average purchase price per share of $0.53 for a total purchase price of $630.

In connection with each NCIB, we adopted an automatic securities purchase plan ("ASPP") containing strict parameters regarding how our Common Shares may be repurchased during times when we would ordinarily not be permitted to purchase Common Shares due to regulatory restrictions or self-imposed blackout periods. Such purchases are executed by the designated broker based on parameters established by the Company prior to the pre-established ASPP period. The Company may terminate the ASPP and the NCIB provided that the insiders of the Company are not then in a trading blackout and the Company is not otherwise in possession of any material undisclosed information about its business.

The following table provides a summary of the details of the Common Shares repurchased for cancellation under the NCIB for the three months ended March 31, 2025 and 2024:

For the three months ended March 31,	2025	2024
In 000's of CAD, except number of shares and average price	**$**	$
Common Shares repurchased for cancellation	**76,094**	166,508
Weight average purchase price per share	**0.57**	0.47
Total purchase price	**43**	78

Outstanding Share Data

The following table provides the designation and number of each class and series of voting, equity, or convertible securities of Crescita, outstanding:

	As at May 12, 2025
Common shares	18,939,262
Stock options[1]	2,864,271

[1] This amount includes 2,495,194 options which have vested.

Selected Quarterly Financial Information

	Three months ended March 31,		
In thousands of CAD, except per share data and number of shares	**2025**	**2024**	**Change**
Operations	**$**	**$**	$
Revenues	**3,537**	4,996	(1,459)
Cost of goods sold	**1,790**	2,585	(795)
Gross profit	**1,747**	2,411	(664)
Gross margin (%)	***49.4%***	*48.3%*	*1.1%*
Operating expenses	**2,809**	3,142	(333)
Operating loss	**(1,062)**	(731)	(331)
Interest income, net	**(88)**	(116)	28
Foreign exchange (gain) loss	**(55)**	2	(57)
Share of loss of an associate	**14**	9	5
Fair value gain on convertible note measured at fair value through profit or loss	**(1)**	-	(1)
Net loss	**(932)**	(626)	(306)
Adjusted EBITDA[1]	**(679)**	(325)	(354)
Loss per share			
Basic and diluted	**$ (0.05)**	$ (0.03)	$ (0.02)
Weighted average number of common shares outstanding			
Basic and diluted	**19,028,110**	19,591,906	(563,796)
Balance Sheet as at March 31,			
Cash and cash equivalents	**8,538**	9,531	(993)
Total assets	**21,756**	24,069	(2,313)
Total non-current financial liabilities[2]	**315**	804	(489)
Total liabilities	**6,889**	5,925	964
Total equity	**14,867**	18,144	(3,277)

[1] Adjusted EBITDA is a non-IFRS measure. Refer to the *Non-IFRS and Key Financial Measures*, and the *EBITDA and Adjusted EBITDA Reconciliation* sections of this MD&A.

[2] Non-current financial liabilities are defined as the sum of the long-term portions of lease obligations and other obligations.

Corporate Overview

About Crescita

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 a commercial stage prescription product. In addition, we own multiple proprietary transdermal delivery platforms that support the development of patented formulations to facilitate the delivery of active ingredients into or through the skin.

Our non-prescription portfolio includes a variety of dermocosmetic products, 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 face creams, cleansers, exfoliants, masks, serums and suncare products. Each product or group of products is formulated to address specific skin concerns and intended to be used as part of a skincare protocol to provide a personalized regimen to meet each consumer's unique needs. The portfolio is designed for preventive care to the first signs of aging, as well as for common skin concerns.

Our product portfolio serves two subsets of the Canadian aesthetic market: (i) aesthetic skincare 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 brands include Laboratoire Dr Renaud and Aquafolia.

(ii) Medical aesthetics is a niche market positioned between the cosmetic market and the plastic surgery market 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 and neurotoxin injections, and various laser and device treatments. Our primary medical grade dermocosmetic brand is Pro-Derm. We also commercialize NCTF, ART FILLER, Obagi Medical and Micronjet, launched in Q1-25, under exclusive distribution agreements in Canada, and sell Pliaglis in the Canadian physician-dispensed skincare market.

Our sales force calls on spas, medical aesthetic clinics and medispas across Canada under a B2B model. Our skincare brands are also sold in the U.S., and in Hong Kong, South Korea and Malaysia, through distributors, as well as through various online platforms, while Alyria, a DTC brand is also sold in select retail outlets.

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 by regulatory authorities in 38 countries and licensed to eight commercial partners for sale in 40 countries.

In addition, our expertise in topical product formulation and development is used to develop and manufacture creams, liquids, gels, ointments, and serums under our CDMO infrastructure. We provide our services to several North American clients under full cGMP ("Current Good Manufacturing Practice"). Our manufacturing capabilities range from laboratory to pilot batches to scale-ups. We deliver turnkey solutions, often integrating manufacturing with in-house R&D, supply chain, and quality functions. Our integrated approach aims to simplify our clients' supply chain to maximize value, supporting timely and cost-effective product launches. We run our operations from our head office located at 2805, Place Louis-R-Renaud, Laval, Québec, H7V 0A3, including a 50,000 square-foot production facility where we also manufacture the majority of our non-prescription skincare products. Formulations manufactured by or for Crescita include cosmetics, natural health products ("NHP") and products with Drug Identification Numbers ("DIN"). We maintain a registered office located at 333 Bay Street, Suite 3400, Toronto, Ontario, M5H 2S7.

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

Our strategy is designed to generate growth over the long-term. There have been no changes to our vision and growth strategy since our year ended December 31, 2024. For further details, please refer to the section entitled "Vision and Growth Strategy" on page 11 of Crescita's 2024 Annual Report, which is available on our website at www.crescitatherapeutics.com and which was filed on SEDAR+ at www.sedaplus.ca.

Competitive Conditions

There have been no changes to the Company's competitive conditions since our last fiscal year ended December 31, 2024. For further details please refer to the section entitled "Competitive Conditions" on page 12 of Crescita's 2024 Annual Report, which is available on our website at www.crescitatherapeutics.com and which was filed on SEDAR+ at www.sedarplus.ca.

Non-Prescription Skincare Product Portfolio

Laboratoire Dr Renaud®
Founded over 75 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 between science and aesthetics. Products are designed according to the principles of biomimicry which attempt to mimic natural processes, making them compatible with our 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 our Laval facility and can be purchased either through a professional aesthetician or online.

Aquafolia®
Aquafolia is a line of dermocosmetic products which was developed to fight against the visible signs of aging and other common skin concerns. The brand's distinctive identity lies in its use of natural anti-aging biotechnologies to deliver high-performance skincare. Combining cosmetical biotechnology of natural origin, the science of plants and the science of probiotics, Aquafolia formulas respect the integrity of the skin and are adapted to treat all skin types. In addition to anti-aging solutions, the brand offers products that treat a variety of skin concerns like acne, rosacea, pigmentation, dehydration, and sensitivity. Crescita owns the trademark rights for Aquafolia in several countries as well as the worldwide formulation rights. Aquafolia products are manufactured at our Laval plant and are sold by professional aestheticians and online.

Pro-Derm®
Pro-Derm is a line of high-quality dermocosmetic products for the medical aesthetic market and is sold to 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 products, Pro-Derm combines the benefits of both cosmetic and pharmaceutical ingredients. 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 U.S. and the worldwide formulations and marketing rights for Pro-Derm. Virtually all the Pro-Derm products are manufactured at our Laval facility and can be purchased at medispas, medical aesthetic clinics or online.

Alyria®
Alyria is a medical grade dermocosmetic skincare line developed using scientific research to target major skincare concerns. Previously a B2B brand sold to medispas and medical aesthetic clinics, Alyria was rebranded, reformulated and re-launched as a DTC brand in the Canadian skincare market. Alyria's offering was built around a series of serums formulated with clinically proven active ingredients, specifically targeting skin hydration. 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. Alyria is primarily targeted at millennials and marketed and sold online and in certain retail outlets. All Alyria products are manufactured at our Laval facility.

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 sell Obagi to medispas and medical aesthetic clinics across Canada and online under an exclusive distribution agreement with Obagi Cosmeceuticals LLC.

NCTF® Boost 135 HA
NCTF 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 age groups, it specifically targets age-related skin changes such as dryness, dullness, uneven complexion, dilated pores and wrinkles. We sell NCTF to medispas and medical aesthetic clinics across Canada under an exclusive distribution agreement with Laboratoires FILLMED ("FILLMED"). Refer to *Significant Partnerships*.

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 sell ART FILLER in the Canadian medical aesthetic market under our exclusive distribution agreement with FILLMED. Refer to *Significant Partnerships*.

MicronJet™
MicronJet is an innovative intradermal injection device, leveraging the proven MEMS technology, that offers a highly effective, consistent and virtually pain-free delivery of aesthetic products and therapeutic substances. With three 0.6mm, silicon crystal-made delivery pyramids, MicronJet can be attached to standard syringes and provides aesthetic clinicians with minimally invasive and highly precise intradermal delivery, allowing administration to delicate and sensitive areas such as around the eyes, neck and décolleté area, as well as to the full face, for optimal patient outcomes. We launched MicronJet in Canada in Q1-25 under our exclusive distribution agreement with NanoPass Technologies Ltd.

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 (the "Application Period"). 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 38 countries and licensed to eight commercial partners for sale in 40 countries. Crescita provides regulatory support to its international partners to ensure timely approval of Pliaglis in countries where the product is yet to be approved and supports commercial launch activities in the rest-of-world ("ROW") countries where Pliaglis is approved.

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 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. The Orange Book identifies drug products approved on the basis of safety and effectiveness by 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 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.

While the Technologies continue to be used to formulate novel topical products within our own portfolio and/or for our CDMO clients, we are no longer actively leveraging our Technologies to fuel our licensing pipeline or pursuing out-licensing opportunities, as they are not a strategic focus for the Company.

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 a volatile solvent component that dries to form a self-occluding film and 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 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. Canadian, Mexican, and U.S. patents were issued with term to 2036.

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. Crescita has established a multi-disciplinary innovation team 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 – *on hold*	Patents granted in the U.S. expiring in 2027. Patents granted in CA, MX, and the U.S. expiring in 2036.
CTX-102[1]	Dermatological skin treatment	Phase 1 – *on hold*	Patents granted in the U.S. expiring in 2027. Patent granted in CA, and MX expiring in 2036. U.S. patent granted through 2040. Application pending in CA through 2040.
Dermatology products utilizing MMPE[3]	Prescription treatments of skin diseases	Pre-clinical – *on hold*	Patent granted in the U.S. expiring in 2027.

1. In April 2014, we entered into a joint venture agreement with two development partners to develop and formulate two topical dermatology product candidates utilizing our MMPE technology, CTX-101 and CTX-102 (the "Product Candidates"). Under this 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, with reimbursement challenges for dermatology products in the U.S., securing a licensing partner for CTX-101 has been more difficult than expected for our development partners and there is no certainty as to whether any of their partnering discussions will be successful. Pending the outcome of these discussions, the CTX-102 development program has been suspended. Crescita does not intend to dedicate any further resources to CTX-101 and CTX-102.
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), 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).
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.

Significant Partnerships

Distribution and Promotion Agreement with Laboratoires FILLMED
In 2020, we entered into an exclusive distribution and promotion agreement with FILLMED for the distribution of NCTF and ART FILLER in Canada. FILLMED is a French aesthetic medicine company with expertise in developing aesthetic anti-ageing treatment solutions using hyaluronic acid. The partnership with FILLMED allows Crescita to expand its product offering in the Canadian medical aesthetic field.

We sell NCTF and ART FILLER to medispas and medical aesthetic clinics across the country through our dedicated sales force.

Licensing Agreement with Cantabria Labs
In 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 later agreed that Cantabria would supply Pliaglis to Crescita outside the Territories.

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

Results of Operations

Fluctuations in Operating Results

Crescita's results of operations have fluctuated significantly from period-to-period in the past and are likely to do so in the future. Crescita anticipates that its quarterly and annual results of operations may be impacted in the foreseeable future by several factors including the timing and amount of product and contract manufacturing sales, royalties, milestone and upfront payments under licensing arrangements, and the level and timing of selling, general and administrative ("SG&A") expenditures, as well as R&D costs related to product formulation efforts. Due to these fluctuations, Crescita believes that the period-to-period comparisons of its operating results are not necessarily an adequate indicator of future performance.

Foreign Exchange Rates

Crescita is exposed to changes in foreign currency rates as a result of certain international operations. Accordingly, as prescribed by IFRS, we value assets, liabilities and transactions measured in foreign currencies using various exchange rates. We report all amounts in Canadian dollars, unless otherwise noted. Refer to Note 14 – *Financial Instruments and Risk Management - Currency Risk* of our Q1-25 Financial Statements for a further discussion on the impact of foreign currency fluctuations on our results of operations.

	Three months ended March 31,	
Average rates	**2025**	**2024**
U.S. dollar	**1.4350**	1.3488
Euro	**1.5107**	1.4640

Spot rates	2025	As at March 31, 2024
U.S. dollar	**1.4376**	1.3550
Euro	**1.5540**	1.4632

Revenue by Segment

Three months ended March 31,	2025	2024	Change
In thousands of CAD	**$**	$	$
Commercial Skincare	**2,457**	2,535	(78)
Licensing and Royalties	**250**	-	250
Manufacturing and Services	**830**	2,461	(1,631)
Total revenue	**3,537**	4,996	(1,459)

Commercial Skincare
Commercial Skincare sales were $2,457 for the three months ended March 31, 2025, compared to $2,535 for the three months ended March 31, 2024. The slight decrease of $78 was mainly due to lower e-commerce sales and a decline in export revenue, primarily to Asian markets, partly offset by incremental revenue from Aquafolia, acquired in June 2024.

Licensing and Royalties
Licensing and Royalties revenue for the three months ended March 31, 2025 was $250, reflecting product sales from supplying Pliaglis under licensing agreements.

Manufacturing and Services
Manufacturing and Services revenue for the three months ended March 31, 2025 was $830 compared to $2,461 for the three months ended March 31, 2024. The decrease of $1,631 was mainly due to the fulfillment of a purchase order from our largest Manufacturing client in Q1-24, which did not repeat in Q1-25.

The timing and value of third-party manufacturing purchase orders are variable from period to period depending on our clients' commercial activities and may not be recurring in nature.

Revenue Distribution

The following tables provide additional information regarding our revenue mix by geography and reportable segment for the three months ended March 31, 2025 and 2024:

By Geography *(based on client's billing address)*

Three months ended March 31,	2025	2024
Canada	**78%**	54%
U.S.	**4%**	42%
ROW	**18%**	4%
	100%	100%

By Segment

Three months ended March 31,	2025	2024
Commercial Skincare	**70%**	51%
Licensing and Royalties	**7%**	0%
Manufacturing and Services	**23%**	49%
	100%	100%

Major Customers

Under IFRS 8 – *Operating Segments*, major customers are those that account for greater than 10% of a company's consolidated revenue. For the three months ended March 31, 2025, the Company had no major customer representing greater than 10% of consolidated revenues. For the three months ended March 31, 2024, the Company had one major customer in the Manufacturing segment that accounted 42% of the Company's consolidated revenues.

Gross Profit by Segment

Gross profit is calculated by subtracting the cost of goods sold ("COGS") from revenue, either on a consolidated or on a by segment basis. Gross margin, as reported below and elsewhere in this MD&A, is an expression of gross profit as a percentage of revenue, either on a consolidated or by segment basis. COGS primarily includes: the costs associated with manufacturing and packaging our products, provisions for inventory obsolescence, freight-in, the cost of products purchased from third parties, and costs for the development of formulas under our CDMO services.

Three months ended March 31,	2025	2024	Change
In thousands of CAD	**$**	$	$
Revenue	**3,537**	4,996	(1,459)
Cost of goods sold	**1,790**	2,585	(795)
Gross profit	**1,747**	2,411	(664)
Gross margin %	***49.4%***	*48.3%*	*1.1%*

Commercial Skincare

Three months ended March 31,	2025	2024	Change
In thousands of CAD	**$**	$	$
Revenue	**2,457**	2,535	(78)
Cost of goods sold	**997**	943	54
Gross profit	**1,460**	1,592	(132)
Gross margin %	***59.4%***	*62.8%*	*-3.4%*

For the three months ended March 31, 2025, gross profit in the Skincare segment was $1,460, representing a gross margin of 59.4%, compared to $1,592 and 62.8%, respectively, for the three months ended March 31, 2024. The decreases of $132 in gross profit and 3.4% in gross margin year-over-year were mainly due to a reduction in higher-margin e-commerce sales.

Licensing and Royalties

Three months ended March 31,	2025	2024	Change
In thousands of CAD	**$**	$	$
Revenue	**250**	-	250
Cost of goods sold	**169**	-	169
Gross profit	**81**	-	81
Gross margin %	***32.4%***	*N/A*	*32.4%*

For the three months ended March 31, 2025, gross profit in the Licensing segment was $81, representing a gross margin of 32.4%.

Manufacturing and Services

Three months ended March 31,	2025	2024	Change
In thousands of CAD	**$**	$	$
Revenue	**830**	2,461	(1,631)
Cost of goods sold	**624**	1,642	(1,018)
Gross profit	**206**	819	(613)
Gross margin %	***24.8%***	*33.3%*	*-8.5%*

For the three months ended March 31, 2025, gross profit in the Manufacturing segment was $206, representing a gross margin of 24.8%, compared to $819 and 33.3%, respectively, for the three months ended March 31, 2024. The decreases of $613 in gross profit and 8.5% in gross margin year-over-year were mainly driven by an unfavourable product mix and the impact of lower volumes.

The gross margins generated by our Manufacturing segment are dependent on the specific terms of each agreement and vary by customer. The timing of customer orders and the mix of customers will continue to have an impact on our margins.

Operating Expenses

Three months ended March 31,	2025	2024	Change
In thousands of CAD	**$**	$	$
Research and development	**131**	170	(39)
Selling, general and administrative	**2,325**	2,587	(262)
Depreciation and amortization	**353**	385	(32)
Total operating expenses	**2,809**	3,142	(333)

Research and Development

R&D expenses are mainly composed of employee compensation costs, and other third-party laboratory testing and service fees, and may, from time to time, include clinical trial costs and clinical manufacturing and scale-up costs. In the normal course of business, we allocate a significant part of our R&D resources to the rejuvenation of our non-prescription skincare lines through product development and reformulations, as well as to support business activities in our Manufacturing segment.

Product portfolio rejuvenation and innovation activities are ongoing and are a key success factor for Crescita because they allow us to remain competitive in our product offerings. To a lesser extent, we may also incur formulation development and clinical costs related to our prescription product candidates. R&D expenditures vary depending on the stage of development of products and product candidates in our pipeline and management's allocation of internal resources to these activities and to each product specifically.

For the three months ended March 31, 2025, R&D expenses were $131 compared to $170 for the three months ended March 31, 2024. The year-over-year decrease of $39 was mainly due to lower headcount-related expenses.

Selling, General and Administrative
For the three months ended March 31, 2025, SG&A expenses were $2,325 compared to $2,587 for the three months ended March 31, 2024. The year-over-year decrease of $262 was mainly due to lower headcount-related expenses and commercial partnership fees related to ecommerce sales.

Depreciation and Amortization
For the three months ended March 31, 2025, depreciation and amortization expense was $353 compared to $385 for the three months ended March 31, 2024. The year-over-year decrease of $32 was mainly due to lower amortization expense for our intangible assets, partly offset by higher depreciation expense for our property, plant and equipment.

Other (Income) Expenses

Three months ended March 31,	2025	2024	Change
In thousands of CAD	$	$	$
Interest expense	**12**	18	(6)
Interest income	**(100)**	(134)	34
Foreign exchange (gain) loss	**(55)**	2	(57)
Share of loss of an associate	**14**	9	5
Fair value gain on convertible note measured at fair value through profit and loss	**(1)**	-	(1)
Total other income	**(130)**	(105)	(25)

Interest
For the three months ended March 31, 2025, interest expense was $12 compared to $18 for the three months ended March 31, 2024. The year-over-year decrease of $6 was mainly due to lower interest expense related to our lease obligation.

For the three months ended March 31, 2025, interest income was $100 compared to $134 for the three months ended March 31, 2024, representing a year-over-year decrease of $34, mainly due to a decline in market rates. The Company earns interest on its cash balances and short-term investments and records interest accretion on the contract asset recognized under the Cantabria Agreement and its convertible note with The Best You® ("TBY"). Refer to Note 6 – *Contract Assets* and Note 7 - *Investment in an Associate and Convertible Note* to our Q1-25 Financial Statements.

Foreign Exchange (Gain) Loss
For the three months ended March 31, 2025, we recorded a net foreign currency gain of $55 compared to a net foreign currency loss of $2 for the three months ended March 31, 2024. Currency variances are mainly driven by the timing of payments and settlements of foreign currency denominated balances, and the revaluation of certain balance sheet items, including the contract asset in the amount of $1,480 as at March 31, 2025 related to the Cantabria Agreement denominated in euros, and accounts payable and accrued liabilities of $2,261 as at March 31, 2025 denominated in U.S. dollars.

Share of Loss of an Associate
In Q3-21, we acquired a minority interest in Akyucorp Ltd. d/b/a The Best You, a privately held network of six medical aesthetic clinics in Ontario. Each quarter, we record our proportionate share of profit or loss from our investment in TBY. In Q1-25, we recorded a loss of $14 compared to a loss of $9 in Q1-24.

Fair Value Gain on Convertible Note
The Company holds a convertible note receivable related to its minority interest in TBY for an initial principal amount of $500 (the "Note"). The Company may be required to invest an additional $750, contingent on certain events and/or financial indicators being met. This financial instrument is remeasured at fair value at each reporting period using the discounted cash flow method, adjusted to reflect the changes in relevant credit spreads and changes in risk free rates, among other inputs.

Net Loss and Loss per Share

Three months ended March 31,	2025	2024	Change
In thousands of CAD, except number of shares and per share data	**$**	$	$
Net loss	**(932)**	(626)	(306)
Weighted average number of common shares outstanding			
Basic and diluted	**19,028,110**	19,591,906	(563,796)
Loss per share			
Basic and diluted	**$ (0.05)**	$ (0.03)	$ (0.02)

Net Loss
For the three months ended March 31, 2025, net loss was $932 compared to $626 for the three months ended March 31, 2024. The year-over-year loss position increase of $306 was mainly due to the net overall decrease in gross profit of $664, partly offset by lower SG&A expenses of $262 and the favourable foreign exchange variance of 57.

Weighted Average Number of Common Shares Outstanding
The basic and diluted weighted average number of Common Shares outstanding are affected by the shares purchased for cancellation under the Company's NCIB. The diluted weighted average number of Common Shares outstanding is further impacted by any options that are "in the money", when such impact is dilutive.

EBITDA and Adjusted EBITDA Reconciliation

The following table provides a reconciliation between net loss, as reported in accordance with IFRS, and EBITDA and Adjusted EBITDA, for the three months ended March 31, 2025 and 2024. Refer to the section titled *Net Loss* for details.

Three months ended March 31,	2025	2024	Change
In thousands of CAD	**$**	$	$
Net loss	**(932)**	(626)	(306)
Adjust for:			
Depreciation and amortization	**353**	385	(32)
Interest income, net	**(88)**	(116)	28
EBITDA	**(667)**	(357)	(310)
Adjust for:			
Share-based compensation	**30**	21	9
Foreign exchange (gain) loss	**(55)**	2	(57)
Share of loss of an associate	**14**	9	5
Fair value gain on convertible note measured at fair value through profit or loss	**(1)**	-	(1)
Adjusted EBITDA	**(679)**	(325)	(354)

Liquidity and Capital Resources

Consolidated Statement of Cash Flows

Three months ended March 31,	2025	2024	Change
In thousands of CAD	**$**	$	$
Net loss	**(932)**	(626)	(306)
Items not involving cash flows	**273**	308	(35)
Cash from operations	**(659)**	(318)	(341)
Net change in non-cash working capital	**146**	696	(550)
Cash provided by (used in) operating activities	**(513)**	378	(891)
Cash used in investing activities	**(66)**	-	(66)
Cash used in financing activities	**(159)**	(236)	77
Effect of foreign exchange rates on cash and cash equivalents	**3**	4	(1)
Net change in cash and cash equivalents during the period	**(735)**	146	(881)
Cash and cash equivalents beginning of period	**9,273**	9,385	(112)
Cash and cash equivalents, end of period	**8,538**	9,531	(993)

Operating Activities

For the three months ended March 31, 2025, cash used in operating activities was $513 compared to cash provided by operating activities of $378 for the three months ended March 31, 2024. The year-over-year decrease of $891 was driven by the unfavourable movement in non-cash working capital items of $550 and lower cash from operations of $341.

The net change in non-cash working capital of $146 for the three months ended March 31, 2025 was mainly driven by the increase in accounts payable and accrued liabilities, and the decrease in contract assets, partly offset by higher inventories. The net change in non-cash working capital of $696 for the three months ended March 31, 2024 was mainly driven by lower inventories and higher accounts payable and accrued liabilities, partly offset by the combined increase in accounts receivable and contract assets.

Movements in accounts receivable and contract assets, and accounts payable and accrued liabilities, are mainly related to the timing of collections, and payments, respectively. The timing of working capital inflows and outflows will always have an impact on cash flows from operating activities.

Investing Activities
For the three months ended March 31, 2025, we invested $66 for the purchase of plant equipment.

Financing Activities
For the three months ended March 31, 2025, cash used in financing activities totaled $159 compared to $236 for the three months ended March 31, 2024. The year-over-year decrease of $77 was mainly driven by a payment of other obligations of $50 in Q1-24, which did not repeat in Q1-25, and lower repurchases under the NCIBs of $35.

Financial Instruments and Risk Management

Please refer to Note 14 – *Financial Instruments and Risk Management* to our Q1-25 Financial Statements for additional information.

Commitments

We have commitments under a lease for the rental of our manufacturing and office facility. This lease is accounted for entirely on the Consolidated Interim Statement of Financial Position under IFRS 16 – *Leases*. There have been no material changes to these commitments since our fiscal year ended December 31, 2024. Refer to Note 3 – *Summary of Material Accounting Policies* and Note 15 – *Lease Obligation* to our Consolidated Audited Financial Statements for the fiscal years ended December 31, 2024 and 2023 (the “2024 Consolidated Audited Financial Statements”) for further details.

Off-Balance Sheet Arrangements

Crescita does not have any off-balance sheet arrangements.

Guarantees

The Company periodically enters into licensing, distribution, supply, or quality agreements with third parties that include indemnification provisions that are customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of third-party intellectual property claims or damages arising from these transactions. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions is unlimited. These indemnification provisions generally survive termination of the underlying agreements. The nature of the intellectual property indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any indemnification payments under such agreements and no amounts were accrued in the results presented for the three months ended March 31, 2025.

Capability to Deliver Results

The Company will need to spend resources to develop, manufacture and commercialize its products. Crescita may finance these activities through existing cash, revenue generated from product and contract manufacturing sales, royalties, upfront and milestone payments, licensing and co-development agreements for other product candidates or for its existing products in territories where they are not currently licensed or sold, by drawing on its Facility, by raising funds in the capital markets or by incurring debt.

We believe that we have sufficient capital resources from our cash and investment accounts and Facility to support our ongoing business operations and to execute our Four-Pillar Growth Strategy.

Crescita is dependent on its commercial teams, including its sales force, to market and sell its products to its Canadian customers. In certain foreign jurisdictions, Crescita relies on its commercial partners to market and sell its products. Management believes that it has appropriate in-house personnel with the experience and expertise to market and sell its existing products and to develop its pipeline. To execute the current business plan, Crescita may selectively add key personnel and in the future, may need to hire additional staff as activities expand. In addition, market acceptance of the Company's products by consumers, physicians or patients will depend on distribution channels accepting the product for sale.

Critical Accounting Policies and Estimates

The Company's significant accounting policies are described in Note 3 – *Summary of Significant Accounting Policies* to its 2024 Consolidated Audited Financial Statements. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and equity, the accompanying disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting periods.

Management has identified key areas of judgments, estimations or use of managerial assumptions that it believes are most critical to understanding the consolidated financial statements. These accounting estimates are considered critical because they require management to make subjective and/or complex judgments that are inherently uncertain and because they could have a material impact on the presentation of our consolidated financial condition and/or results of operations. The Company's actual results could differ from these estimates and such differences could also be material. These key areas are disclosed in Note 4 - *Use of Estimates and Judgments* to the Company's 2024 Consolidated Audited Financial Statements.

There were no changes to our critical accounting estimates and judgements since our fiscal year ended December 31, 2024. Refer to the "Critical Accounting Policies and Estimates" section on page 36 of our 2024 Annual Report for a full discussion of the applicable critical accounting judgments and estimates of the Company, a copy of which is available on the Company's profile on SEDAR+ at www.sedarplus.ca.

Eight Quarter Summary - Selected Financial Information

As at and for the three months ended,	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023
In thousands of CAD except per share data and number of shares	**$**	**$**	$	$	$	$	$	$
Revenue by Segment								
Commercial Skincare	**2,457**	3,230	2,703	2,972	2,535	2,851	2,412	2,685
Licensing and Royalties	**250**	303	457	491	-	1,547	163	299
Manufacturing and Services	**830**	3,369	434	625	2,461	327	458	2,178
Revenue	**3,537**	6,902	3,594	4,088	4,996	4,725	3,033	5,162
Profitability								
Gross profit	**1,747**	2,995	1,967	2,235	2,411	3,060	1,499	3,069
Total operating expenses	**2,809**	3,263	3,139	3,279	3,142	3,173	2,880	3,295
Net loss	**(932)**	(162)	(1,036)	(926)	(626)	(150)	(1,282)	(281)
Adjusted EBITDA[1]	**(679)**	151	(681)	(686)	(325)	245	(988)	214
Share information								
Loss per share								
Basic and diluted	**$ (0.05)**	$ (0.01)	$ (0.05)	$ (0.05)	$ (0.03)	$ (0.01)	$ (0.06)	$ (0.01)
Weighted average number of common shares outstanding								
Basic and diluted	**19,028**	19,124	19,272	19,443	19,592	19,988	20,368	20,334
Financial Position								
Cash and cash equivalents	**8,538**	9,273	8,438	9,012	9,531	9,385	10,021	10,226
Total assets	**21,756**	21,776	22,683	22,952	24,069	24,598	25,371	26,529
Total non-current financial liabilities[2]	**315**	432	585	695	804	912	1,033	1,134

[1] Adjusted EBITDA is a non-IFRS measure. Refer to the *Non-IFRS and Key Financial Measures*, and the *EBITDA and Adjusted EBITDA Reconciliation* sections of this MD&A.

[2] Non-current financial liabilities are defined as the sum of the long-term portions of lease obligations and other obligations.

Management's Responsibility for Financial Reporting

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Disclosure controls and procedures ("DCP") are designed to provide reasonable assurance that information required to be disclosed by the Company in its filings under Canadian securities legislation is recorded, processed, summarized, and reported in a timely manner. The system of DCP includes, among other things, the Company's Corporate Disclosure and Code of Conduct and Business Ethics policies, the review and approval procedures of the Corporate Disclosure Committee and continuous review and monitoring procedures by senior management.

Management, under the supervision of the CEO and the CFO, have designed, or caused to be designed, internal controls over financial reporting ("ICFR") in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Due to their inherent limitations, DCP and ICFR may not prevent or detect all misstatements, errors, and fraud. In addition, the design of any system of control is based upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all future events, no matter how remote, or that the degree of compliance with the policies or procedures may not deteriorate. Accordingly, even effective DCP and ICFR can only provide reasonable, not absolute, assurance of achieving the control objectives for financial and other reporting.

The Company evaluated the effectiveness of its DCP and ICFR, supervised by and with the participation of the CEO and the CFO as of March 31, 2025. The CEO and the CFO concluded that, based on this evaluation, the Company's disclosure controls and procedures and internal controls over financial reporting were adequate and effective, at a reasonable level of assurance.

Risk Factors

An investor should carefully consider the risks discussed in detail in the Company's most recent annual MD&A and AIF when deciding whether to make an investment in the securities of Crescita, together with other information contained in this MD&A 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. If any of the disclosed risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, the Company's business, financial condition, results of operations and consequently, the price of our Common Shares, could be seriously affected.

Additional Information

Additional information about the Company, including our most recently filed AIF, can be found on our profile on SEDAR+ at www.sedarplus.ca.

NOTICE TO READER

The accompanying condensed consolidated interim financial statements of Crescita Therapeutics Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent external auditors, Ernst & Young LLP, have not performed a review or an audit of these condensed consolidated interim financial statements in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity’s auditor.

The condensed consolidated interim financial statements include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards. Management has determined such amounts on a reasonable basis in order to ensure that the condensed consolidated interim financial statements are presented fairly in all material respects.

Crescita Therapeutics Inc.
Consolidated Interim Statements of Financial Position
(Unaudited)

(In thousands of Canadian dollars)	***Notes***	**As at March 31, 2025** **$**	As at December 31, 2024 $
Assets			
Current			
Cash and cash equivalents		**8,538**	9,273
Accounts receivable	*14*	**1,506**	1,357
Inventories	*5*	**5,097**	4,051
Other current assets	*14*	**344**	397
Current portion of contract assets	*6, 14*	**61**	226
Total current assets		**15,546**	15,304
Non-current			
Contract assets	*6, 14*	**1,419**	1,388
Property, plant and equipment		**1,637**	1,667
Right-of-use asset		**648**	756
Intangible assets		**1,587**	1,736
Investment in an associate	*7*	**297**	311
Convertible note	*7*	**622**	614
Total assets		**21,756**	21,776
Liabilities			
Current			
Accounts payable and accrued liabilities	*14*	**6,050**	4,996
Current portion of lease obligation		**474**	469
Current portion of other obligations		**50**	50
Total current liabilities		**6,574**	5,515
Non-current			
Lease obligation		**244**	365
Other obligations		**71**	67
Total liabilities		**6,889**	5,947
Equity			
Capital Stock	*9*	**52,486**	52,696
Contributed surplus		**7,555**	7,373
Accumulated other comprehensive income (AOCI)		**1,107**	1,109
Deficit		**(46,281)**	(45,349)
Total equity		**14,867**	15,829
Total liabilities and equity		**21,756**	21,776

See accompanying Notes.

Crescita Therapeutics Inc.
Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited)

Three months ended March 31,		**2025**	2024
(In thousands of Canadian dollars, except per share data and number of shares)	***Notes***	**$**	$
Revenues	*10*	**3,537**	4,996
Cost of goods sold	*5, 12*	**1,790**	2,585
Gross profit		**1,747**	2,411
Operating expenses			
Research and development	*12*	**131**	170
Selling, general and administrative	*11, 12*	**2,325**	2,587
Depreciation and amortization	*12*	**353**	385
Operating loss		**(1,062)**	(731)
Interest expense		**12**	18
Interest income		**(100)**	(134)
Foreign exchange (gain) loss		**(55)**	2
Share of loss of an associate	*7*	**14**	9
Fair value gain on convertible note measured at fair value through profit or loss	*7*	**(1)**	-
Net loss		**(932)**	(626)
Other comprehensive loss to be reclassified to net income (loss) in subsequent periods			
Unrealized loss on translation of foreign operations (net of income taxes)		**(2)**	(2)
Total comprehensive loss		**(934)**	(628)
Loss per share			
- Basic and diluted		**$ (0.05)**	$ (0.03)
Weighted average number of common shares outstanding			
- Basic and diluted		**19,028,110**	19,591,906

See accompanying Notes.

Crescita Therapeutics Inc.
Consolidated Interim Statements of Changes in Equity
(Unaudited)

(In thousands of Canadian dollars, except for number of shares)	**Common Shares**		**Contributed Surplus**	**Deficit**	**AOCI**	**Total**
		$	**$**	**$**	**$**	**$**
Notes	*9, 11*	*9, 11*	*9, 11*			
Balance, December 31, 2023	19,955,416	54,341	5,956	(42,599)	1,124	18,822
Net loss	-	-	-	(626)	-	(626)
Shares cancelled	(300,466)	-	-	-	-	-
Shares repurchased and cancelled	(113,559)	(309)	252	-	-	(57)
Shares repurchased but not cancelled	-	(144)	123	-	-	(21)
Share-based compensation expense	-	-	28	-	-	28
Unrealized loss on translation of foreign operations (tax effect of $nil)	-	-	-	-	(2)	(2)
Balance, March 31, 2024	19,541,391	53,888	6,359	(43,225)	1,122	18,144
Net loss	-	-	-	(2,124)	-	(2,124)
Shares repurchased and cancelled	(465,851)	(1,125)	897	-	-	(228)
Shares repurchased but not cancelled	-	(67)	53	-	-	(14)
Share-based compensation expense	-	-	64	-	-	64
Unrealized loss on translation of foreign operations (net of income tax expense of $14)	-	-	-	-	(13)	(13)
Balance, December 31, 2024	19,075,540	52,696	7,373	(45,349)	1,109	15,829
Net loss	-	-	-	(932)	-	(932)
Shares cancelled	(24,910)	-	-	-	-	-
Shares repurchased and cancelled	(45,138)	(125)	99	-	-	(26)
Shares repurchased but not cancelled	-	(85)	68	-	-	(17)
Share-based compensation expense	-	-	15	-	-	15
Unrealized loss on translation of foreign operations (tax effect of $nil)	-	-	-	-	(2)	(2)
Balance, March 31, 2025	**19,005,492**	**52,486**	**7,555**	**(46,281)**	**1,107**	**14,867**

See accompanying Notes.

Crescita Therapeutics Inc.
Consolidated Interim Statements of Cash Flows
(Unaudited)

Three months ended March 31,		**2025**	2024
(In thousands of Canadian dollars)	***Notes***	**$**	$
Operating Activities			
Net loss		**(932)**	(626)
Adjustments for:			
Depreciation and amortization	*12*	**353**	385
Share-based compensation	*11*	**30**	21
Inventory write-down	*5*	**63**	70
Interest accretion		**(114)**	(148)
Share of loss of an associate	*7*	**14**	9
Fair value gain on convertible note measured at fair value through profit or loss	*7*	**(1)**	-
Other		**(72)**	(29)
		(659)	(318)
Net change in non-cash working capital	*13*	**146**	696
Cash provided by (used in) operating activities		**(513)**	378
Investing Activities			
Acquisition of property, plant and equipment		**(66)**	-
Cash used in investing activities		**(66)**	-
Financing Activities			
Payment of principal portion of lease obligation		**(116)**	(108)
Repurchase of shares	*9*	**(43)**	(78)
Payment of other obligations		**-**	(50)
Cash used in financing activities		**(159)**	(236)
Effect of exchange rate changes on cash		**3**	4
Net change in cash and cash equivalents during the period		**(735)**	146
Cash and cash equivalents, beginning of period		**9,273**	9,385
Cash and cash equivalents, end of period		**8,538**	9,531
Supplemental Cash Flow Information			
Interest paid [(i)]		**8**	13
Interest received [(i)]		**18**	65

[(i)] Amounts paid and received were reflected as operating cash flows in the Consolidated Interim Statements of Cash Flows.

See accompanying Notes.

All amounts presented are in thousands of Canadian dollars, unless noted otherwise.

1. Corporate Information

Crescita Therapeutics Inc. ("Crescita" or the "Company") is a publicly traded Canadian commercial dermatology company, listed on the Toronto Stock Exchange (the "TSX"), with in-house research & development ("R&D") and manufacturing capabilities. The Company offers a portfolio of high-quality, science-based non-prescription skincare products and a commercial stage prescription product. Crescita also owns multiple proprietary transdermal delivery platforms that support the development of patented formulations to facilitate the delivery of active ingredients into or through the skin. The Company's operations and corporate functions are carried out from its headquarters located at 2805, Place Louis-R-Renaud, Laval, Québec, H7V 0A3. Crescita maintains its registered office at 333 Bay Street, Suite 3400, Toronto, Ontario, M5H 2S7.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements for the three months ended March 31, 2025 and 2024 (the "Interim Financial Statements") have been prepared by management in accordance with International Accounting Standard ("IAS") 34 – *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"), and accordingly, do not include all disclosures required for annual financial statements. These Interim Financial Statements should be read in conjunction with the Company's most recent annual consolidated audited financial statements for the years ended December 31, 2024 and 2023 (the "2024 Annual Financial Statements"), which are available on the Company's profile on the System for Electronic Document Analysis and Retrieval+ ("SEDAR+") at www.sedarplus.ca.

The Company's Interim Financial Statements were authorized for issue by the board of directors on May 13, 2025.

Basis of Measurement

The Interim Financial Statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which have been measured at fair value. Refer to Note 14 – *Financial Instruments and Risk Management*. Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These Interim Financial Statements are presented in Canadian dollars, the Company's functional currency.

3. Summary of Material Accounting Policies

The accounting policies applied in these Interim Financial Statements are based on International Financial Reporting Standards ("IFRS"). All material accounting policies have been applied on a basis consistent with those followed in the Company's 2024 Annual Financial Statements.

Use of Estimates and Judgments

The preparation of the Interim Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and equity, the accompanying disclosure of contingent assets and liabilities at the date of these Interim Financial Statements, as well as the reported amounts of revenue and expenses during the reporting periods. Management has identified key areas of judgements, estimates or use of managerial assumptions that it believes are most critical to understanding these Interim Financial Statements. These accounting estimates are considered critical because they require management to make subjective and/or complex judgements that are inherently uncertain and because they could have a material impact on the presentation of the Company's consolidated financial condition and/or results of operations. The Company's actual results could differ from these estimates and such differences could also be material. These key areas are disclosed in Note 4 – *Use of Estimates and Judgments* to the Company's 2024 Annual Financial Statements.

4. Segmented Information

The Company has three reportable segments based on its current management structure: (i) Commercial Skincare; (ii) Licensing and Royalties; and (iii) Manufacturing and Services. This reflects how the chief operating decision maker evaluates the performance of the business in accordance with IFRS 8 – *Operating Segments* ("IFRS 8").

Commercial Skincare
The Commercial Skincare reportable segment generates revenue from the commercialization of our branded non-prescription skincare products in Canada and in certain international markets. Non-prescription products manufactured and sold by the Company include the following brands: Laboratoire Dr Renaud®, Pro-Derm®, Alyria® and Aquafolia®, acquired in June 2024. These premium skincare lines provide solutions for a range of common skin concerns such as aging, acne, hydration, pigmentation, and rosacea. We also sell Pliaglis®, MicronJet™, NCTF® Boost 135 HA, ART FILLER® and Obagi® Medical in Canada.

The Company's sales force calls on aesthetic spas, medispas and medical aesthetic clinics in Canada under a business-to-business ("B2B") model. In addition, our skincare brands are sold in the U.S., and in Hong Kong, South Korea and Malaysia, through distributors, as well as through various online platforms, while Alyria, a direct-to-consumer ("DTC") brand is also sold in select retail outlets.

Licensing & Royalties
The Licensing and Royalties ("Licensing") reportable segment derives revenue from licensing the intellectual property ("IP") related to Pliaglis and would include any revenue from licensing the IP for the use of our transdermal delivery technologies, Multiplexed Molecular Penetration Enhancers™ ("MMPE") and DuraPeel™ (the "Technologies"), in the development of topical formulations. While we may still do so from time to time, leveraging our Technologies to fuel our licensing pipeline is no longer a strategic focus for the Company. The key revenue streams in the Licensing 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 ("Manufacturing") reportable segment includes two main revenue streams: 1) revenue from the sale of topical products manufactured to client specifications under the Company's contract development and manufacturing organization ("CDMO") infrastructure; and 2) revenue from product development services. Clients in the Manufacturing segment use Crescita's services to manufacture topicals either under a private label or a brand name and may use a combination of Crescita's existing formulations, their own formulations or novel formulations.

Corporate and Other
Corporate and Other includes all the operating expenses to support Crescita's public company infrastructure and its three reportable segments, as well as other expenses and income including interest expense, interest income, foreign exchange gain or loss, and the Company's share of profit or loss of its associate and net gain or loss on its convertible note.

	Commercial Skincare	Licensing & Royalties	Manufacturing and Services	Corporate and Other	Total
Three months ended March 31, 2025	**$**	**$**	**$**	**$**	**$**
Revenue	**2,457**	**250**	**830**	**-**	**3,537**
Cost of goods sold	**997**	**169**	**624**	**-**	**1,790**
Gross profit	**1,460**	**81**	**206**	**-**	**1,747**
Research and development	**-**	**-**	**-**	**131**	**131**
Selling, general and administrative	**-**	**-**	**-**	**2,325**	**2,325**
Depreciation and amortization	**-**	**-**	**-**	**353**	**353**
Operating loss	**1,460**	**81**	**206**	**(2,809)**	**(1,062)**
Other income, net	**-**	**-**	**-**	**(130)**	**(130)**
Net loss	**1,460**	**81**	**206**	**(2,679)**	**(932)**

	Commercial Skincare	Licensing & Royalties	Manufacturing and Services	Corporate and Other	Total
Three months ended March 31, 2024	**$**	**$**	**$**	**$**	**$**
Revenue	2,535	-	2,461	-	4,996
Cost of goods sold	943	-	1,642	-	2,585
Gross profit	1,592	-	819	-	2,411
Research and development	-	-	-	170	170
Selling, general and administrative	-	-	-	2,587	2,587
Depreciation and amortization	-	-	-	385	385
Operating loss	1.592	-	819	(3,142)	(731)
Other income, net	-	-	-	(105)	(105)
Net loss	1,592	-	819	(3,037)	(626)

5. Inventories

Inventories consisted of the following as at:

	March 31, 2025	December 31, 2024
	$	$
Raw materials	**1,557**	984
Work-in-process	**473**	564
Finished goods	**3,067**	2,503
	5,097	4,051

During the three months ended March 31, 2025, inventories in the amount of $1,727 were recognized in cost of goods sold ($2,515 for the three months ended March 31, 2024).

During the three months ended March 31, 2025, $63 of finished goods were written down ($70 for the three months ended March 31, 2024).

There were no reversals of prior write-downs during the three months ended March 31, 2025 ($nil - March 31, 2024).

6. Contract Assets

Under IFRS 15 – *Revenue from Contracts with Customers*, contract assets represent the present value of the future guaranteed minimum royalties that are expected to be received over the term of the licensing agreements. Contract asset balances are reduced as the contractual minimums are realized over the term of an agreement.

The timing of revenue recognition, billings and cash collections result in accounts receivables and unbilled receivables, representing the contract assets. Generally, billings occur subsequent to revenue recognition resulting in the recognition of accounts receivables. The Company's contract assets relate to licensing revenue attributable to future guaranteed minimum royalties which have not been billed at the reporting date. Unbilled receivables will be billed, and transferred to accounts receivable, in accordance with the agreed-upon contractual terms.

The following table presents the movements in the current and long-term portions of the contract assets:

	$
Balance, December 31, 2024	1,614
Amounts billed to customers and transferred to accounts receivable	(223)
Interest accretion	28
Foreign exchange movement	61
Balance, March 31, 2025	**1,480**
Less: current portion	61
Long-term balance	**1,419**

7. Investment in an Associate and Convertible Note

On September 7, 2021, the Company announced the acquisition of a minority interest in The Best You ("TBY"), a privately-held network of six medical aesthetic clinics in the province of Ontario. In consideration for the minority interest, Crescita issued 470,128 common shares (the "Common Shares") at a price of $0.70 per Common Share for total consideration of $330 (the "Initial Investment"). The Company determined that it has significant influence over TBY from its representation on the board of directors and participation in significant business decisions. The investment is accounted for using the equity method. In October 2022, the Company acquired an additional interest in TBY for cash consideration of $61.

In connection with the Initial Investment, TBY issued a secured convertible promissory note (the "Convertible Note" or the "Note") in favour of the Company, with an initial principal amount of $500. The Company may be required to invest an additional $750, contingent on certain events and/or financial indicators being met. The Convertible Note bears interest at variable rates up to 12% based on Crescita's annual volume of product sales to TBY. The Note is convertible into an additional equity interest in TBY at Crescita's option at any time following July 31, 2023, or upon the occurrence of certain events, and is mandatorily convertible should TBY achieve a specified level of financial performance. The Convertible Note matures on September 2, 2026 and qualifies as a financial asset to be measured at fair value through profit or loss ("FVTPL").

The fair value of the Convertible Note is re-measured at each reporting period using the discounted cash flow method. Management's best estimate of the annual volume of product sales to TBY is used to determine the interest component of future cash flows. The discount rate is adjusted at each reporting period based on changes in relevant credit spreads and changes in risk free rates.

The discount rate used for valuation at March 31, 2025 was 10.84% (10.49% at December 31, 2024). A 50-basis point increase (decrease) in the discount rate would have resulted in a $4 decrease (increase) in the fair value of the Convertible Note at quarter end.

8. Credit Facility

The Company has a revolving demand credit facility (the "Facility") with a Canadian chartered bank (the "Bank") for an authorized amount, subject to margin requirements, of $3.5 million. Loans drawn on the Facility are secured by a first-ranking charge in favour of the Bank over the Company's accounts receivable and inventories. Drawings in excess of the first $1.0 million are limited to a percentage of the Company's outstanding accounts receivable and inventory, resulting in a total amount available under the Facility of $2,081 at March 31, 2025 ($2,352 at December 31, 2024). The Facility bears interest at the Bank's prime rate (4.95% as at March 31, 2025) plus 0.25% and does not have any financial covenants. The Facility remained undrawn as at March 31, 2025 ($nil at December 31, 2024).

9. Capital Stock

Authorized

- Unlimited common shares, voting, without par value.
- Unlimited first and second preferred shares, non-voting, non-participating, issuable in series, number, designation, rights, privileges, restrictions, and conditions are determinable by the Company's board of directors.

Issued and Outstanding

The following table summarizes Crescita's outstanding common shares:

	Number of Shares	$
Balance, December 31, 2023	19,955,416	54,341
Shares cancelled	(300,466)	-
Shares repurchased and cancelled	(579,410)	(1,578)
Shares repurchased but not cancelled	-	(67)
Balance, December 31, 2024	**19,075,540**	**52,696**
Shares cancelled	(24,910)	-
Shares repurchased and cancelled	(45,138)	(125)
Shares repurchased but not cancelled	-	(85)
Balance, March 31, 2025	**19,005,492**	**52,486**

On September 24, 2024, the Company announced that the TSX approved its proposed normal course issuer bid ("NCIB") to purchase up to a maximum of 1,478,854 Common Shares for cancellation starting September 27, 2024 and ending September 26, 2025, or such earlier date as the Company completes its purchases pursuant to the NCIB or provides notice of termination. In connection with the NCIB, the Company entered into an automatic securities purchase plan (the "ASPP") containing 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 designated broker on parameters established by the Company prior to the pre-established ASPP period. The Company may terminate the ASPP and the NCIB provided that the insiders of the Company are not then in a trading blackout and the Company is not otherwise in possession of any material undisclosed information about its business.

During the three months ended March 31, 2025, 76,094 Common Shares with a carrying value of $210 were repurchased for cancellation under the Company's NCIBs for cash consideration of $43. The excess of the carrying value over the purchase price in the amount of $167 was recorded to Contributed Surplus. Of the 76,094 Common Shares repurchased, 30,956 Common Shares were cancelled subsequent to March 31, 2025.

10. Revenues

The following table presents external revenues disaggregated by reportable segment, revenue source and geographic area (based on the customer's billing address) for the three months ended March 31, 2025 and 2024:

	For the three months ended March 31,							
	Canada		U.S.		Rest-of-World		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	$	$	**$**	$	**$**	$	**$**	$
Commercial Skincare								
Product Sales	**2,419**	2,412	**18**	13	**20**	110	**2,457**	2,535
Licensing and Royalties								
Product Sales	**-**	-	**-**	-	**250**	-	**250**	-
Manufacturing and Services								
Product Sales	**323**	289	**140**	2,076	**367**	96	**830**	2,461
	2,742	2,701	**158**	2,089	**637**	206	**3,537**	4,996

Major Customers
Under IFRS 8, major customers are those that account for greater than 10% of the Company's consolidated revenues. For the three months ended March 31, 2025, the Company had no major customer representing greater than 10% of consolidated revenues. For the three months ended March 31, 2024, the Company had one major customer in the Manufacturing segment that accounted 42% of the Company's consolidated revenues.

11. Share-Based Compensation and Other Share-Based Payments

Share Option Plan
Below is a schedule of Crescita's options outstanding:

	Number of Options	Range of Exercise Price	Weighted Average Exercise Price
	000's	$	$
Balance, December 31, 2024	2,865	0.46 – 1.63	0.73
Forfeited	(1)	0.65 – 0.66	0.66
Balance, March 31, 2025	**2,864**	**0.46 – 1.63**	**0.73**

The following table summarizes the outstanding and exercisable Crescita options held by directors, officers, employees and consultants as at March 31, 2025:

	Outstanding			Exercisable	
Exercise Price Range	Number of Options	Remaining Contractual Life	Weighted Average Exercise Price	Vested Options	Weighted Average Exercise Price
$	000's	years	$	000's	$
0.43 - 0.58	1,017	4.36	0.48	867	0.48
0.60 - 0.81	1,445	5.09	0.65	1,226	0.65
1.63 - 1.65	402	1.13	1.63	402	1.63
	2,864	**4.27**	**0.73**	**2,495**	**0.75**

Share Appreciation Rights ("SARs") Plan
Below is a schedule of Crescita's SARs outstanding and the related accrual:

	Number of SARs	Range of Grant Price	Weighted Average Grant Price	Range of Fair Value	Accrual
	000's	$	$	$	$
Balance, December 31, 2024	1,257	0.46 – 0.65	0.54	0.00 – 0.22	32
Expired[(i)]	(240)	0.65	0.65	0.28	-
Adjustment to market value	-	-	-	-	15
Balance, March 31, 2025	**1,017**	**0.46 – 0.64**	**0.52**	**0.15 – 0.22**	**47**

(i) On January 1, 2025, 240,000 SARs granted on January 3, 2022 expired with no payment to participants as the grant price of $0.65 exceeded the closing price of $0.58 of the Common Shares on the TSX on December 31, 2024, the last trading day preceding the vesting date of January 1, 2025.

Deferred Share Unit ("DSU") Plan
Below is a schedule of Crescita's DSUs outstanding and the related accrual:

	Number of DSUs	Fair Value	Accrual
	000's	$	$
Balance, December 31, 2024	311	0.58	180
Balance, March 31, 2025	**311**	**0.58**	**180**

Summary of Share-based Compensation

Share-based compensation expense is as follows:

Three months ended March 31,	**2025**	2024
	$	$
Share Option Plan	**15**	28
Share Appreciation Rights Plan	**15**	2
Deferred Share Unit Plan	**-**	(9)
Share-based compensation expense	**30**	21
Recorded in the consolidated interim statements of loss and comprehensive loss as follows:		
Selling, general and administrative expenses	**30**	21
Share-based compensation expense	**30**	21

12. Expenses by Nature

The consolidated interim statements of loss and comprehensive income loss include the following expenses by nature:

(a) Employee costs:

Three months ended March 31,	**2025**	2024
	$	$
Short-term employee wages, bonuses and benefits	**2,006**	2,049
Share-based payments[(i)] (Note 11)	**31**	30
Total employee costs	**2,037**	2,079
Included in:		
Cost of goods sold	**658**	529
Research and development expenses (R&D)	**120**	148
Selling, general and administrative expenses (SG&A)	**1,259**	1,402
Total employee costs	**2,037**	2,079

(i) Excludes share-based payments to directors.

(b) Depreciation and amortization:

Three months ended March 31,	**2025**	2024
	$	$
Cost of goods sold	**177**	144
Selling, general and administrative expenses[(ii)]	**176**	241
Total depreciation and amortization	**353**	385

(ii) Includes $149 of amortization of intangible assets and $27 of depreciation of tangible assets for the three months ended March 31, 2025 ($218 and $23 respectively for the three months ended March 31, 2024).

13. Net Change in Non-Cash Working Capital

The net change in non-cash working capital consisted of the following:

Three months ended March 31,	**2025**	2024
	$	$
Accounts receivable	**(49)**	(2,165)
Inventories	**(1,109)**	996
Other current assets	**53**	(47)
Contract assets	**223**	1,564
Accounts payable and accrued liabilities	**1,028**	348
Net change in non-cash working capital	**146**	696

14. Financial Instruments and Risk Management

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - determined by reference to quoted prices in active markets for identical assets and liabilities.

Level 2 - include those where valuations are determined using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly.

Level 3 - valuations are those based on inputs that are unobservable and significant to the overall fair value measurement.

The following table provides the fair value measurement hierarchy of the financial instruments measured at fair value subsequent to initial recognition in the consolidated interim statements of financial position as at:

	March 31, 2025			December 31, 2024		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
	$	**$**	**$**	$	$	$
Recurring fair value measurements						
Convertible note – TBY (Note 7)	**-**	**-**	**622**	-	-	614

Valuation Methods and Assumptions

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. The Company reviews the fair value hierarchy classification on a quarterly basis. Changes to the ability to observe valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. The Company did not have any transfer of assets and liabilities between Level 1, Level 2 and Level 3 of the fair value hierarchy during the three months ended March 31, 2025 and 2024.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. However, considerable judgment is required to develop these estimates. Accordingly, these estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies.

Level 3 assets represent the convertible note receivable from TBY. The fair value of the convertible note is revalued at each reporting period based on management's best estimate using the discounted cash flow method. Refer to Note 7 – *Investment in an Associate and Convertible Note*.

The fair values of the Company's non-current obligations, which are presented at amortized cost using the effective interest method, have been estimated using rates currently available to the Company for obligations with similar terms and remaining maturities. The fair values of these instruments approximate their carrying values and would be classified as Level 2.

Risk Factors
The following is a discussion of liquidity, credit and market risks and related mitigation strategies that have been identified. This is not an exhaustive list of all risks nor will the mitigation strategies eliminate all risks listed.

Liquidity Risk
The Company anticipates that its current cash, amount available under its revolving credit facility and the revenue it expects to generate from product and contract manufacturing sales, upfront, milestone and royalty payments related to licensing its products, will be sufficient to fund its committed obligations and expected level of expenses. Additional funding may be required for the development of new products and/or for future acquisitions.

The Company's exposure to liquidity risk is dependent on the sales growth and profitability of its operations which may be impacted by the status of competitive products and the success of the Company in developing and maintaining markets for its products. In addition, a number of other factors will have an impact on liquidity risk such as the level of commercial expenses including the costs associated with maintaining regulatory approvals, the acquisition costs of licenses for new products or technologies, and the timing of payments received or made under licensing arrangements.

Credit Risk
Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that may subject the Company to credit risk consist of cash, amounts receivable from customers including contract assets, and its convertible note. The Company manages its exposure to credit risk by holding cash on deposit in major financial institutions. The Company's accounts receivables are subject to normal industry risks in each geographic region in which the Company operates.

In addition, the Company is exposed to credit-related losses on sales to its customers outside North America, including its contract asset related to its licensing agreement with Cantabria Labs Inc. (the "Cantabria Agreement"), due to potentially higher risks of enforceability and collectability.

As at March 31, 2025, 14% of accounts receivable related to customers outside North America and the European Union (December 31, 2024 - 10%).

The contract assets in the amount of $1,480 and $1,614 at March 31, 2025 and December 31, 2024, respectively, were related to the Cantabria Agreement and were denominated in euros. These balances represent future guaranteed minimum royalties not yet billed. Refer to Note 6 – *Contract Assets*.

As at March 31, 2025, the Company had three customers that accounted for approximately 52% of the total accounts receivable (one customer that accounted for approximately 24% as at December 31, 2024).

Pursuant to their collective terms, accounts receivables were aged as follows as at:

	March 31, 2025	December 31, 2024
	$	$
Current	**805**	745
0-30 days past due	**599**	594
31-60 days past due	**23**	64
61-90 days past due	**2**	-
Over 90 days past due	**169**	46
	1,598	1,449
Allowance for doubtful accounts	**(92)**	(92)
	1,506	1,357

Interest Rate Risk
The Company's practice is to minimize interest rate cash flow risk exposures on its financing. The Company is currently not exposed to interest rate variability as it had not drawn any amounts on its Facility as at March 31, 2025.

Currency Risk

The Company operates internationally, which gives rise to a risk that earnings and cash flows may be adversely affected by fluctuations in foreign currency exchange rates. The Company is primarily exposed to the U.S. dollar and euro, but also transacts in other foreign currencies. At March 31, 2025, the Company did not have a foreign currency forward contract (US$ nil at December 31, 2024) outstanding to limit its exposure to the U.S. dollar foreign exchange risk.

The significant balances in foreign currencies were as follows as at:

	Euros		U.S. Dollars	
	March 31, 2025	December 31, 2024	**March 31, 2025**	December 31, 2024
	€	€	**$**	$
Cash and cash equivalents	**60**	65	**47**	440
Accounts receivable	**375**	88	**242**	279
Other current assets	**5**	-	**1**	1
Contract assets	**952**	1,082	**-**	-
Accounts payable and accrued liabilities	**(283)**	(22)	**(1,573)**	(1,375)
	1,109	1,213	**1,283**	(655)

Based on the aforementioned net exposure as at March 31, 2025, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar against the U.S. dollar would have an effect of $184 on total comprehensive loss and a 10% appreciation or depreciation of the Canadian dollar against the euro would have an effect of $172 on total comprehensive loss.

In terms of the euro, the Company has four exposures: (i) its euro-denominated cash held in its Canadian operations; (ii) the cost of purchasing raw and packaging materials priced in euros or sourced from European suppliers; (iii) upfronts, royalties and milestones from licensing agreements for Pliaglis; and (iv) its net investment and net cash flows in its European operations.

In terms of the U.S. dollar, the Company has five exposures: (i) its U.S. dollar-denominated cash held in its Canadian operations; (ii) the cost of purchasing raw and packaging materials priced in U.S. dollars or sourced from U.S. suppliers; (iii) upfronts, royalties and milestones from licensing agreements for Pliaglis; (iv) its net investment and net cash flows in its U.S. operations; and (v) revenues generated in U.S. dollars from its product sales to U.S. customers.